

Stable development for continued longevity

January – March 2024

- Net sales increased by 0.6 percent and amounted to SEK 3,283 (3,264) million. Organic development, adjusted for currency effects, amounted to -8.1 (12.5) percent.
- EBITA amounted to SEK 231 (233) million.
- The EBITA margin amounted to 7.0 (7.1) percent.
- Operating profit (EBIT) amounted to SEK 190 (190) million.
- Cash flow from operating activities for the period was SEK 198 (222) million.
- Earnings per share before dilution were SEK 0.37 (0.48) and after dilution were SEK 0.37 (0.47).
- Two acquisitions were made during the period, which, on an annual basis, contribute an estimated total sales of SEK 29 million.



Key figures¹⁾

AMOUNTS IN SEK M	Jan-Mar 2024	Jan-Mar 2023	Δ%	Rullande 12 months	Jan-Dec 2023
Net sales	3,283	3,264	0.6	14,298	14,279
EBITDA	321	302	6.3	1,435	1,416
EBITA	231	233	-0.8	1,083	1,085
EBITA margin, %	7.0	7.1		7.6	7.6
Operating profit (EBIT)	190	190	0.3	899	899
Profit/loss before tax	138	171	-19.1	759	792
Cash flow from operating activities	198	222	-10.7	975	999
Net debt/EBITDA, times	2.4	2.5		2.4	2.4
Cash conversion (12-Month rolling),%	91	82		91	90
Earnings per share before dilution, SEK	0.37	0.48	-22.5	2.17	2.29
Earnings per share after dilution, SEK	0.37	0.47	-21.0	2.17	2.26
Order backlog	8,921	8,987	-0.7	8,921	8,437

¹ For definitions of alternative key figures as per the ESMA guidelines, please see the definitions of key figures at instalco.se.

CEO Comments

In light of the current market situation, I am proud of our stability and the results we report for sales, profitability and an EBITA margin that is on par with the first quarter last year. It is gratifying to see how successfully our subsidiaries have adapted and they continue reporting a high percentage of service assignments in their revenue streams. As previously communicated, our focus remains on choosing the right customers and assignments. Right now, we prioritise having a somewhat smaller order backlog that consists of high-quality contracting projects. Short term, this is also reflected in our growth figures.

The demand from our clients continues to increase however and investments are piling up. The EU's newly adopted Energy Performance of Buildings Directive (EPBD) offers another indication of what we can expect with demand over the longer term. Although we still do not know exactly how the Directive will be implemented at the national level, it is nevertheless a clear indication that the need for qualified installers will keep growing.

Several avenues for growth

During the quarter, we continued to grow via niched acquisitions. Lund Elektro in Norway is a full-range supplier of electrical installations, and it has an exciting customer offering with particular focus on digital solutions, charging stations and solar cells. Now that they have joined the Group, we have a fully multidisciplinary offering in Kristiansand.

Besides acquisitions, we are also growing via our proven start-up model. We recently announced the launch of our new Norwegian company, ISTech AS, which is focussed on building automation, energy efficiency and smart building technology. Building automation is the hub for optimisation of the various disciplines in a construction process and it plays an important role in ensuring that there is a coordinated selection of solutions and products that are compatible with each other.

The technical consulting part of our business, Intec, expanded into Finland during the quarter. Just like in Sweden and Norway, the plan there is to grow organically via start-ups and through acquisitions. Our efforts to expand this part of the business over the last few years have gone well and Intec now has more than 400 consultants and is represented in three countries. Intec's performance in the first quarter was very good, exceeding the Group's margin.

Profitability and employee engagement a priority

Our employees are unquestionably our most important asset and the key to continued, sustainable and profitable growth. Instalco strives to be an attractive employer that offers interesting assignments, competent leaders, short decision paths and plenty of opportunities to make an impact and develop one's talent. The workplace atmosphere should stimulate creativity and new ways of thinking that are aligned with Instalco's values and Code of Conduct.

The results from our employee satisfaction surveys within the Group have always been high. In 2023, we transitioned to the Employee Net Promoter Score (eNPS) measurement for this and the resulting score we achieved was 30, which is reported in the newly published Annual Report. We are



incredibly proud of that and how it reflects the unique Instalco spirit that prevails throughout the Group.

Ever since Instalco was established ten years ago, the focus has been on high profitability. Right now, we are facing a weaker market and have implemented selective cost-saving programs in the subsidiaries where that is necessary. Within our decentralised model, IFOKUS is our internal program for continuously helping our companies improve their profitability. It is aimed at streamlining processes in production, procurement, sales, cross-selling and cash management. Another important component of the programme is sharing and spreading best practice within the Group. We also implemented GoGr8 in 2023, which is a tailored programme to offer additional support to companies performing below the Group's profitability targets. It offers targeted support from the Group's central resources so that companies can develop and improve their local operations.

GoGr8 also helps develop the tools used in IFOKUS, with emphasis on profitability and efficiency throughout the entire organisation.

Sharing knowledge and deriving maximum benefits from the Instalco spirit and our decentralized model are the keys to our success. We are well-positioned over the near future to protect our margins and act on opportunities as soon as the market situation turns more positive.

Robin Boheman
CEO

Performance of the Instalco Group

The Nordic market of installation services

There is a strong underlying demand for Instalco's services and the interest in energy-efficient, resource-saving installation services is constantly growing.

However, the market outlook over the short to medium term is difficult to assess given the prevailing macroeconomic situation. There are also large regional variations in both demand and pricing. Construction starts for new housing in particular have been affected. That, however, is an area where Instalco's direct exposure is low. Over the last year, the prices of raw materials have stagnated at a high level and the dramatic increase has stopped.

Generally speaking, the market is highly influenced by a number of long-term trends and the overall development of society. Some of the important trends behind this are technological advancements with digitalization and electrification, along with certain challenges, such as ageing property holdings, a growing population and energy shortages. Other important driving forces that contribute to the rising demand for Instalco's core offering are the need for the green transition and the requisite green industrial investments in the Nordics, as well as a strengthened defence force.

