

Press release 9 November 2021 (11:00 CET)

Interim report January – September 2021

Continued high rate of acquisition and good operating profit

July – September 2021

- Net sales increased by 21.0 percent to SEK 1,989 (1,643) million. Organic growth, adjusted for currency effects, was 2.2 (-2.7) percent.
- EBITA increased to SEK 171 (140) million, which corresponds to an EBITA margin of 8.6 (8.5) percent.
- Cash flow from operating activities for the period was SEK -42 (90) million.
- Six acquisitions were made during the quarter, which, on an annual basis, contribute an estimated total sales of SEK 399 million.
- Earnings per share for the period amounted to SEK 2.47 (2.01).

January – September 2021

- Net sales increased by 23.7 percent to SEK 6,242 (5,044) million. Organic growth, adjusted for currency effects, was 4.2 (4.6) percent.
- EBITA increased to SEK 521 (414) million, which corresponds to an EBITA margin of 8.3 (8.2) percent.
- Cash flow from operating activities for the period was SEK 227 (412) million.
- A total of 21 acquisitions were made during the period, which on an annual basis contribute an estimated total sales of SEK 975 million.
- Earnings per share for the period amounted to SEK 7.44 (6.04).

Comments from CEO Robin Boheman:

Sales in the first quarter were SEK 1,989 (1,643) million, which corresponds to a growth rate of 21.0 percent. EBITA for the quarter was SEK 171 (140) million, which corresponds to an adjusted EBITA margin of 8.6 (8.5) percent. Order backlog has remained strong and at the end of the quarter, it amounted to SEK 6,494 (6,263) million, which corresponds to an increase of 3.7 percent.

During the third quarter, we were still affected by the circumstances of the pandemic, particularly in Norway and Finland. As was the case earlier during the pandemic, we noticed a continued sluggishness with newly signed contracts and absenteeism has also been somewhat higher than normal. We have also been somewhat affected by higher raw material prices during the quarter.

We are now optimistic about the approaching return to more normal circumstances, without restrictions and with good conditions for offering design, installation and service of various types of projects in the Nordic region.

High rate of acquisition

We maintained a high rate of acquisition during the third quarter, having made five company acquisitions in Sweden and one in Norway. In Sweden, all of the acquisitions were niched companies in our regular, or closely related business areas. The acquisitions were: Forsséns El in Södertälje (control technology and automation), App Start Up in Stockholm (energy), PeMi in Orsa (ventilation), SSE in Blomstermåla (electrical power) and Installationsservice in Eskilstuna (service). In addition to that, our subsidiary Henningsons El made an add-on acquisition of Industriprodukter in order to expand its offering in the power and industrial areas. In Norway, we strengthened our presence in Oslo via the acquisition of Klimateknikk.

We have a strong acquisition pipeline and have noticed that there is much interest among entrepreneurs to join the Instalco team. For the foreseeable future, there are great opportunities for continuing to make high quality company acquisitions in our market. The aim is to widen our base of companies in Norway and Finland in order to create a more stable base that will make it easier for us to create the business synergies that are one of the cornerstones of Instalco.

During the quarter, we added new talent to our team by hiring a new Head of Purchasing, a new CFO and a new set up for managing Business Area Finland, all of which is aimed at ensuring that Instalco can keep growing at the rate we would like. It makes us confident that we can successfully continue on our journey of growth.

Design and installation

During the quarter, we completed many deliveries of design and installation of various types of sustainable installation projects. One example of many is a partnering project with NCC and Karlstad Municipality, where our subsidiary, LG Contracting was engaged for the heating & plumbing installations in conjunction with construction of the new indoor arena for ice hockey in Karlstad. The heat generated from machinery that keeps the ice frozen is captured and used to heat other parts of the facility.

We are also continuing to grow our Technical Consulting business area focused on design and planning. At the centre of it all is our subsidiary, Intec. Before the end of the year, we will have more than 200 technical consultants working for us throughout Sweden.

New collaboration in sustainability

For the Instalco Group, ESG and sustainability lies at the core of everything we do. Our climate-smart installations lower energy and resource consumption to help future-proof society. We are also passionate about water purification and other types of water resource management systems. I am therefore very proud that we were able to initiate a collaboration with Wayout International during the quarter. The collaboration enables Wayout to, with the help of our knowledge and expertise, ramp up their effort with production and distribution of micro-purification factories to areas of the world where clean drinking water is a scarcity.

Report presentation

Instalco's CEO Robin Boheman 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-q3-2021>

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 2021 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, technical consulting and industrial solutions. We offer project planning, design, installation, service and maintenance of systems installed at properties and facilities throughout Sweden, Norway and Finland. The operations are conducted through approximately 100 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