

Press release 9 November 2020 (11:00 CET)

## Interim report January – September 2020

### High growth and good profitability

#### July – September 2020

- Net sales increased by 16.1 percent to SEK 1,643 (1,416) million. Organic growth, adjusted for currency effects, was -2.7 (14.6) percent.
- EBIT increased to SEK 140 (113) million, which corresponds to an EBIT margin of 8.5 (8.0) percent.
- Cash flow from operating activities for the period was SEK 90 (114) million.
- Six acquisitions were made during the quarter, which on an annual basis contribute an estimated total sales of SEK 496 million.
- Earnings per share for the period amounted to SEK 2.01 (1.59).

#### January – September 2020

- Net sales increased by 24.9 percent to SEK 5,044 (4,040) million. Organic growth, adjusted for currency effects, was 4.6 (7.6) percent.
- EBIT increased to SEK 414 (348) million, which corresponds to an EBIT margin of 8.2 (8.6) percent.
- Cash flow from operating activities for the period was SEK 412 (343) million.
- 14 acquisitions were made during the period, which on an annual basis contribute an estimated total sales of SEK 997 million.
- Earnings per share for the period amounted to SEK 6.04 (5.34).

### Comments from CEO Per Sjöstrand:

For the third quarter, Instalco is yet again reporting high sales growth with good profitability, despite the ongoing pandemic that is affecting all of us in one way or another. Sales in the quarter were SEK 1,643 (1,416) million, which corresponds to a growth rate of 16.1 percent. Adjusted EBITA for the third quarter was SEK 150 (127) million, which corresponds to an adjusted EBITA margin of 9.2 (9.0) percent. Order backlog has remained strong and at the end of the quarter, it amounted to SEK 6,263 (4,418) million, which corresponds to an increase of 41.8 percent.

#### Strong earnings despite the pandemic

During the quarter, there has been a slight decline in production in some parts of the organization. Sick leave is approximately 3 percent higher than usual, which has impacted production and is reflected in the figures showing negative organic growth. Despite that and the ongoing pandemic, we have coped quite well at the Group level. I am very pleased with the results for segment Sweden, although Rest of Nordic is still performing somewhat below the desired level.

It is still very difficult to assess the market and we are ready to adapt if we become more affected by the pandemic in future quarters.

### **Growth in ventilation**

There was a high level of activity with acquisitions in the third quarter and Instalco continues acquiring high-quality companies that create synergies and cross-selling within the Group. Five of the acquisitions during the quarter were in Sweden and one was in Finland. Already this year, our acquired annual sales is nearly one billion SEK, which far exceeds our target of SEK 600-800 million. Our acquisition pipeline remains strong as well.

VentPartner Group, has its headquarters in Örebro, along with offices in Närke, Västmanland and Östergötland. This is our first major acquisition in the area of ventilation solutions and it further strengthens Instalco's position as a multidisciplinary supplier in central Sweden. In Stockholm, Instalco acquired MR Rör i Storstockholm AB. With its main focus on providing professional service, the acquisition is in line with our long-term strategy to grow in the service area.

We also significantly strengthened our position in Östergötland during the quarter with the acquisition of FTX Teknik och Service AB, Boman El och Larmtjänst i Norrköping AB (both in Norrköping) and Tornby El AB (in Linköping). In Helsinki, we grew our operations in heating & plumbing with the acquisition of Uudenmaan Lämpö-tekniikka Oy.

### **Energy-efficient and sustainable solutions**

Our sustainability efforts continue via our various projects that create benefits for society. Our focus is on protecting the environment for everyone and this means both indoor and outdoor climates. Our contribution lies in discovering new, smart, energy-efficient solutions for our customers. One example of a project with high sustainability requirements is LG Contracting's assignment to design and install a geothermal heating system for 650 new apartments in Upplands-Bro. A unique solution was designed based on the client's high energy demands using extremely efficient and powerful heat pumps.

Besides such prestigious projects as these, Instalco is involved in a wide range of other projects, varying in size. Much of our success is rooted in the many smaller, well-run projects of high quality that we are involved in. Our companies have strong local ties and excellent reputations, having established long-term, successful collaboration with their local customers.

One example of such is Tingstad Rörinstallationer's project to renovate the prestigious estate, Wijks Villa (from the early 1900s), situated in Lorensberg, Gothenburg. The work is being carried out as a partnership involving close collaboration between the client, contractor, curator and subcontractors from various disciplines to carefully renovate this protected building of historical value. Tingstad Rörinstallationer was engaged for the heating & plumbing work.

### **Developing the installation sector**

Instalco's focus in the installation sector is on electrical, heating & plumbing, sprinkler and ventilation systems, along with cooling and industrial solutions. We are continually looking for opportunities to strengthen our position in these areas, along with expanding into related areas of operation. One exciting example of such is installation consulting services, where we currently have a small position established and are looking into opportunities for additional growth. Here, we see great potential to develop the installation and construction sector by integrating project planning with technical execution.

## Report presentation

Instalco's CEO Per Sjöstrand will present the report in a conference call/audiocast today 9 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-q3-2020>

*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 9 November 2020 at 11:00 CET.*

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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 offer installation, service and maintenance of systems installed at properties and facilities throughout Sweden, Norway and Finland. The operations are conducted through approximately 80 leading and highly specialised local companies, 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)*