Net sales

First quarter

Sales for the quarter amounted to SEK 3,283 (3,264) million, which is an increase of 0.6 percent. Adjusted for currency effects, organic growth amounted to -8.1 percent and acquired growth was 9.9 percent. Currency fluctuations only had a marginal impact on net sales.

Two acquisitions were made during the quarter, with estimated annual net sales of SEK 29 million.

Order backlog

January - March

Order backlog at the end of the period amounted to SEK 8,921 (8,987) million, which is a decrease of 0.7 percent. Organically, for comparable units, the order backlog fell, adjusted for currency effects, by 3.5 percent. The order backlog of acquired companies contributed with growth of 3.1 percent.

During the first quarter for example, the Instalco subsidiary, Ohmegi Elektro AB was contracted for electrical installations at a new station that will be added to the Stockholm Metro. The contract is with NCC, which has been

engaged by Region Stockholm for construction of the Hagastaden station. The order value is approximately SEK 90 million. Ohmegi is responsible for installation and delivery of all power and lighting solutions, as well as backup power and systems for uninterrupted power supply.

Earnings

First quarter

Operating profit before amortisation of acquired intangible assets (EBITA) for the period amounted to SEK 231 (233) million, which corresponds to an EBITA margin of 7.0 (7.1) percent. Overall, it is a stable growth in earnings given the current market situation.

Operating profit (EBIT) for the quarter amounted to SEK 190 (190) million.

Net financial items for the quarter amounted to SEK -53 (-19) million, of which unrealised value changes amounted to SEK -7 (8) million and the interest expense on external loans amounted to SEK -40 (-28) million. The increase in interest costs stems from a mix of rate hikes from central banks and a higher level of borrowing.

Tax for the quarter was SEK -28 (-36) million, which corresponds to an effective tax rate of 20 (21) percent.

Earnings for the quarter were SEK 110 (135) million, which corresponds to earnings per share before dilution of SEK 0.37 (0.48) and earnings per share after dilution of SEK 0.37 (0.47).

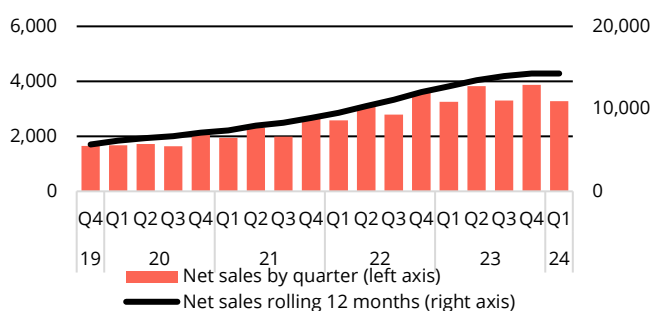
Cash flow

First quarter

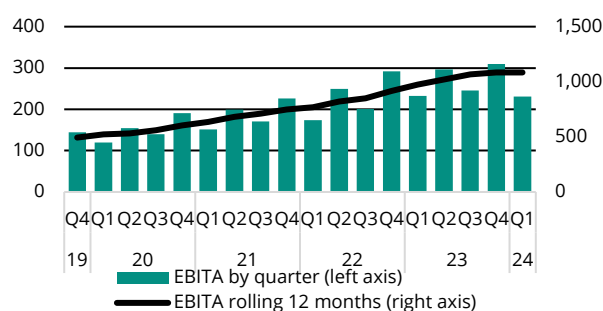
Cash flow from operating activities amounted to SEK 198 (222) million, with a change in working capital of SEK 42 (40) million. The Group's working capital fluctuates from one quarter to the next primarily because of fluctuations in these line items: work-in-progress, accounts receivable and accounts payable.

Cash flow from investing activities amounted to SEK -108 (-830) million, of which acquisitions of subsidiaries and businesses amounted to SEK -105 (-804) million. Cash flow from financing activities amounted to SEK -281 (656) million, of which the net change in loans amounted to SEK -211 (663) million and amortisation of lease liabilities amounted to SEK -71 (-57) million.

NET SALES PER QUARTER, SEK M



EBITA PER QUARTER, SEK M



Revenue by segment

AMOUNTS IN SEK M	Jan-Mar		Jan-Mar		Full-year	
	2024	Share	2023	Share	2023	Share
Sweden	2,248	68%	2,327	71%	9,962	70%
Rest of Nordics	1,034	32%	937	29%	4,317	30%
Total	3,283		3,264		14,279	

EBITA, EBITA margin and earnings before taxes, per segment

AMOUNTS IN SEK M	Jan-Mar		Jan-Mar		Full-year	
	2024	EBITA margin	2023	EBITA margin	2023	EBITA margin
Sweden	177	7.9%	185	8.0%	833	8.4%
Rest of Nordics	54	5.3%	48	5.1%	253	5.9%
Group-wide	-1		-1			
EBITA	231	7.0%	233	7.1%	1,085	7.6%
Amortisation of acquired intangible assets	-40		-43		-186	
Net financial items	-53		-19		-107	
Profit/loss before tax	138		171		792	

Distribution of revenue

AMOUNTS IN SEK M	Jan-Mar 2024			Jan-Mar 2023			Jan-Dec 2023		
	Service	Contract	Total	Service	Contract	Total	Service	Contract	Total
Sweden	746	1,502	2,248	580	1,747	2,327	3,134	6,829	9,962
Rest of Nordics	297	738	1,034	275	662	937	1,197	3,120	4,317
Total	1,043	2,240	3,283	855	2,409	3,264	4,330	9,949	14,279
Share	32%	68%	100%	26%	74%	100%	30%	70%	100%

Operations in Sweden

Market

Overall, the market for new construction, renovation and energy-efficiency measures is good for both commercial properties and facilities in the public sector. For new production of residential property, there is a clearly noticeable dampening effect, primarily due to uncertainty about the interest rate situation. Geographical differences in the market situation have increased even more. The supply of installation projects in certain regions has declined somewhat, from a high level. This is particularly true in southern Sweden. Demand is better in the north, however. Compared to prior periods, there has been a deterioration in central Sweden.

