

Interim report January – March 2022

Strong growth and stable rate of acquisition

January – March 2022

- Net sales increased by 33.0 percent and amounted to SEK 2,583 (1,942) million. Organic growth, adjusted for currency effects, amounted to 7.8 (–1.2) percent.
- Operating profit before amortisation of acquisition-related intangible assets (EBITA) increased by 14.3 percent and amounted to SEK 173 (152) million, which corresponds to an EBITA margin of 6.7 (7.8) percent.
- Depreciation/amortisation of property, plant and equipment and intangible assets increased by SEK 45 million and amounted to SEK 72 (39) million.
- Operating profit (EBIT) amounted to SEK 151 (150) million.
- Cash flow from operating activities for the period was SEK 210 (164) million.
- Earnings per share before dilution for the period amounted to SEK 0.38 (0.41).
- The number of shares in the company has increased as a result of the 5:1 share split.
- A supplementary agreement has been signed to increase the credit facility by SEK 500 million and the amount of the total credit facility amounts to SEK 2,501 million.
- Three acquisitions were made during the quarter, which, on an annual basis, contribute an estimated total sales of SEK 152 million.



Key figures ¹⁾

SEK m	Jan-March 2022	Jan-March 2021	Change, %	Rolling 12 months	Jan-Dec 2021
Net sales	2,583	1,942	33.0	9,531	8,890
EBITA	173	152	14.3	769	748
EBITA margin, %	6.7	7.8		8.1	8.4
Operating profit/loss (EBIT)	151	150	0.9	723	722
Earnings before taxes	126	140	–9.6	686	699
Cash flow from operating activities	210	164	27.6	655	610
Net debt/EBITDA, times	1.8	1.2		1.9	1.8
Cash conversion	131	117	11.8	82	78
Earnings per share before dilution, SEK ¹⁾	0.38	0.41	–7.7	2.07	2.10
Earnings per share after dilution, SEK ¹⁾	0.37	0.41	–7.7	2.03	2.06
Order backlog	7,602	6,708	13.3	7,602	6,795

¹⁾ All KPI calculations pertaining to SEK/share have been restated to reflect the 5:1 share split that was carried out in January 2022. EBITA is no longer presented with an adjustment for revaluation of additional consideration and acquisition costs. For definitions of alternative key figures as per the ESMA guidelines, please see the definitions of key figures.

CEO Comments

Sales in the first quarter were SEK 2,583 (1,942) million, which corresponds to a growth rate of 33.0 percent. EBITA for the quarter was SEK 173 (152) million, which corresponds to an adjusted EBITA margin of 6.7 (7.8) percent. Cash flow from operating activities was strong and amounted to SEK 210 (164) million.

As is the case for most industries, the construction and installation sector is affected by the global uncertainty. Prices for transports and materials continue to rise, there are persistent disruptions in logistic and supply chains and there has also been a rise in inflation. We are working every single day to manage the situation in the best possible way. We are thus putting a great deal of effort into how we manage purchasing, contracts and invoicing and are becoming increasingly restrictive about which projects to take on in order to safeguard both profitability and quality.

At the end of the quarter, sick leave had fallen back to the normal level. During the beginning of the quarter however, there was higher sick leave than normal due to the Covid-19 omicron variant.

The overall impact is that we are somewhat below our normal margin level. There was a good recovery during the last month of the quarter, however. We have good organic growth and continue to have a strong cash flow.

We also continue to see a strong underlying demand for energy-efficiency and energy-saving installation services in the market, which Instalco benefits from.

Expansion of the industrial segment

One of Instalco's priority areas is to grow the industrial area of the business. We see opportunities here for finding new interesting acquisition candidates and openings for creating synergies with our existing companies. One example, is our work with the acquisition of Highcon, which offers leasing and installation of scaffolding structures. Here, we see excellent potential for collaboration with our other subsidiaries that are focussed on customers in the industrial sector. Highcon has a strong position in northern Sweden, which is advantageous in light of our both the existing and planned industry in this region. We were able to complete the acquisition of Highcon soon after the beginning of the second quarter, once it had been approved by the Swedish Competition Authority.

Contributing each day to a more sustainable environment

The EU Taxonomy recently entered into force. It is a classification system aimed at helping investors identify sustainable investments and it serves as a tool for achieving the EU's climate targets. For Instalco, the Taxonomy serves as yet another way of clarifying the environmental benefits that our organisation generates, since our sales are generated from activities that are already very much aligned with the Taxonomy.

Each and every day, Instalco contributes to a better environment, since every single one of our installations results in energy savings, efficiencies and water purifica-



tion. Our climate-smart solutions and installations reduce energy and resource consumption to help future-proof society.

We help our clients apply a holistic approach to sustainability, throughout the value chain, providing them with more knowledge of what is possible, from an environmental perspective, when undertaking new construction, renovation or service.

As we close out the second year of our sustainability programme, Sustainable Installations, the results on all of our seven sustainability goals are very good. I'm also proud to report that we had an impressive 47 Sustainable Instalco Projects during the second year. All of them are now certified, with high sustainability goals. Classification as a Sustainable Instalco Project serves as a stamp of quality for the project, customer and the work we perform. We have thus started the first quarter of 2022 with a variety of interesting Sustainable Instalco Projects.

Robin Boheman
CEO

Performance of the Instalco Group

The Nordic market of installation services

There is a strong underlying demand on services of this sector from society. Forecasts indicate that the demand for installations in all areas will remain stable at the current same level over the coming years. The market outlook is difficult to assess in light of the prevailing macroeconomic situation.

The prices of raw materials have risen sharply over the last few months and there has also been a rise in inflation. Higher costs for fuel and energy have caused the prices of transports to increase. The consequences of the war in Ukraine are difficult to predict.

