

Press release 18 February 2021 (11:00 CET)

## Year-end report 2020

### High profitability and wider scope of operations

#### October – December 2020

- Net sales increased by 25.8 percent to SEK 2,078 (1,652) million. Organic growth, adjusted for currency effects, was 8.1 (6.0) percent.
- EBIT increased to SEK 190 (144) million, which corresponds to an EBIT margin of 9.1 (8.7) percent.
- Cash flow from operating activities for the period was SEK 277 (152) million.
- Four acquisitions were made during the quarter, which on an annual basis, contribute an estimated total sales of SEK 445 million.
- Earnings per share for the period amounted to SEK 2.94 (2.24).

#### January – December 2020

- Net sales increased by 25.1 percent to SEK 7,122 (5,692) million. Organic growth, adjusted for currency effects, was 5.6 (4.0) percent.
- EBIT increased to SEK 604 (492) million, which corresponds to an EBIT margin of 8.5 (8.6) percent.
- Cash flow from operating activities for the period was SEK 689 (495) million.
- 18 acquisitions were made during the period, which on an annual basis contribute an estimated total sales of SEK 1,442 million.
- Earnings per share for the period amounted to SEK 9.0 (7.58).
- The Board proposes dividends of SEK 2.70 (2.30) per share.

#### Comments from CEO Per Sjöstrand:

I'm very proud to report that we ended 2020 on a strong note, with a continued trend of stability with high profitability and strong cash flow during the fourth quarter as well. Sales in the quarter were SEK 2,078 (1,652) million, which corresponds to a growth rate of 25.8 percent. Adjusted EBITA for the fourth quarter was SEK 193 (157) million, which corresponds to an adjusted EBITA margin of 9.3 (9.5) percent. Order backlog has remained strong and at the end of the quarter, it amounted to SEK 6,625 (4,865) million, which corresponds to an increase of 36.2 percent.

Despite the ongoing pandemic, we are able to conclude that both our sector, and Instalco specifically, have done very well in the quarter as well as the whole year. The adaptations we made to the business have been successful. Nevertheless, the market outlook is still difficult to assess.

#### Technical Consulting launched and expansion of Industrial

The fourth quarter has been particularly exciting for us, mainly because of the launch of our new discipline and business area, Technical Consulting. In order to be able to offer customers the most sustainable and energy-efficient installation solutions, Instalco will now be offering project planning and design. With our own technical consultants, we will be able to get involved at an even earlier stage, with a wider and more sustainable offering, to even more customers.

Our Instalco subsidiary, INTEC, is a key part of all of this and it currently has around one hundred technical consultants working throughout most of Sweden. INTEC's technical consultants have engineering degrees that cover the following areas: electrical, heating & plumbing, ventilation, energy, industrial and fire protection. The core business however is project planning/design and coordination of installation work.

During the quarter, we also expanded the scope of our Industrial business area, primarily by acquiring companies specialised in installations for the industrial sector. Selek in Avesta and HP Welding in Sundsvall, in business area North, are both specialised in industrial installations and projects. MESAB, is another company that we acquired in the fourth quarter of 2020 to expand our Industrial discipline. It specialises in installation and retrofitting of Ballast Water Treatment Systems and Exhaust Gas Cleaning Systems for the marine sector.

And we ended the year on a high with yet another acquisition in Norway, of Metro Rørlegger-service in Bårum, near Oslo.

I frequently mention the advantages of the Instalco model and how easily we can adapt as we grow. A good example of this happened during the quarter, when we divided our prior business area, West, into two parts, East and West. We also appointed new business area managers for each of these new regions. The aim is to maintain close ties and support our subsidiaries in the best way possible.

### **Cross-selling that creates growth**

One exciting project that is underway right now in the Industrial area involves ETKK, which has received an order for project planning, delivery and installation of the electric power system in conjunction with expansion of Mora Hospital. As with most of our larger projects, this one is also set up as a partnering project.

Cross-selling is a key component of the Instalco model and it involves our subsidiaries helping each other open -avenues to new customers and projects. One great example of this is the project to build the community property called Gyllehemmet in Borlänge, where four Instalco companies have been jointly engaged for installation of the ventilation and heating & plumbing systems, as well as refrigeration and a commercial kitchen.

### **Greater responsibility for sustainability and ESG**

Implementation of our newly launched sustainability program has gone well and it has yielded good results in the fourth quarter. Summing up the year, we are proud to report that we have had a total of 27 Sustainable Instalco Projects, most of which were added in the fourth quarter. All of them are projects with high sustainability targets derived from the classification system that Instalco has developed itself. Classification as a Sustainable Instalco Project serves as a stamp of quality for the project, customer and the work we perform.

I look forward to 2021 with optimism and enthusiasm about taking even greater responsibility within the realm of sustainability and ESG, which will also involve running a large number of Sustainable Instalco Projects.

## 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:

SE: +46 8 505 583 65

UK: +44 333 300 92 72

US: +1 8 332 498 406

The presentation can also be followed at <https://tv.streamfabriken.com/instalco-q4-2020>

*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 18 February 2021 at 11:00 CET.*

### For further information:

Per Sjöstrand, CEO

Robin Boheman, CFO, [robin.boheman@instalco.se](mailto:robin.boheman@instalco.se)

Fredrik Trahn, IR, [fredrik.trahn@instalco.se](mailto:fredrik.trahn@instalco.se) +46-70-913 67 96

---

*Instalco is one of the leading installation companies in the Nordic region, active in the areas of heating, plumbing, electricity, cooling, industrial solutions and technical consulting. We offer project planning, installation, service and maintenance of systems installed at properties and facilities throughout Sweden, Norway and Finland. The operations are conducted through approximately 85 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)*