Swedish industry is making major investments in research and innovation for a fossil free future. At present, this has primarily occurred in northern Sweden. However, we know that major investments are planned in other parts of Sweden as well. New investments and sustainable transition in Swedish basic industry are increasing the need for energy-efficiency and investments in the grid. The prison system and armed forces are also renovating and expanding. Many infrastructure projects are underway as well, which impacts opportunities for new business and urban development. The prior high demand in the market for technical consulting has slowed down over the last year. However, we have noticed higher demand for those services on the property side, particularly in major metropolitan regions. For infrastructure, the market remains stable.

Net sales

First quarter

Net sales for the quarter amounted to SEK 2,248 (2,327) million, which is an increase of SEK 79 million. Organic growth amounted to -8.0 percent and acquired growth was 5.5 percent.

Order backlog

January – March

Order backlog at the end of the period amounted to SEK 6,464 (6,522) million, which is a decrease of 0.9 percent. Organically, for comparable units, the order backlog fell, adjusted for currency effects, by 5.8 percent. The order backlog of acquired companies contributed with growth of 5.4 percent.

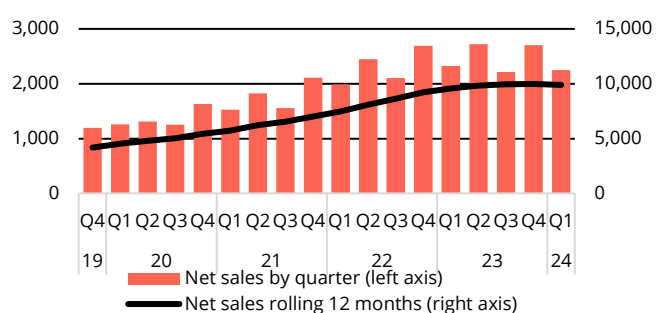
In the first quarter for example, five Instalco subsidiaries won a joint assignment for installations at a new biogas plant that will be built in Östersund. The subsidiaries participating in that assignment are: Sydsvenska Elanläggningar, Intec, RP Montage, Optimal Ventilation and TC-Kraft. They will be responsible for the design and installation of the electrical, heating & plumbing and ventilation systems. The client is Purac.

Earnings

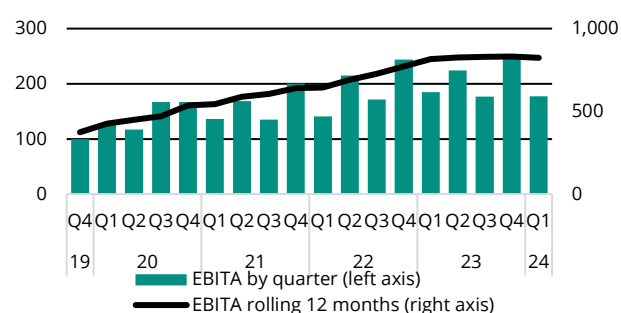
First quarter

EBITA for the quarter was SEK 177 (185) million, which corresponds to an EBITA margin of 7.9 (8.0) percent. Operating profit/loss was SEK 160 (164) million. Overall, a good earnings development with a recovery from prior periods and positive effects from the Industrial business area.

NET SALES PER QUARTER, SEK M



EBITA PER QUARTER, SEK M



Key figures for Sweden

AMOUNTS IN SEK M	Jan-Mar 2024	Jan-Mar 2023	Δ%	Rolling 12 months	Jan-Dec 2023
Net sales	2,248	2,327	-3.4	9,884	9,962
EBITA	177	185	-4.3	825	833
EBITA margin, %	7.9	8.0		8.3	8.4
Order backlog	6,464	6,522	-0.9	6,464	6,216

Operations in Rest of Nordics

Market

The market in Norway remains at a high level, with many inquiries about new projects for both new construction and renovation. There is, however, slightly more caution being exhibited when it comes to decisions about project starts. For new production of residential property, we have noticed a clear dampening effect, which has resulted in slightly higher competition for other types of projects. For new construction, there is now a more prevalent risk of delays, but the situation for renovations remains stable. The primary driving forces are continued major investments in the public sector, such as defence, schools and hospitals, along with private initiatives to develop industrial, office and commercial facilities. A higher demand for energy optimisation of existing properties has also been noticed.

Development of the market in southern Finland has been stable in recent months, albeit at a relatively low level. There have been some slightly positive signals from the market in northern Finland over the last few months. High interest rates have resulted in more cautious behaviour in the construction industry, while other areas, such as service, industrial operations and data cable projects are progressing as planned. With Finland now a member of NATO, more military investments in construction and infrastructure are expected. Signs of a recovery in the renovation market have also been noticed.

Net sales

First quarter

Net sales for the quarter amounted to SEK 1,034 (937) million, which is an increase of SEK 97 million. Organic growth,

adjusted for currency effects, amounted to -8.4 percent and acquired growth was 20.8 percent.

Order backlog

January - March

Order backlog at the end of the period amounted to SEK 2,458 (2,465) million, which is a decrease of 0.3 percent, adjusted for currency effects. Organically, for comparable units, order backlog increased by 2.7 percent. The acquired order backlog declined by 2.8 percent.

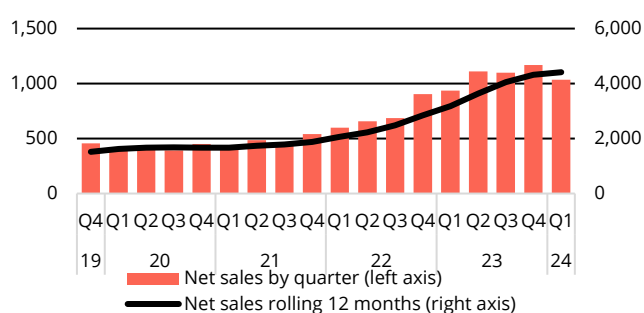
During the first quarter for example, the Instalco subsidiary, Romerike Elektro AS entered into an agreement as general contractor for the electrical installations at a new school (Økern Skole) that is being built in eastern Oslo. The assignment is with Veidekke Entreprenør AS and Oslobygg KF for a total contract value of approximately NOK 120 million. The work involves design and installation of the electrical and alarm/lock systems.