In general, the market is driven by a number of long-term trends and general societal development. Technological advancement, digitalisation, environmental awareness, societal benefits, sustainability, housing shortages and ageing property holdings/population are some of the major driving forces.

Net sales

First quarter

Sales for the quarter amounted to SEK 2,583 (1,942) million, which is an increase of 33.0 percent. Adjusted for currency effects, organic growth amounted to 7.8 percent and acquired growth was 25.4 percent. Currency fluctuations had a marginally negative impact on net sales of 0.1 percent.

Three acquisitions were made during the quarter, with estimated annual net sales of SEK 152 million.

Earnings

First quarter

Operating profit before amortisation of acquisition-related intangible assets (EBITA) for the quarter amounted to SEK 173 (152) million, which corresponds to an EBITA margin of 6.7 (7.8) percent. The lower margin is primarily attributable to higher absenteeism and higher material prices.

Operating profit (EBIT) for the quarter amounted to SEK 151 (150) million. Amortisation of acquisition-related intangible assets increased by SEK 20 million and amounted to SEK 22 (2) million. The increase is attributable to a high rate of acquisition, with a larger portion of depreciable assets related to acquisitions.

Net financial items for the quarter amounted to SEK -25 (-10) million, of which exchange rate changes amounted to SEK -17 (-5) million and the interest expense on external loans amounted to SEK -7 (-3) million.

Earnings for the quarter amounted to SEK 101 (110) million, which corresponds to earnings per share before dilution of SEK 0.38 (0.41).

Order backlog

January - March

Order backlog at the end of the period amounted to SEK 7,602 (6,708) million, which is an increase of 13.3 percent. Organically, for comparable units, the order backlog fell, adjusted for currency effects, by 0.6 percent. The order backlog of acquired companies contributed with growth of 13.9 percent.

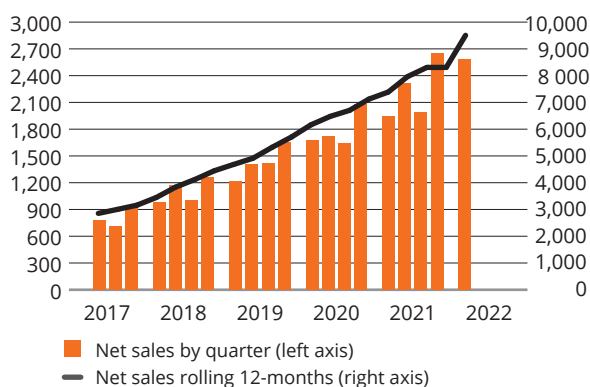
During the first quarter, Instalco's subsidiary in Finland, Uudenmaan LVI-Talo, signed an agreement for installation of the heating & plumbing systems at the Tenholantie elderly care facility in Helsinki.

Cash flow

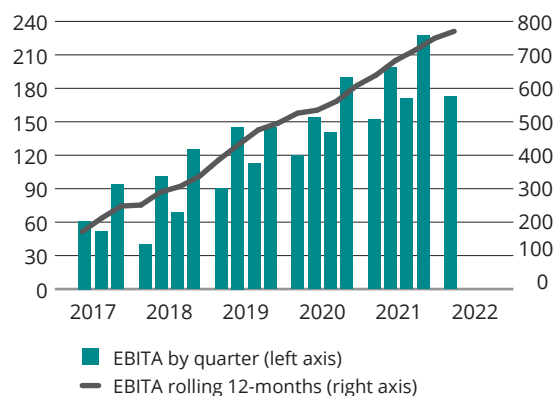
First quarter

Cash flow from operating activities amounted to SEK 210 (164) million, with a change in working capital of SEK 80 (34) million. The Group's working capital fluctuates from one quarter to the next primarily because of fluctuations in these line items: work-in-progress, accounts receivable and accounts payable.

NET SALES BY QUARTER, SEK M



EBITA BY QUARTER, SEK M



Revenue by segment

SEK m	Jan-March 2022	Share	Jan-March 2021	Share	Jan-Dec 2021	Share
Sweden	1,985	77%	1,529	79%	7,015	79%
Rest of Nordic	598	23%	413	21%	1,875	21%
Total	2,583		1,942		8,890	

EBITA, EBITA margin and earnings before taxes, per segment

SEK m	Jan-March 2022	EBITA margin	Jan-March 2021	EBITA margin	Jan-Dec 2021	EBITA margin
Sweden	141	7.1%	136	8.9%	640	9.1%
Rest of Nordic	34	5.7%	8	2.0%	80	4.3%
Group-wide	-1		7		27	
EBITA	173	6.7%	152	7.8%	748	8.4%
Amortisation of acquisition-related intangible assets	-22		-2		-26	
Net financial items	-25		-10		-23	
Earnings before taxes	126		140		699	

Distribution of revenue

SEK m	Jan-March 2022			Jan-March 2021		
	Service	Contract	Total	Service	Contract	Total
Sweden	500	1,485	1,985	247	1,282	1,529
Rest of Nordic	168	430	598	90	323	413
Total	668	1,915	2,583	337	1,605	1,942

Operations in Sweden

Market

In general, market development has been good. The rate of new construction and renovation within both the private and public sectors is stable. Construction investments in industry remain at a high level. Rising electricity prices increases the need for energy-efficiency and investments in the grid. For technical consulting demand is good, primarily for the industrial and energy segments where significant needs exist.

Rising inflation and higher material prices is impacting the industry's profitability. A potential shortage of cement in Sweden could negatively impact housing construction. Long delivery times and component shortages could delay installations.

Net sales

First quarter

Net sales for the quarter amounted to SEK 1,985 (1,529) million, which is an increase of SEK 456 million. Organic growth amounted to 8.3 percent and acquired growth was 21.5 percent.

Earnings

First quarter

EBITA for the quarter was SEK 141 (136) million, which corresponds to a EBITA margin of 7.1 (8.9) percent. The lower margin is primarily attributable to higher absenteeism and higher material prices. Operating profit/loss was SEK 141 (136) million.

