

Press release 18 February 2020 (11:00 CET)

Year-end report 2019

Many acquisitions and high profitability

October – December 2019

- Net sales increased by 30.7 percent to SEK 1,652 (1,264) million. Organic growth was 6.0 (1.5) percent.
- Adjusted EBITA increased to SEK 157 (120) million, which corresponds to an adjusted EBITA margin of 9.5 (9.5) percent.
- Operating cash flow for the quarter was SEK 186 (193) million.
- Six acquisitions were made during the quarter, which, on an annual basis, contribute an estimated total sales of SEK 444 million.
- Earnings per share for the quarter amounted to SEK 2.24 (2.03).

January – December 2019

- Net sales increased by 28.9 percent to SEK 5,692 (4,414) million. Organic growth was 4.0 (6.6) percent.
- Adjusted EBITA increased to SEK 500 (375) million, which corresponds to an adjusted EBITA margin of 8.8 (8.5) percent.
- Operating cash flow for the period was SEK 613 (450) million.
- 19 acquisitions were made during the period, which, on an annual basis, contribute an estimated total sales of SEK 1,460 million.
- Earnings per share for the period amounted to SEK 7.58 (5.20).
- The Board proposes dividends of SEK 2.30 (1.50) per share.

Comments from CEO Per Sjöstrand:

I'm very proud to report that we ended 2019 on a strong note, with stability and high profitability and strong cash flow during the fourth quarter. Sales in the fourth quarter were SEK 1,652 (1,264) million, which corresponds to a growth rate of 30.7 percent, where 6.0 percent was organic growth. Adjusted EBITA for the fourth quarter was SEK 157 (120) million, which corresponds to an adjusted EBITA margin of 9.5 (9.5) percent. Order backlog has remained stable and at the end of the quarter, it amounted to SEK 4,865 (4,063) million, which corresponds to an increase of 19.8 percent.

Prominent companies and impressive newcomers

In 2019, we acquired 19 new companies with combined annual sales of nearly SEK 1.5 billion, which far exceeds our ambition of acquired sales in the range of SEK 600-800 million per year. During the last quarter of the year, we welcomed four new companies in Sweden, as well as two in Norway, to the Instalco family.

In Sweden, we acquired two well-established, reputable companies that have been doing business for decades. One is Henningsons Elektriska i Falun, established in 1939 and the other is Borås Rörinstallationer, established in 1933. Both of these companies contribute a substantial amount of accumulated knowledge, skill and excellence. It gives us an overall portfolio with a great mix of older and newer companies. We also acquired Tingstad Rörinstallation in

Gothenburg and Elovent in Kalmar, which means that Instalco has now, for the first time, established a position in Småland.

In Norway, Instalco is now serving the city of Lillehammer via its acquisition of the heating & plumbing company, Medby AS. And, in Kristiansand, we expanded our operations via the acquisition of the ventilation group, Ventec. The acquisition of Ventec brings us one step closer to having a multidisciplinary offering in the region around Kristiansand in southern Norway.

Collaboration between subsidiaries

Collaboration between Instalco companies enables us to deliver attractive solutions to our customers that meet all of their needs. One example of this was a smaller project where four Instalco companies collaborated on construction of a new Lloyds pharmacy in Malmö. They were contracted for installation of the heating & plumbing, electricity, ventilation and sprinkler systems. With four of our own companies collaborating on the same project, we've been able to deliver quickly, with high quality and cost-effectiveness. It's an excellent example of how the Instalco model works.

In Norway, we won our largest multi-company assignment to date during the quarter. Two Instalco companies, Andersen og Aksnes and Teknisk Ventilasjon have obtained a joint installation assignment for an apartment complex project in Oslo. They will be responsible for the heating & plumbing and ventilation systems. The customer is Betonmast AS, which has been contracted by Stor-Oslo Eiendom.

New sustainability program

Instalco's strategy is to grow both organically and via acquisitions. All growth shall be sustainable, from an economic, social and environmental perspective.

I am therefore particularly proud to have, just days ago, announced the launch of our new sustainability programme called "Sustainable Installations", where we have developed our own certification system. The aim of the programme is to further solidify Instalco's position as a leading installation company in the Nordic region. We are also expanding our approach and taking even greater responsibility in the area of sustainability with our classification system, "Sustainable Instalco Project".

The Sustainability Programme focuses on three main areas that should permeate all areas of the Group's sustainability work: Safe and modern work environment, Sustainable installations and Mature leadership.

We are also continuing our efforts to expand our service offering. The goal is for service to account for a larger share of the business, taking it from 15 to 25 percent. To achieve that, we are now building an organization with service departments at our subsidiaries and when projects are completed, their task will be to offer customers service agreements.

We now have around 3,000 employees who have worked very hard to ensure that 2019 was a successful year for Instalco. With their continued dedication and skill, we can look forward to the year ahead with expectations of equal or even greater success.

Report presentation

Instalco's CEO Per Sjöstrand and CFO Robin Boheman will present the report in a conference call/audiocast today 18 February at 14.00 CET. Dial-ins for participants:

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The presentation can also be followed at <https://tv.streamfabriken.com/instalco-q4-2019>

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 18 February 2019 at 11:00 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 70 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.