Earnings

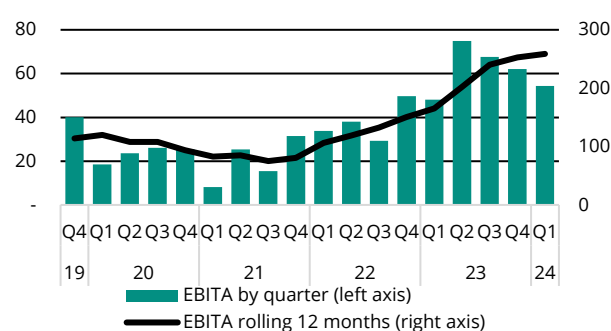
First quarter

EBITA for the quarter was SEK 54 (48) million, which corresponds to an EBITA margin of 5.3 (5.1) percent. Operating profit/loss was SEK 32 (27) million.

NET SALES PER QUARTER, SEK M



EBITA PER QUARTER, SEK M



Key figures, Rest of Nordics

AMOUNTS IN SEK M	Jan-Mar 2024	Jan-Mar 2023	Δ%	Rolling 12 months	Jan-Dec 2023
Net sales	1,034	937	10.4	4,414	4,317
EBITA	54	48	12.9	259	253
EBITA margin, %	5.3	5.1		5.9	5.9
Order backlog	2,458	2,465	-0.3	2,458	2,222

Acquisition

Instalco made two acquisitions during the period January through March. Acquisition costs for the period amount to SEK 0 (4) 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 Non-current liabilities and Other current liabilities in the balance sheet. At the end of the period, the Group's estimated total amount of contingent consideration was SEK 251 million, of which SEK 1 million is for acquisitions made in 2024.

Changes in reported contingent consideration.

	Jan-Mar 2024	Jan-Dec 2023
AMOUNTS IN SEK M		
Opening carrying amounts	349	454
Gains and losses reported in the income statement	2	23
Paid contingent consideration	-95	-215
Added through acquisitions made during the period	1	89
Exchange rate difference	-4	-2
Closing carrying amounts	251	349

Company acquisitions

Instalco made the following company acquisitions during the period January – March 2024.

Access gained	Acquisition	Area of technology	Segment	Share of the votes and capital	Net sales, SEK million ¹	Number of employees
March	Lund Elektro AS	Electrical	Rest of Nordics	100%	15	9
<i>Add-on acquisition</i>						
February	Solyx AB	Electrical	Sweden	70%	14	5
Total					29	14

¹ Pertains to the assessed annual sales on the acquisition date, based on the most recent financial year that was subject to audit.

The maximum, non-discounted amount that could be paid to prior owners is SEK 510 million, of which SEK 13 million pertains to acquisitions that were made in 2024.

Revaluation of contingent consideration had a net impact on the period of SEK 2 (0) million, which is reported in Other operating income and Other operating expenses in the income statement.

The Group's goodwill stems from continuous, goal-oriented acquisition efforts over a period of many years. The amount allocated to goodwill on the acquisition date corresponds to the cost of acquisition less the fair value of the acquired net assets. The value of goodwill is motivated by the earnings capacity of our companies and it represents the future economic benefits of collaboration between subsidiaries, cross-selling and joint purchasing. The benefits have not, however, been individually identified or reported separately. Equity at the end of the period, the Groups total goodwill amounted to SEK 5,322 (5,211) 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. Other identified goodwill, such as customer relations and the order backlog, have been measured at present value of future cash flows and as a rule, is amortised over a period of 3 to 10 years.

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 303 million.

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 2024 are preliminary. Instalco regards the calculations as preliminary until final figures pertaining to the acquired companies have been received.

AMOUNTS IN SEK M	
Intangible assets	-
Deferred tax asset	-
Other non-current assets	2
Other current assets	3
Cash and cash equivalents	2
Deferred tax asset	-0
Other liabilities	-3
Total identifiable assets and liabilities (net)	3
Goodwill	8
Consideration paid	
Cash and cash equivalents	12
Contingent consideration including settlement via issue in kind	-
Total transferred consideration	12
Impact on cash and cash equivalents	
Cash consideration paid	12
Cash and cash equivalents of the acquired units	-2
Total impact on cash and cash equivalents	10
Settled contingent consideration attributable to acquisitions in the current year and prior years	95
Exchange rate difference	1
Total impact on cash and cash equivalents	105
Impact after the acquisition date included in the Instalco Group's net sales and operating profit/loss	
Net sales	0
Operating profit (EBIT)	0
Impact on net sales and operation profit/loss until the acquisition date if the acquisitions had been completed on 1 January 2024	
Net sales	3
Operating profit (EBIT)	0

Financial and other information

Financial position

Equity at the end of the period amounted to SEK 3,551 (3,266) million, with an equity ratio of 33.9 (30.1) percent.

Cash and cash equivalents, together with its other short-term investments amounted to SEK 80 (672) million at the end of the period.

Interest-bearing debt including leasing at the end of the period amounted to SEK 3,498 (3,779) million, of which leasing amounts to SEK 716 (539) million. The decrease in interest-bearing liabilities is attributable to a lower rate of acquisition compared to the prior period, along with amortization of long-term loans.

As of the end of the period, Instalco's total credit facility, including unutilised credit, amounted to a total of SEK 3,850 (3,700) million, of which SEK 2,650 (3,200) million had been utilised. As of the end of the quarter, the Group was meeting the stated covenants with a good margin.

Interest-bearing net debt at the end of the period amounted to SEK 3,419 (3,107) million, with a gearing ratio of 102.2 (101.9) percent. Net debt in relation to EBITDA was 2.4 (2.5) times, which is in line with the target that it should not exceed 2.5 times. Currency changes impacted interest-bearing net debt by SEK 3 (-15) million.

Share Information

At the end of the period, the number of shares and votes in Instalco AB amounted to 264,107,025.