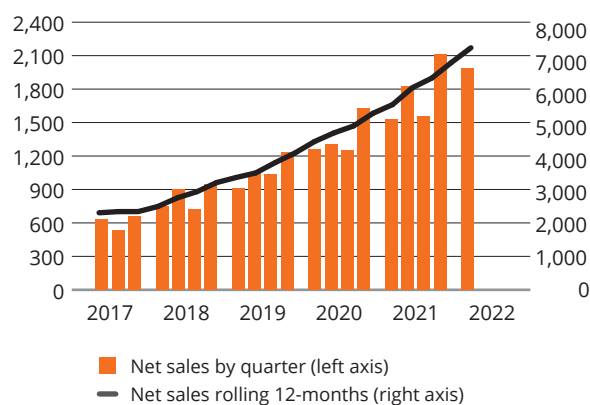
Order backlog

January – March

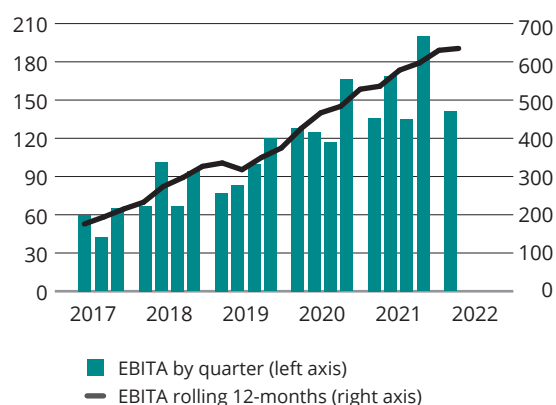
Order backlog at the end of the period amounted to SEK 5,799 (5,380) million, which is an increase of 7.8 percent. Organically, for comparable units, order backlog decreased by 2.1 percent. The order backlog of acquired companies contributed with growth of 9.9 percent.

One of the events of the first quarter was winning the contract for design of the renovations at the Royal Swedish Opera via Intec, which is Instalco's technical consulting company. Intec has signed a three-year agreement, with the option of a six-year extension. It is an important historical building, where the work must be carried out with extreme care.

NET SALES BY QUARTER, SEK M



EBITA BY QUARTER, SEK M



Key figures, Sweden

SEK m	Jan-March 2022	Jan-March 2021	Change, %	Rolling 12 months	Jan-Dec 2021
Net sales	1,985	1,529	29.8	7,471	7,015
EBITA	141	136	3.4	645	640
EBITA margin, %	7.1	8.9		8.6	9.1
Order backlog	5,799	5,380	7.8	5,799	5,363

Operations in Rest of Nordic

Market

The market in Norway has stabilised as regards both new construction and renovation. External market reports indicate that this continue during the next few years. The market is driven by major investments in the public sector, such as schools and hospitals, along with private initiatives to develop industrial and residential properties. The market in Finland is primarily driven by the major metropolitan areas. But during the pandemic, the market has been sluggish.

Just as in Sweden, material prices are sharply rising, which impacts the installation market. Rising material prices, inflation and component shortages are just some of the challenges that the industry is facing and must manage.

Net sales

First quarter

Net sales for the quarter amounted to SEK 598 (413) million, which is an increase of SEK 185 million. Organic growth, adjusted for currency effects, amounted to 6.1 percent and acquired growth was 39.5 percent.

Earnings

First quarter

EBITA for the quarter was SEK 34 (8) million, which corresponds to a EBITA margin of 5.7 (2.0) percent. Operating profit/loss was SEK 34 (8) million. The higher margin is primarily explained by the market in Norway having stabilized and a positive effect from acquisitions.

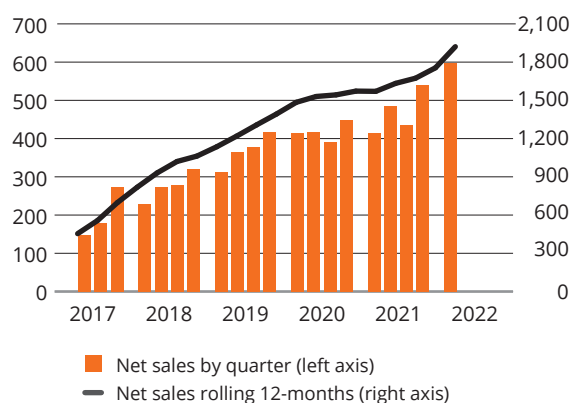
Order backlog

January – March

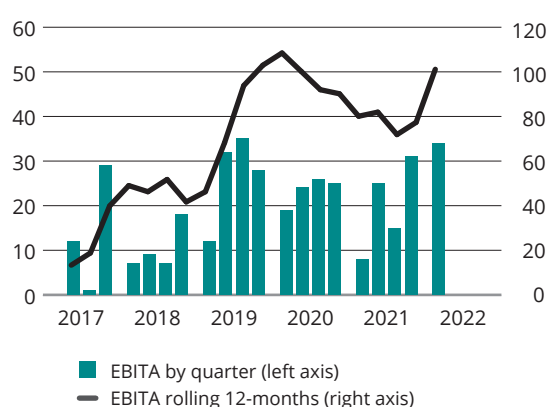
Order backlog at the end of the period amounted to SEK 1,803 (1,328) million, which is an increase of 35.8 percent, adjusted for currency effects. Organically, for comparable units, order backlog increased by 5.8 percent. The order backlog of acquired companies contributed with growth of 30.3 percent.

One of the events of the first quarter was the Instalco companies, Rørteft and Romerike Elektro signing a joint agreement for installation of electrical, heating & plumbing and sprinkler systems. It pertains to new construction of 190 apartment units in Kløfta, north of Oslo, which has been contracted by Backe Romerike. The end client is Obos.

