

Press release 7 November 2019 (12:00 CET)

## Interim report January – September 2019

### Continued high profitability and geographic expansion

#### July – September 2019

- Net sales increased 41.9 percent to SEK 1,416 (998) million. Organic growth was 14.6 (8.6) percent.
- Adjusted EBITA increased to SEK 127 (75) million, which corresponds to an adjusted EBITA margin of 9.0 (7.5) percent.
- Operating cash flow for the quarter was SEK 138 (25) million.
- Five acquisitions were made during the quarter, which, on an annual basis, contribute an estimated total sales of SEK 359 million.
- Earnings per share for the quarter amounted to SEK 1.59 (1.22).

#### January – September 2019

- Net sales increased by 28.2 percent to SEK 4,040 (3,150) million. Organic growth was 3.9 (7.4) percent.
- Adjusted EBITA increased to SEK 342 (255) million, which corresponds to an adjusted EBITA margin of 8.5 (8.1) percent.
- Operating cash flow for the period was SEK 420 (256) million.
- Thirteen acquisitions were made during the period, which, on an annual basis, contribute an estimated total sales of SEK 1,016 million.
- Earnings per share for the period amounted to SEK 5.34 (3.17).

### Comments from CEO Per Sjöstrand:

Instalco once again reported stable growth in sales and high profitability during the third quarter of the year. Sales for the quarter amounted to SEK 1,416 (998) million. Growth for the quarter was 41.9 percent, of which 14.6 percent was organic growth. Adjusted EBITA for the third quarter was SEK 127 (75) million, which corresponds to an adjusted EBITA margin of 9.0 (7.5) percent. The strong cash flow enables continued expansion, to a large extent with own resources. Order backlog has remained stable and at the end of the quarter, it amounted to SEK 4,418 (3,724) million, which corresponds to an increase of 18.6 percent.

#### Position in new markets

Five new acquisitions were made during the third quarter and Instalco has remained successful in making high quality acquisitions. Already this year, we have an acquired annual sales in excess of one billion SEK, which far exceeds our target of SEK 600-800 million. Each of the five acquisitions made during the quarter have contributed to Instalco's strong performance and our geographic expansion of operations.

In Finland, we established our position for the first time in the northern part of the country via the acquisition of the heating & plumbing company, Pohjanmaan Taloteknikka in Oulu, which is a city in the region of North Ostrobothnia, Finland. In Helsinki, we acquired VIP-Sähkö. It

specialises in electrical installations for new housing construction, which is an area of expertise that we previously lacked in Finland.

In Sweden, we widened our geographic scope via the acquisition of OVAB Optimal Ventilation, which primarily serves the markets of Östersund and Åre. We are also now represented in Nyköping via the acquisition of Rörtema and we expect many opportunities for collaboration with our other Instalco companies. In Business Area North, we expanded via our acquisition of Milen Ventilation in Gävle.

### **Prestigious projects and a stable market**

I am proud to report that we signed two major contracts for prestigious projects during the quarter. JN El has been contracted by Skanska for electrical installations in conjunction with the construction of Scania's new foundry in Södertälje. The work will be done as part of a collaboration contract where JN El will be responsible for the electrical installations for approximately SEK 100 million. The other major project involves Rörläggaren, which has been contracted for work associated with the new hospital area in Malmö. Rörläggaren has been contracted by Skanska for extensive, heating & plumbing installations, with an order value of SEK 270 million.

We also signed a major contract in Norway, where AS Elektrisk has been engaged for electrical installation work associated with construction of a new large retirement home in Hurum, near the city of Drammen.

In general, our observation is that the market remains stable and many exciting projects are underway in the Group. I would like to emphasize too, that the backbone of our operations is still based on having a majority of small and medium-sized projects, along with service assignments, all of which are executed with a focus on high quality and profitability.

### **Sharper focus on sustainability and service**

At Instalco, sustainability and providing benefits to society are key concepts. We have also noticed that both our customers and subsidiaries are showing a higher level of awareness and interest in such matters. Providing safe, sustainable installations that help generate benefits to society is a high priority for us. We also put much emphasis on having a safe, stimulating work environment at all companies in the Instalco group.

With this in mind, I am proud to report that we are about to take the next step with our sustainability efforts. We are working intensively to design our new sustainability program, which we will launch early next year.

Another area that also relates to sustainability is service. We are currently designing a plan for soon providing a wider scope of services and also making service a larger proportion of our overall offering through our subsidiaries. In an effort to increase comparability, we will also, going forward, clarify what we package in the service area.

## Report presentation

Instalco's CEO Per Sjöstrand will present the report in a conference call/audiocast today 7 November at 14.00 CET. Dial-ins for participants:

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The presentation can also be followed at <https://tv.streamfabriken.com/instalco-q3-2019>

*This information is information that Instalco is required to disclose under the EU Market Abuse Regulation. The information was made public by the contact person listed below, on 7 November 2019 at 12:00 CET.*

### **For further information:**

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*Instalco is one of the leading installation companies in the Nordic region, active in the areas of heating, plumbing, electricity, cooling and industrial solutions. We work closely with customers, offering all the advantages of a local company, along with efficient collaboration and leadership. The operations are conducted through approximately 65 leading and highly specialised local units, with the support of a small central organisation. Instalco is listed at Nasdaq Stockholm under the ticker INSTAL. For further information, visit [www.instalco.se](http://www.instalco.se).*