Instalco's ten largest shareholders, 2024-03-31

1 Per Sjöstrand	26,957,835	10.2%
2 Capital Group	25,207,224	9.5%
3 Swedbank Robur Fonder	18,997,333	7.2%
4 AMF Pension & Fonder	15,200,125	5.8%
5 Wipunen varainhallinta OY	12,300,000	4.7%
6 Heikintorppa Oy	12,275,000	4.7%
7 SEB Fonder	11,797,713	4.5%
8 ODIN Fonder	11,755,515	4.5%
9 Cliens Fonder	11,505,978	4.4%
10 Första AP-fonden	9,290,356	3.5%
Total, ten largest shareholders	155,287,079	58.9%
Other	108,819,946	41.1%
Total	264,107,025	100.0%

The ten largest known shareholders (grouped) of Instalco AB as of 31 March 2024. Source: Monitor by Modular Finance AB. Compiled and processed data from Euroclear, Morningstar and FI.

Investments, depreciation and amortisation

Investments in company acquisitions amounted to SEK 105 (804) million during the period. The amount includes settled contingent consideration attributable to acquisitions made in the current and prior years equal to SEK 95 (128) million.

Net investments in fixed assets for the period amounted to SEK -3 (-26) million.

Depreciation/amortisation of property, plant and equipment and intangible assets amounted to SEK 130 (112) million, of which SEK 90 (69) million was depreciation of PPE and SEK 40 (43) million was amortisation of acquired intangible assets. The increase in total depreciation/amortisation is primarily attributable to a higher rate of investment and thus higher depreciation/amortisation according to plan.

Seasonal variations

To some extent, Instalco's business and market is affected by the seasonal variations prevailing in the construction industry, which primarily have to do with vacations and holidays. Typically, Instalco has a lower level of activity during the third quarter because this is the summer vacation period. Earnings tend to be highest in the fourth quarter, when many projects are concluded. Earnings are then lower in the first quarter, which is when many new projects are starting up and not yet fully underway. The industrial business area also tends to have its lowest level of activity during the first quarter, which is another reason why sales are lower in the quarter.

Outstanding share-related incentive programmes

Instalco has two outstanding warrants scheme corresponding to a total of 4,950,000 shares that are directed at the expanded Group management team, CEOs of subsidiaries and other key individuals of the Group. The warrants have been transferred on market terms at a price that was established based on an estimated market value using the Black & Scholes valuation model calculated by an independent valuation institute. Conditions for subscription price per share in both programmes correspond to 115 percent of the volume-weighted average price during the period of five trading days after each AGM.

Outstanding programme	Number of options	Corresponding number of shares	Percentage of the total number of shares	Price per option	Redemption rate per option	Redemption period
2022/2025	2,600,000	2,600,000	1.0%	SEK 7.80	SEK 50.92	22 maj 2025 - 16 jun 2025
2023/2026	2,350,000	2,350,000	0.9%	SEK 2.09/SEK 7.27	SEK 64.90	22 maj 2026 - 16 jun 2026

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 2024. Net sales for the Parent Company amounted to SEK 6 (6) million. Operating profit/loss was SEK -1 (-1) million. Net financial items amounted to SEK -2 (-1) million. Earnings before taxes were SEK -3 (-2) million and earnings for the period were SEK -3 (-2) million. Cash and cash equivalents at the end of the period amounted to SEK 42 (71) million.

Transactions with related parties

Besides remuneration to senior executives, there have not been any transactions between Instalco and related parties that had a significant impact on the company's financial position or earnings during the period.

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, including inflation and interest rates, 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 does not have any direct exposure to Ukraine and Russia with either sales or purchasing. Instalco's assessment is that the indirect effects are currently limited, although disruptions in logistics chains and higher prices for raw materials where we are not able to compensate with a

corresponding increase in our own prices impacts some of the Group's subsidiaries. We are monitoring developments carefully, but it is currently difficult to assess what future consequences the conflict could have on the economic situation in Europe.

For more information, please see the section on Risks (pages 50-52) in the 2023 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 2024 financial year have not had any significant impact on the consolidated financial statements.

Fair value of financial instruments

The amount of contingent consideration that could be paid out to prior owners is classified in Level 3 of the fair value hierarchy and it is valued at fair value through profit or loss. More information on additional consideration is provided in the section on acquisitions. The fair value of other financial assets and liabilities does not differ significantly from the carrying amounts.

Events after the end of the reporting period

Nothing to report.

Condensed consolidated income statement and statement of comprehensive income

AMOUNTS IN SEK M	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 months	Full-year 2023
Net sales	3,283	3,264	14,298	14,279
Other operating revenue	56	47	127	117
Operating income	3,339	3,310	14,425	14,396
Materials and purchased services	-1,523	-1,685	-7,053	-7,215
Other external services	-271	-251	-1,089	-1,069
Personnel costs	-1,220	-1,066	-4,828	-4,673
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	-130	-112	-536	-517
Other operating expenses	-4	-7	-20	-23
Operating costs	-3,149	-3,121	-13,525	-13,497
Operating profit (EBIT)	190	190	899	899
Net financial items	-53	-19	-141	-107
Profit/loss before tax	138	171	759	792
Tax on profit for the year	-28	-36	-169	-177
Profit/loss for the period	110	135	590	615
Other comprehensive income				
Exchange rate difference when translating subsidiaries abroad	41	-75	-2	-118
Comprehensive income for the period	151	60	588	496
<i>Comprehensive income for the period attributable to:</i>				
Parent Company's shareholders	139	51	571	483
Non-controlling interests	12	9	17	14
Earnings per share for the period, before dilution, SEK	0.37	0.48	2.17	2.29
Earnings per share for the period, after dilution, SEK	0.37	0.47	2.17	2.26
Average number of shares before dilution ¹	264,107,025	260,564,020	264,107,025	262,539,443
Average number of shares after dilution ¹	264,107,025	265,510,300	264,107,025	265,726,017

1) Instalco has an outstanding warrants scheme corresponding to a total of 4,950,000 shares.