NET SALES BY QUARTER, SEK M



EBITA BY QUARTER, SEK M



Key figures, Rest of Nordic

SEK m	Jan-March 2022	Jan-March 2021	Change, %	Rolling 12 months	Jan-Dec 2021
Net sales	598	413	44.7	2,060	1,875
EBITA	34	8	312.6	106	80
EBITA margin, %	5.7	2.0		5.2	4.3
Order backlog	1,803	1,328	35.8	1,803	1,432

Acquisition

Instalco made 3 acquisitions during the period January through March 2022. Acquisition costs for the period amount to SEK 3 (3) million and they are reported among Other operating expenses in the income statement.

Instalco typically applies an acquisition structure that consists of the purchase price and contingent consideration. Payment of contingent consideration is based on future results. Companies that achieve higher profits over a specified period of time will thus be paid a higher amount of contingent consideration. Contingent consideration is paid within three years of the acquisition date and there is a fixed maximum level.

In accordance with IFRS, contingent consideration has been measured at fair value. It is classified in Level 3 of the fair value hierarchy and reported under Other current liabilities in the balance sheet. At the end of the period, the Group's estimated total amount of contingent consideration was SEK 504 million, of which SEK 40 million is for acquisitions made in 2022. The maximum, non-discounted

amount that could be paid to prior owners is SEK 701 million, of which SEK 74 million pertains to acquisitions that were made in 2022.

Revaluation of contingent consideration had a positive net impact on the period of SEK 6 (0) million, which is reported in Other operating income and Other operating expenses in the income statement.

The amount allocated to goodwill on the acquisition date corresponds to the cost of acquisition less the fair value of the acquired net assets. Recognition of goodwill is based on the future earnings capacity of companies. Equity at the end of the period, the Groups total goodwill amounted to SEK 4,042 (2,964) million. Consolidated goodwill is tested each year for impairment by looking at each cash-generating unit. No impairment of goodwill was necessary during the period.

Instalco's acquired net sales over the last 12-month period (RTM), in accordance with the assessed situation on the acquisition date, amounted to SEK 1,654 million.

Company acquisitions

Instalco made the following company acquisitions during the period January – March 2022.

Access gained	Acquisition	Area of technology	Segment	Share of the votes and capital	Net sales, SEK million ¹⁾	Number of employees
January	Manglerud AS	Heating & plumbing	Rest of Nordic	100%	25	14
January	TC Kraft AB and Z-Signaler AB	Electricity	Sweden	100%	50	25
February	Kyrön Sähkö Oy	Electricity	Rest of Nordic	100%	77	50
Total					152	89

1) Pertains to the assessed situation on a full-year basis at the acquisition date.

Impact of acquisitions

Acquisitions had the following impact on the Group's assets and liabilities. None of the acquisitions in the period have been assessed as individually significant, which is why the disclosures cover them as a whole. The acquisition analyses for companies acquired in 2022 are preliminary.

SEK m	Fair value of Group
Intangible assets	42
Deferred tax asset	0
Other non-current assets	5
Other current assets	69
Cash and cash equivalents	24
Deferred tax liability	-9
Current liabilities	-65
Total identifiable assets and liabilities (net)	66
Goodwill	155
Consideration paid	
Cash and cash equivalents	176
Contingent consideration	45
Total transferred consideration	220
Impact on cash and cash equivalents	
Cash consideration paid	176
Cash and cash equivalents of the acquired units	-24
Total impact on cash and cash equivalents	151
Settled contingent consideration attributable to acquisitions in the current year and prior years	59
Exchange rate difference	-1
Total impact on cash and cash equivalents	210
Impact on net sales and operating profit/loss 2022	
Net sales	22
Operating profit/loss	2
Consolidated pro forma for net sales and operating profit/loss from 1 January 2022	
Net sales	21
Operating profit/loss	2

Financial and other information

Financial position

Equity at the end of the period amounted to SEK 2,659 (2,158) million, with an equity ratio of 32.6 (39.3) percent.

Cash and cash equivalents, together with its other short-term investments amounted to SEK 973 (404) million at the end of the period.

Interest-bearing debt at the end of the period were SEK 2,683 (1,315) million. In March, Instalco signed a supplementary agreement with Danske Bank to increase the credit facility by SEK 500 million. The agreement reflects the prior existing terms. As of the end of the period, Instalco's total credit facility amounted to SEK 2,501 million, of which SEK 2,230 million had been utilised. As of the end of the period, interest-bearing net debt amounted to SEK 1,710 (911) million, with a gearing ratio of 64.8 (42.4) percent and net debt in relation to adjusted EBITDA was 1.8 (1.2). Currency changes impacted interest-bearing net debt by SEK 0 (-2) million.

Investments, depreciation and amortisation

Investments in company acquisitions amounted to SEK 210 (135) million during the period. The amount includes settled contingent consideration attributable to acquisitions made in the current and prior years equal to SEK 59 (27) million.

Net investments in fixed assets for the period amounted to SEK 11 (2) million.

Depreciation/amortisation property, plant and equipment and intangible assets amounted to SEK 72 (39) million, of which SEK 50 (37) million was depreciation of PPE and SEK 22 (2) was amortisation of acquisition-related intangible assets. The increase in depreciation/amortisation is primarily attributable to a higher rate of investment and thus higher depreciation/amortisation according to plan.

Share Information

At the extraordinary general meeting on 13 January 2022, it was resolved that a 5:1 share split would be carried out. The new shares were registered in the shareholders' accounts on 27 January 2022. At the end of the period, the number of shares and votes in Instalco AB amounted to 260,564,020.