Condensed consolidated balance sheet

AMOUNTS IN SEK M	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS			
Goodwill	5,322	5,211	5,288
Right of use asset	740	558	762
Other non-current assets	992	1,126	1,039
Total non-current assets	7,054	6,895	7,089
Accounts receivable	1,906	1,835	2,091
Contract assets	774	902	628
Other current assets	658	551	641
Cash and cash equivalents	80	672	267
Total current assets	3,418	3,959	3,627
TOTAL ASSETS	10,472	10,854	10,716
TOTAL EQUITY			
Equity	3,347	-1	3,207
Non-controlling interests	204	217	183
Total equity	3,551	3,266	3,390
Non-current liabilities	3,209	3,999	3,520
Lease liabilities	481	353	507
Total non-current liabilities	3,690	4,352	4,028
Lease liabilities	236	186	232
Trade payables	1,065	1,201	1,052
Contract liabilities	512	590	549
Other current liabilities	1,419	1,258	1,466
Total current liabilities	3,232	3,235	3,298
Total liabilities	6,922	7,587	7,326
TOTAL EQUITY AND LIABILITIES	10,472	10,853	10,716
Of which interest-bearing liabilities	3,498	3,779	3,728
<i>Equity attributable to:</i>			
Parent Company shareholders	3,347	3,049	3,207
Non-controlling interests	204	217	183

Statement of changes in equity

AMOUNTS IN SEK M	Share capital	Other contributed capital	Translation reserve	Accumulated profit or loss incl. profit (loss) for the year	Total	Non-controlling interests	Total equity
Opening balance 2024-01-01 2024-01-01	1	1,126	-1	2,080	3,207	183	3,390
Profit/loss for the period				99	99	12	111
Translation effect for the period fo foreign operations	-	-	41	-	41	-2	39
Other comprehensive income	-	-					
Comprehensive income for the period	-	-	41	99	140	10	150
<i>Transactions with owners</i>							
Dividends	-	-	-	0	0	-	0
Change in non-controlling interests	-	-	-	-	-	11	11
Total transactions with owners	-	-	-	0	0	11	11
Closing balance 2024-03-31 2024-03-31	1	1,126	40	2,179	3,347	204	3,551
Opening balance 2023-01-01 2023-01-01	1	996	117	1,830	2,944	208	3,152
Profit/loss for the period	-	-	-	126	126	9	135
Translation effect for the period fo foreign operations	-	-	-75	-	-75	0	-75
Comprehensive income for the period	-	-	-75	126	50	9	60
<i>Transactions with owners</i>							
New issues ¹	0	50	-	-	50	-	50
Change in non-controlling interests	-	-	-	4	4	-0	4
Issue warrants	-	-	-	0	0	-	0
Total transactions with owners	0	50	-	4	54	-0	54
Closing balance 2023-03-31 2023-03-31	1	1,046	42	1,960	3,049	217	3,266

¹ Unregistered share capital of SEK 3 thousand is reported under the item, share capital.

Condensed consolidated cash flow statement

AMOUNTS IN SEK M	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 months	Full-year 2023
Cash flow from operating activities				
Profit/loss before tax	138	171	759	792
Adjustments for non-cash items	136	85	496	445
Tax paid	-117	-75	-233	-191
Changes in working capital	42	40	-46	-47
Cash flow from operating activities	198	222	976	999
Investing activities				
Acquisition and divestment of subsidiaries and businesses	-105	-804	-489	-1,188
Other	-3	-26	-79	-102
Cash flow from investing activities	-108	-830	-568	-1,288
Financing activities				
New issue	0	50	30	80
Warrants	-0	0	-21	-21
Dividends	0	-	-172	-172
Net change of loan	-211	663	-585	289
Amortisation leasing	-71	-57	-274	-260
Cash flow from financing activities	-281	656	-1,023	-85
Cash flow for the period	-191	47	-613	-375
Cash and cash equivalents at the beginning of the period	267	631	672	631
Translation differences in cash and cash equivalents	4	-6	21	11
Cash and cash equivalents at the end of the period	80	672	80	267

Condensed Parent Company income statement

AMOUNTS IN SEK M	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 months	Full-year 2023
Net sales	6	6	31	32
Other operating expenses	-0	-0	-0	-0
Operating costs	-6	-7	-35	-36
Operating profit (EBIT)	-1	-1	-4	-3
Net financial items	-2	-1	167	168
Profit/loss after net financial items	-3	-2	164	165
Group contribution received	-	-	9	9
Profit/loss before tax	-3	-2	173	174
Income tax	-	-	1	1
Profit/loss for the period	-3	-2	173	174

Condensed Parent Company balance sheet

AMOUNTS IN SEK M	31 Mar 2024	31 Mar 2023	31 Dec 2023
Assets			
Financial assets	1,375	1,375	1,375
Deferred tax asset	2	-	2
Total non-current assets	1,377	1,375	1,377
Other current assets	96	7	109
Cash and cash equivalents	42	71	37
Total current assets	138	79	146
TOTAL ASSETS	1,515	1,454	1,523
EQUITY AND LIABILITIES			
Equity	1,358	1,298	1,361
Total equity	1,358	1,298	1,361
Non-current liabilities	147	149	146
Current liabilities	8	6	15
Total liabilities	156	156	162
TOTAL EQUITY AND LIABILITIES	1,515	1,454	1,523