Instalco's ten largest shareholders, 2022-03-31	Number of shares	Share of capital and votes
Per Sjöstrand	26,901,860	10.3%
Swedbank Robur Fonder	23,497,227	9.0%
Capital Group	20,970,565	8.0%
AMF Pension & Fonder	16,989,970	6.5%
Odin Fonder	11,755,515	4.5%
Wipunen Varainhallinta	10,325,000	4.0%
Heikintorppa	10,250,000	3.9%
Handelsbanken Fonder	8,986,476	3.4%
Lannebo Fonder	8,291,359	3.2%
Vanguard	7,688,593	3.0%
Total, 10 largest shareholders	145,656,565	55.9%
Other	114,907,455	44.1%
Total	260,564,020	100.0%

The ten largest known shareholders (grouped) of Instalco AB as of 31 March 2022. Source: Monitor by Modular Finance AB. Compiled and processed data from Euroclear, Morningstar and FI.

Outstanding share-related incentive programs¹⁾

Instalco has an outstanding warrants scheme corresponding to a total of 4,946,280 shares. The warrants have been transferred on market terms at a price (premium) that was established based on an estimated market value using the Black & Scholes valuation model calculated by an independent valuation institute.

Outstanding program	Number of options	Corresponding number of shares	Percentage of total shares	Redemption rate per option	Redemption rate per share	Redemption period
2020/2023	989,256	4,946,280	2.00%	SEK 157.78	SEK 31.56	22 May 2023 - 16 June 2023

1) Outstanding share-related incentive programs have been restated to reflect the 5:1 share split that was carried out in January 2022

Parent Company

The main operations of Instalco 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 31 March 2022. Net sales for the Parent Company amounted to SEK 6 (6) million. Operating profit/loss was SEK -1 (0) million. Net financial items amounted to SEK -1 (-1) million. Earnings before taxes were SEK -2 (0) million and earnings for the period were SEK -2 (0) million. Cash and cash equivalents at the end of the period amounted to SEK 52 (60) million.

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.

Risks and uncertainties

The Instalco Group is active in the Nordic market and it has a decentralised structure whereby each unit runs its own operations, with a large number of customers and suppliers. The business model limits the aggregated business and financial risks.

Instalco's earnings and financial position, as well as its strategic position, are affected by a number of internal factors that Instalco has control over, as well as a number of external factors where the ability to impact the outcome is limited. The most significant risk factors are the state of economy and market situation, along with structural changes and competition, which impact the demand for new construction of homes and offices, as well as investments from the public sector and industry. The demand for service and maintenance work is less impacted by these risk factors. Instalco could continue to be impacted by the

COVID-19 pandemic in the form of absenteeism (among employees, customers and suppliers), operational disturbances and deterioration of its financial position. Disturbance in logistics chains, along with rising prices for raw materials that are not possible to compensate for in our own contracts, could impact some of the subsidiaries in the Group. For more information, please see the section on Risks (pages 44-47) in the 2021 Annual Report.

The Parent Company is indirectly impacted by the aforementioned risks and uncertainties via its function in the Group.

Accounting policies

The interim report has been prepared in accordance with IFRS that have been adopted by the EU, with the application of IAS 34 Interim Financial Reporting. Disclosures as per IAS 34.16A are provided in the financial statements, notes and other parts of the interim report. The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act and the Swedish Securities Market Act, which is in accordance with RFR 2 Accounting for Legal Entities. The same accounting policies and bases of computation have been applied in this interim report as in the most recent annual report. New and revised IFRS and IFRIC pronouncements applicable as of the 2022 financial year have not had any significant impact on the consolidated financial statements.

Events after the end of the reporting period

During the second quarter of 2022, Instalco acquired Highcon AB, with anticipated sales of SEK 325 million and 120 employees and Liab Instrumenterinar AB with anticipated sales of SEK 36 million and 17 employees.

Preliminary acquisition analysis for these acquisitions has not yet been prepared.

Condensed consolidated income statement and statement of comprehensive income

AMOUNTS IN SEK M	Jan-March 2022	Jan-March 2021	Rolling 12 months	Jan-Dec 2021
Net sales	2,583	1,942	9,531	8,890
Other operating income	34	19	129	115
Operating income	2,617	1,961	9,660	9,005
Materials and purchased services	-1,303	-974	-4,882	-4,552
Other external services	-194	-111	-604	-521
Personnel costs	-876	-679	-3,172	-2,975
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	-72	-39	-231	-198
Other operating expenses	-20	-9	-48	-37
Operating expenses	-2,465	-1,811	-8,937	-8,283
Operating profit/loss (EBIT)	151	150	723	722
Net financial items	-25	-10	-37	-23
Earnings before taxes	126	140	686	699
Tax on profit for the year	-25	-29	-138	-142
Earnings for the period	101	110	548	558
Other comprehensive income				
Translation difference	60	65	64	69
Comprehensive income for the period	161	175	612	627
<i>Comprehensive income for the period attributable to:</i>				
Parent Company's shareholders	159	173	602	615
Non-controlling interests	1	3	10	12
Earnings per share for the period, before dilution, SEK	0.38	0.41	2.07	2.10
Earnings per share for the period, after dilution, SEK	0.37	0.41	2.03	2.06
Average number of shares before dilution ^{1, 2)}	260,564,020	259,973,235	260,564,020	260,113,220
Average number of shares after dilution ^{1, 2)}	265,510,300	264,919,515	265,510,300	265,059,500

1) The number of shares has been restated to reflect the 5:1 share split that was carried out in January 2022.

2) Instalco has an outstanding warrants scheme corresponding to a total of 4,946,280 shares.

Condensed consolidated balance sheet

AMOUNTS IN SEK M	31 March 2022	31 March 2021	31 Dec 2021
ASSETS			
Goodwill	4,042	2,964	3,847
Right-of-use assets	444	342	446
Other non-current assets	332	96	300
Total non-current assets	4,818	3,402	4,593
Accounts receivable	1,348	900	1,448
Contract assets	677	570	519
Other current assets	339	220	334
Cash and cash equivalents	973	404	695
Total current assets	3,336	2,095	2,996
TOTAL ASSETS	8,154	5,497	7,589
Equity and liabilities			
Equity	2,641	2,147	2,482
Non-controlling interests	18	11	19
Total equity	2,659	2,158	2,501
Non-current liabilities	2,438	1,102	2,095
Lease liabilities	293	218	295
Total non-current liabilities	2,731	1,320	2,390
Lease liabilities	137	112	137
Accounts payable	865	677	788
Contract liabilities	449	344	403
Other current liabilities	1,312	886	1,370
Total current liabilities	2,763	2,019	2,698
Total liabilities	5,495	3,339	5,088
TOTAL EQUITY AND LIABILITIES	8,154	5,497	7,589
Of which interest-bearing liabilities	2,683	1,315	2,345
<i>Equity attributable to:</i>			
Parent Company shareholders	2,641	2,147	2,482
Non-controlling interests	18	11	19

Condensed statement of changes in equity

AMOUNTS IN SEK M	31 March 2022	31 March 2021	31 Dec 2021
Opening equity	2,501	1,973	1,973
Total comprehensive income for the period	159	173	615
New issues	-	13	53
Issue warrants	-	-	3
Change in non-controlling interests	-	-	-10
Dividends	-2	-1	-141
Other	2	1	1
Non-controlling interests	-1	-1	6
Closing equity	2,659	2,158	2,501
<i>Equity attributable to:</i>			
Parent Company's shareholders	2,641	2,147	2,482
Non-controlling interests	18	11	19

Condensed consolidated cash flow statement

AMOUNTS IN SEK M	Jan-March 2022	Jan-March 2021	Rolling 12 months	Jan-Dec 2021
Cash flow from operating activities				
Earnings before taxes	126	140	686	699
Adjustment for items not included in cash flow	93	43	240	190
Tax paid	-89	-52	-186	-150
Changes in working capital	80	34	-84	-130
Cash flow from operating activities	210	164	655	610
Investing activities				
Acquisition of subsidiaries and businesses	-210	-135	-1,027	-953
Other non-current assets	-11	-2	-27	-18
Cash flow from investing activities	-221	-138	-1,054	-971
Financing activities				
New issue	-	13	40	53
Warrants	0	-	3	3
Change in non-controlling interests	0	0	0	-15
Dividends	-2	-1	-143	-141
Net change of loan	319	-1	1,227	907
Amortisation of lease liability	-42	-33	-160	-151
Cash flow from financing activities	275	-21	953	658
Cash flow for the period	263	6	554	297
Cash and cash equivalents at the beginning of the period	695	386	404	386
Translation differences in cash and cash equivalents	14	12	14	12
Cash and cash equivalents at the end of the period	973	404	973	695

Condensed Parent Company income statement

AMOUNTS IN SEK M	Jan-March 2022	Jan-March 2021	Rolling 12 months	Jan-Dec 2021
Net sales	6	6	22	22
Operating expenses	-7	-6	-24	-22
Operating profit/loss	-1	0	-2	-1
Net financial items	-1	-1	-2	-2
Profit/loss after net financial items	-2	0	-5	-3
Group contributions received	-	-	10	10
Earnings before taxes	-2	0	5	7
Tax	-	-	-2	-2
Earnings for the period	-2	0	4	6

Condensed Parent Company balance sheet

AMOUNTS IN SEK M	31 March 2022	31 March 2021	31 Dec 2021
ASSETS			
Shares in subsidiaries	1,375	1,465	1,375
Total non-current assets	1,375	1,465	1,375
Other current assets	7	7	10
Cash and cash equivalents	52	60	54
Total current assets	59	67	64
TOTAL ASSETS	1,434	1,532	1,440
Equity and liabilities			
Equity	1,285	1,382	1,287
Total equity	1,285	1,382	1,287
Non-current liabilities	143	142	143
Current liabilities	6	8	10
Total liabilities	149	150	152
TOTAL EQUITY AND LIABILITIES	1,434	1,532	1,440

Quarterly data

AMOUNTS IN SEK M	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Net sales	2,583	2,648	1,989	2,311	1,942	2,078	1,643	1,725
Growth in net sales, %	33.0	27.5	21.0	33.9	15.9	25.8	16.1	22.7
EBITDA	223	275	214	241	189	231	171	186
EBITDA margin, %	8.6	10.4	10.8	10.4	9.7	11.1	10.4	10.8
EBITA	173	227	171	199	152	190	140	154
EBITA margin, %	6.7	8.6	8.6	8.6	7.8	9.2	8.5	9.0
Operating profit/loss (EBIT)	151	212	163	197	150	190	140	154
Operating profit/loss (EBIT), %	5.9	8.0	8.2	8.5	7.7	9.1	8.5	8.9
Earnings before taxes	126	205	158	197	140	198	137	152
Earnings for the period	100	159	128	151	108	152	103	119
Working capital	-257	-255	-15	-156	-216	-176	-60	-55
Interest-bearing net debt	1,710	1,650	1,620	1,219	911	912	974	903
Gearing ratio, %	64.8	66.5	71.4	57.2	42.4	46.5	53.5	56.7
Net debt/EBITDA, times	1.8	1.8	1.9	1.5	1.2	1.2	1.4	1.4
Cash conversion, %	131	145	1	62	117	131	76	118
Cash flow from operating activities	210	383	-42	104	164	277	90	190
Equity ratio, %	32.6	33.0	34.6	36.5	39.3	37.7	38.2	35.5
Return on equity, %	23.0	24.7	25.8	26.0	26.0	26.7	33.7	50.0
Return on capital employed, %	17.0	18.8	20.2	21.2	21.3	19.2	17.0	16.1
Order backlog	7,602	6,795	6,494	6,610	6,708	6,625	6,263	6,006
Average number of employees	4,860	4,642	4,335	4,085	3,876	3,609	3,474	3,202
Number of employees at the end of the period	5,027	4,887	4,597	4,256	3,993	3,856	3,630	3,352