Quarterly data

AMOUNTS IN SEK M	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Income statement								
Net sales	3,283	3,873	3,310	3,832	3,264	3,590	2,788	3,102
Growth in net sales, %	0.6	7.9	18.7	23.5	26.4	35.6	40.2	34.2
EBITDA	321	406	327	381	302	364	275	303
EBITDA margin, %	9.8	10.5	9.9	10.0	9.2	10.2	9.9	9.8
EBITA	231	310	246	296	233	292	201	250
EBITA margin, %	7.0	8.0	7.4	7.7	7.1	8.1	7.2	8.1
Operating profit (EBIT)	190	271	194	244	190	261	156	215
Operating profit/loss (EBIT), %	5.8	7.0	5.9	6.4	5.8	7.3	5.6	6.9
Profit/loss before tax	138	239	179	202	171	230	131	209
Profit/loss for the period	111	176	142	162	135	182	77	191
Equity, provisions and liabilities								
Return on equity, %	18.4	19.6	20.3	18.8	20.6	20.1	20.3	23.4
Return on capital employed, %	13.0	14.1	13.9	13.3	13.3	14.9	14.9	15.7
Interest-bearing net debt	3,419	3,461	3,599	3,372	3,107	2,503	2,668	2,365
Gearing ratio, %	102.2	107.9	114.8	107.6	101.9	85.0	97.4	90.3
Net debt/EBITDA, times	2.4	2.4	2.6	2.5	2.5	2.1	2.5	2.3
Key financial performance indicators								
Working capital	360	322	325	370	268	341	352	141
Equity ratio, %	33.9	31.6	30.9	31.2	30.1	32.9	32.2	31.7
Cash conversion (rolling 12 months), % ¹	91	90	88	81	82	85	90	88
Cash flow from operating activities	198	432	119	225	222	376	16	151
Order backlog								
Order backlog	8,921	8,437	9,201	9,185	8,987	8,376	8,158	8,120
Key figures, employees								
Average number of employees	6,188	6,237	6,076	5,474	5,453	5,431	5,341	5,115
Number of employees at the end of the period	6,224	6,282	6,228	6,183	6,023	5,611	5,517	5,386
Acquisition-related items								
Revaluation of contingent consideration	4	14	5	6	-1	11	-	8
Acquisition costs	-0	-2	-1	-3	-4	-2	-3	-4
Total acquisition-related items	4	12	4	3	-4	9	-3	4
Key figures per share SEK								
Average number of shares before dilution	264,107,025	264,107,025	263,996,442	261,520,302	260,564,020	260,564,020	260,564,020	260,564,020
Average number of shares after dilution	264,107,025	264,107,025	263,996,442	264,120,302	265,510,300	265,510,300	265,510,300	265,510,300
Profit/loss for the period attributable to the Parent Company's shareholders, SEK million	99	187	137	152	126	175	70	175
Earnings per share for the period before dilution, SEK	0.37	0.71	0.52	0.58	0.48	0.67	0.27	0.67
Earnings per share for the period after dilution, SEK	0.37	0.71	0.52	0.57	0.47	0.66	0.26	0.66
Cash flow from operating activities per share, SEK	0.75	1.64	0.45	0.85	0.84	1.42	0.06	0.57
Equity per share, SEK	12.67	12.14	11.88	11.86	11.48	11.09	10.32	9.86
Share price at the end of the period, SEK	42.28	40.90	32.50	53.85	49.98	39.63	44.84	42.30

¹ A change in the calculation of cash conversion occurred in Q4 2022 and prior periods have been restated.

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 instalco.se.

Earnings measures and margin measures

AMOUNTS IN SEK M	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
(A) Net sales	3,283	3,873	3,310	3,832	3,264	3,590	2,788	3,102
(B) EBITDA	321	406	327	381	302	364	275	303
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets (not acquired)	-90	-96	-81	-85	-69	-72	-74	-53
(C) EBITA	231	310	246	296	233	292	201	250
Depreciation/amortisation and impairment of acquired intangible assets	-40	-39	-52	-52	-43	-31	-44	-34
(D) Operating profit/loss (EBIT)	190	271	194	244	190	261	156	215
(B/A) EBITDA margin, %	9.8	10.5	9.9	10.0	9.2	10.2	9.9	9.8
(C/A) EBITA margin, %	7.0	8.0	7.4	7.7	7.1	8.1	7.2	8.1
(D/A) Operating profit/loss, (EBIT), %	5.8	7.0	5.9	6.4	5.8	7.3	5.6	6.9

Capital structure

AMOUNTS IN SEK M	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Calculation of working capital and working capital in relation to net sales								
Inventories	213	202	187	185	173	159	132	119
Accounts receivable	1,906	2,091	2,029	2,041	1,835	1,891	1,724	1,589
Contract assets	774	628	885	915	901	619	857	862
Prepaid expenses and accrued income	199	271	255	166	148	158	120	98
Other current assets	246	168	173	178	230	177	161	151
Trade payables	-1,065	-1,052	-1,279	-1,172	-1,201	-1,042	-1,077	-987
Contract liabilities	-512	-549	-590	-594	-590	-461	-506	-581
Other current liabilities	-526	-642	-652	-558	-430	-473	-466	-458
Accrued expenses and deferred income, including provisions	-875	-795	-684	-791	-798	-687	-592	-651
(A) Working capital	360	322	325	370	268	341	352	141
(B) Net sales (12-months rolling)	14,298	14,279	13,996	13,474	12,744	12,063	11,121	10,322
(A/B) Working capital as a percentage of net sales, %	2.5	2.3	2.3	2.7	2.1	2.8	3.2	1.4