Acquisition-related items	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Revaluation of contingent consideration	6	16	10	5	0	-1	-8	7
Acquisition costs	-3	-4	-4	-1	-3	-2	-2	-2
Total acquisition-related items	3	13	6	4	-3	-3	-10	4

Key figures per share SEK ¹⁾	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Average number of shares before dilution	260,564,020	260,252,160	260,122,655	260,104,835	259,973,235	259,292,370	257,087,445	248,500,615
Average number of shares after dilution	265,510,300	265,198,440	265,068,935	265,051,115	264,919,515	264,238,650	262,033,725	253,807,345
Profit for the period, SEK m	100	159	128	151	108	152	103	119
Earnings per share for the period, before dilution, SEK	0.38	0.61	0.49	0.58	0.41	0.59	0.40	0.48
Earnings per share for the period, after dilution, SEK	0.37	0.60	0.48	0.57	0.41	0.58	0.39	0.47
Cash flow from operating activities per share, SEK	0.79	1.45	-0.16	0.39	0.62	1.05	0.34	0.75
Equity per share, SEK	9.95	9.36	8.56	8.04	8.10	7.42	6.95	6.27
Share price at the end of the period, SEK	70.84	86.88	80.40	71.00	63.90	50.20	39.96	28.72

1) The number of shares has been restated to reflect the 5:1 share split that was carried out in January 2022.

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 20-21. As of January 1, 2022 EBITA is no longer calculated with an adjustment for revaluation of additional consideration and acquisition costs.

Earnings measures and margin measures

AMOUNTS IN SEK M	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
(A) Net sales	2,583	2,648	1,989	2,311	1,942	2,078	1,643	1,725
(B) EBITDA	223	275	214	241	189	231	171	186
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets (not related to acquisitions)	-50	-49	-44	-42	-37	-41	-31	-32
(C) EBITDA	173	227	171	199	152	190	140	154
Depreciation/amortisation and impairment of acquisition-related intangible assets	-22	-15	-7	-2	-2	0	0	0
(D) Operating profit/loss (EBIT)	151	212	163	197	150	190	140	154
<i>(B/A) EBITDA margin, %</i>	8.6	10.4	10.8	10.4	9.7	11.1	10.4	10.8
<i>(C/A) EBITA margin, %</i>	6.7	8.6	8.6	8.6	7.8	9.2	8.5	9.0
<i>(D/A) Operating profit/loss, (EBIT), %</i>	5.9	8.0	8.2	8.5	7.7	9.1	8.5	8.9

Capital structure

AMOUNTS IN SEK M	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Calculation of working capital and working capital in relation to net sales								
Inventories	115	104	76	76	68	62	52	50
Accounts receivable	1,348	1,448	1,176	1,093	900	995	878	889
Contract assets	677	519	637	565	570	407	452	470
Prepaid expenses and accrued income	77	101	93	67	54	107	56	47
Other current assets	147	127	118	111	99	96	88	87
Accounts payable	-865	-788	-754	-755	-677	-588	-616	-566
Contract liabilities	-449	-403	-322	-296	-344	-349	-308	-400
Other current liabilities	-684	-784	-549	-489	-399	-431	-293	-244
Accrued expenses and deferred income, including provisions	-623	-580	-490	-529	-487	-476	-369	-388
(A) Working capital	-257	-255	-15	-156	-216	-176	-60	-55
(B) Net sales (12-months rolling)	9,531	8,890	8,319	7,973	7,388	7,122	6,696	6,469
(A/B) Working capital as a percentage of net sales, %	-2.7	-2.9	-0.2	-2.0	-2.9	-2.5	-0.9	-0.9

AMOUNTS IN SEK M	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Calculation of interest-bearing net debt and gearing ratio								
Non-current, interest-bearing financial liabilities	2,544	2,209	1,935	1,423	1,204	1,196	1,178	1,129
Current, interest-bearing financial liabilities	139	137	123	120	112	103	104	86
Cash and cash equivalents	-973	-695	-438	-323	-404	-386	-308	-313
(C) Interest-bearing net debt	1,710	1,650	1,620	1,219	911	912	974	903
(D) Equity	2,641	2,482	2,269	2,130	2,147	1,960	1,820	1,592
(C/D) Gearing ratio, %	64.8	66.5	71.4	57.2	42.4	46.5	53.5	56.7
(E) EBITDA (12-months rolling)	954	920	876	833	778	739	678	646
(C/E) Interest-bearing net debt in relation to EBITDA (12-months rolling)	1.8 times	1.8 times	1.9 times	1.5 times	1.2 times	1.2 times	1.4 times	1.4 times
Calculation of operating cash flow and cash conversion								
(F) EBITDA	223	275	214	241	189	231	171	186
Net investments in property, plant and equipment and intangible assets	-11	0	-3	-13	-2	-1	0	-2
Changes in working capital	80	124	-210	-78	34	72	-41	39
(G) Operating cash flow	291	399	1	151	221	302	131	220
(G/F) Cash conversion %	131	145	1	62	117	131	76	118
(H) Earnings for the period (12-months rolling)	548	558	548	523	489	462	417	392
(H/D) Return on equity, %	23.0	24.7	25.8	26.0	26.0	26.7	33.7	50.0
(I) EBIT	151	212	163	197	150	190	140	154
(J) Financial income	8	23	12	8	2	23	9	6
(K) Total assets	8,154	7,589	6,594	5,881	5,497	5,228	4,779	4,496
(L) Interest-free liabilities	2,812	2,742	2,253	2,193	2,024	1,957	1,670	1,683
(I+J)/(K-L) Return on capital employed, %	17.0	18.8	20.2	21.2	21.3	19.2	17.0	16.1

Signatures

Future reporting dates

Interim report January – June 2022
Interim Report January – September 2022

25 August 2022
9 November 2022

Stockholm, 5 May 2022
Instalco AB (publ)

Robin Boheman
CEO

This report has not been reviewed by the company's auditors.