AMOUNTS IN SEK M	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Calculation of interest-bearing net debt and gearing ratio								
Non-current, interest-bearing financial liabilities	3,155	3,492	3,412	3,399	3,589	2,950	2,783	2,718
Current, interest-bearing financial liabilities	344	236	293	203	189	185	174	143
Cash and cash equivalents	-80	-267	-106	-230	-672	-631	-288	-497
(C) Interest-bearing net debt	3,419	3,461	3,599	3,372	3,107	2,503	2,668	2,365
(D) Equity	3,347	3,207	3,136	3,133	3,049	2,944	2,739	2,618
(C/D) Gearing ratio, %	102.2	107.9	114.8	107.6	101.9	85.0	97.4	90.3
(E) EBITDA (12-months rolling)	1,435	1,416	1,375	1,322	1,244	1,165	1,076	1,015
(C/E) Interest-bearing net debt in relation to EBITDA (12-months rolling)	2.4x	2.4x	2.6x	2.5x	2.5x	2.1x	2.5x	2.3x
Calculation of operating cash flow and cash conversion (12-months rolling)								
(F) EBITDA	1,435	1,416	1,375	1,322	1,244	1,165	1,076	1,015
Net investments in property, plant and equipment and intangible assets	-78	-102	-91	-76	-52	-37	-30	-16
Changes in working capital	-46	-47	-80	-172	-177	-137	-74	-109
(G) Operation cash flow (12-months rolling)	1,311	1,267	1,204	1,074	1,015	991	972	890
(G/F) Cash conversion % (12-months rolling)¹	91	90	88	81	82	85	90	88
(H) Earnings for the period (12-months rolling)	590	615	621	557	585	551	533	585
(H/D) Return on equity, %	18.4	19.6	20.3	18.8	20.6	20.1	20.3	23.4
(I) EBIT	190	271	194	244	190	261	156	215
(J) Financial income	13	93	63	27	17	38	34	16
(K) Total assets	10,472	10,716	10,775	10,762	10,854	9,573	9,088	8,840
(L) Interest-free liabilities	3,423	3,598	3,741	3,800	3,809	3,286	3,200	3,176
(I+J)/(K-L) Return on capital employed, %	13.0	14.1	13.9	13.3	13.3	14.9	14.9	15.7

¹ A change in the calculation of cash conversion occurred in Q4 2022 and prior periods have been restated.

Signatures

Future reporting dates

AGM 2024	6 May 2024
Interim report January – June 2024	22 August 2024
Interim Report January – September 2024	25 October 2024

Board of Directors' assurance

The Board of Directors and CEO ensure that this interim report provides a fair view of the company's and the Group's operations, position and earnings, and describes significant risks and uncertainties faced by the company and the companies belonging to the Group.

Stockholm, 3 May 2024
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, 3 May at 09:30 CET via <https://ir.financialhearings.com/instalco-q1-report-2024>

To participate by phone, register via <https://conference.financialhearings.com/teleconference/?id=50048287>

Note

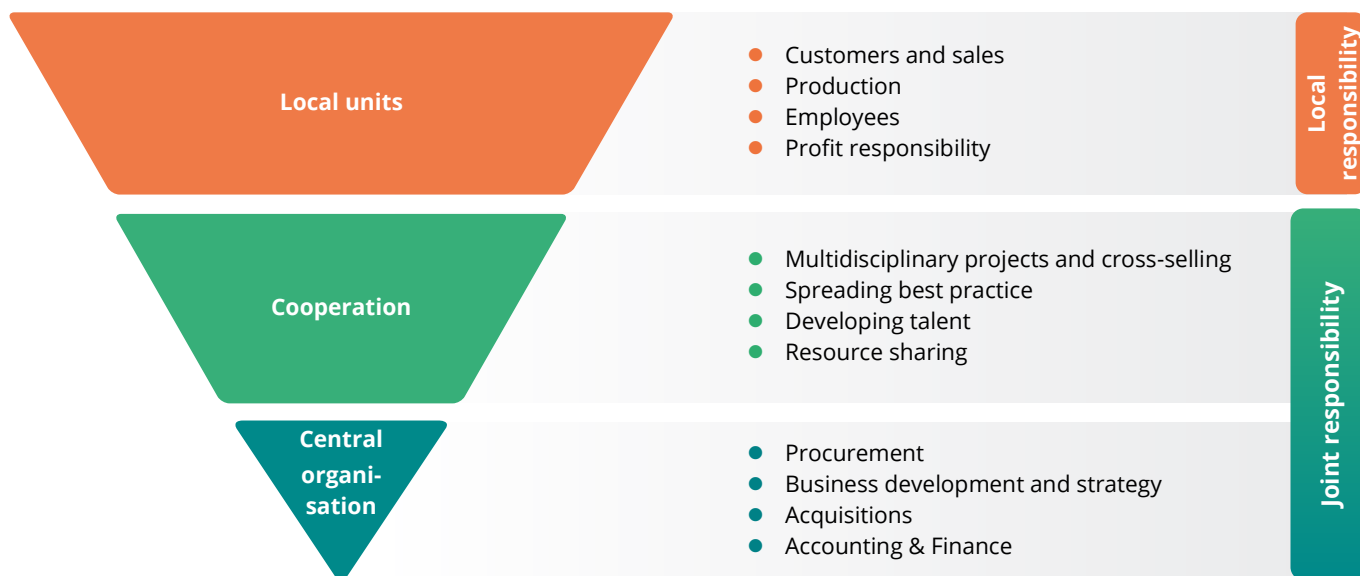
This information is information that Instalco is required to disclose under the EU Market Abuse Regulation. The information was made public, via the contact person listed below on 3 May 2024, 07:30 CET.

Additional information

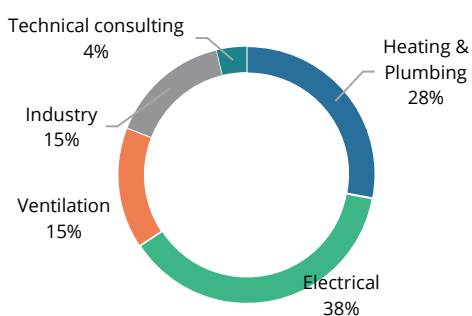
Robin Boheman, CEO
Christina Kassberg, CFO, christina.kassberg@instalco.se
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Instalco in brief

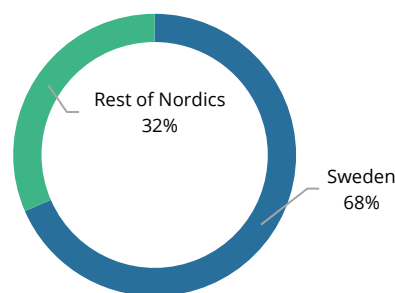
Instalco has a decentralised structure, where operations are conducted in each unit, in close cooperation with customers and with the support of a very streamlined central organisation. The Instalco model is designed to benefit from the advantages of both strong local ties and joint functions.



NET SALES BY AREA OF OPERATION¹⁾



NET SALES BY MARKET AREA¹⁾



1) Cumulative distribution of net sales for the reporting period