Presentation of the report

The report will be presented in a telephone conference/audiocast today, 5 May at 14:00 CET via <https://tv.streamfabriken.com/instalco-q1-2022> To participate by phone: +46(0)8-505 583 59.

Note

This information is information that Instalco is required to disclose under the EU Market Abuse Regulation. The information was made public, via the contact person listed below on 5 May 2022, 11:00 CET.

Additional information

Robin Boheman, CEO
Christina Kassberg, CFO, christina.kassberg@instalco.se
Fredrik Trahn, IR, fredrik.trahn@instalco.se +46 (0)70 913 67 96

Definitions with explanation

General

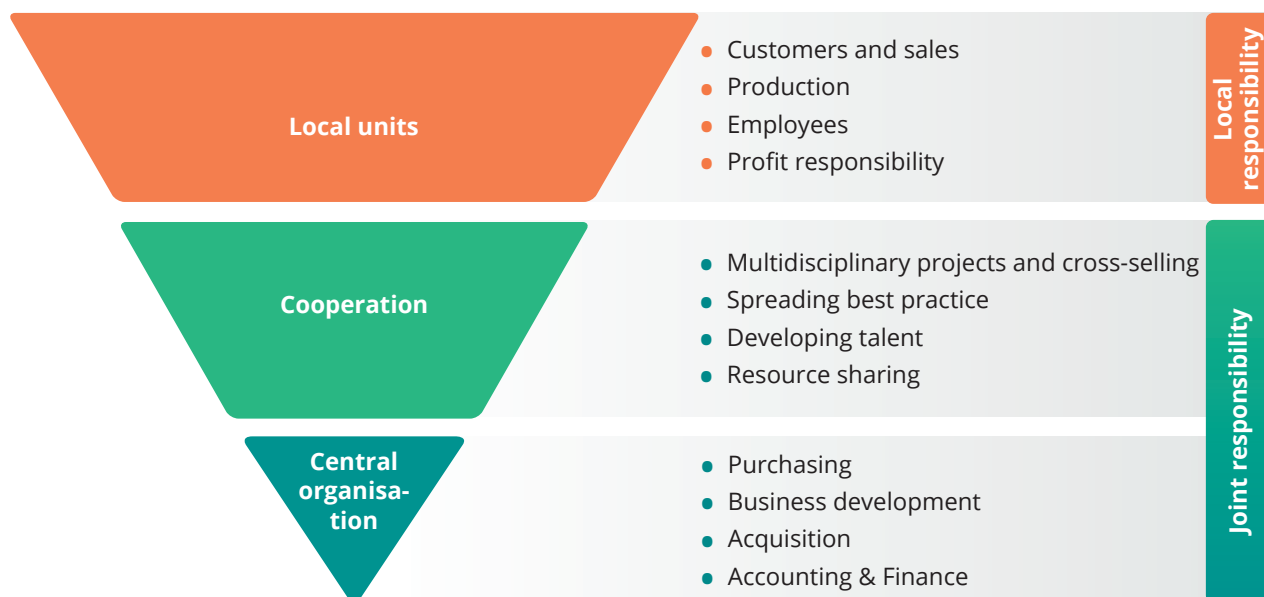
Unless otherwise indicated, all amounts in the report and tables are in SEK m. All amounts in parentheses () are comparison figures for the same period in the prior year, unless otherwise indicated.

Key figures	Definition/calculation	Purpose
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.
Change in exchange rates	The period's change in net sales that is attributable to the change in exchange rates (start of the period compared to the end of the period), as a percentage of net sales during the comparison period.	The change in exchange rates reflects the impact that exchange rate fluctuations has had on net sales during the period.
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.
EBIT margin	Earnings before interest and taxes, 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.
Equity ratio	Equity including non-controlling interests, expressed as a percentage of total assets.	Equity ratio is used to show the proportion of assets that are financed by equity.
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.
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.
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 compared to EBITDA provides a measure of liquidity for net liabilities in relation to cash-generating earnings in the business. Net debt on the closing date and EBITDA are calculated as the most recent 12-month period.	The measure provides an indication of the organisation's ability to pay its debts.
Return on equity	Earnings for the period on a rolling 12-month basis divided by average total equity at the end of the period.	Return on equity is used to analyse profitability, based on how much equity is used.
Return on capital employed	Operating profit/loss (EBIT) plus financial income divided by capital employed (total assets less interest-free liabilities). The components are calculated as the average over the last 12 months.	The purpose is to analyse profitability in relation to capital employed.
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.

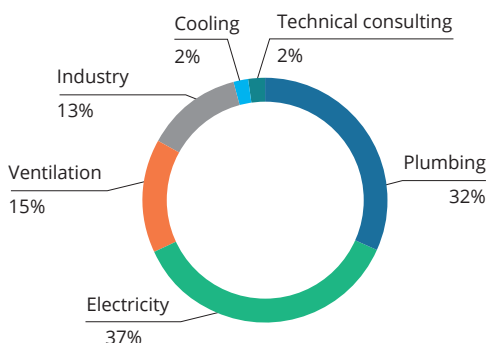
Key figures	Definition/calculation	Purpose
Operating profit/loss (EBIT)	Earnings before interest and taxes.	Operating profit/loss (EBIT) provides an overall picture of the profit generated from operating activities.
Order backlog	The value of outstanding, not yet accrued project revenue from received orders.	Order backlog provides an indication of the Group's remaining project revenue from orders already received.
Organic growth adjusted for currency effects	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.
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.

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

