

Instalco Q2 presentation

22 August 2024

This is Instalco

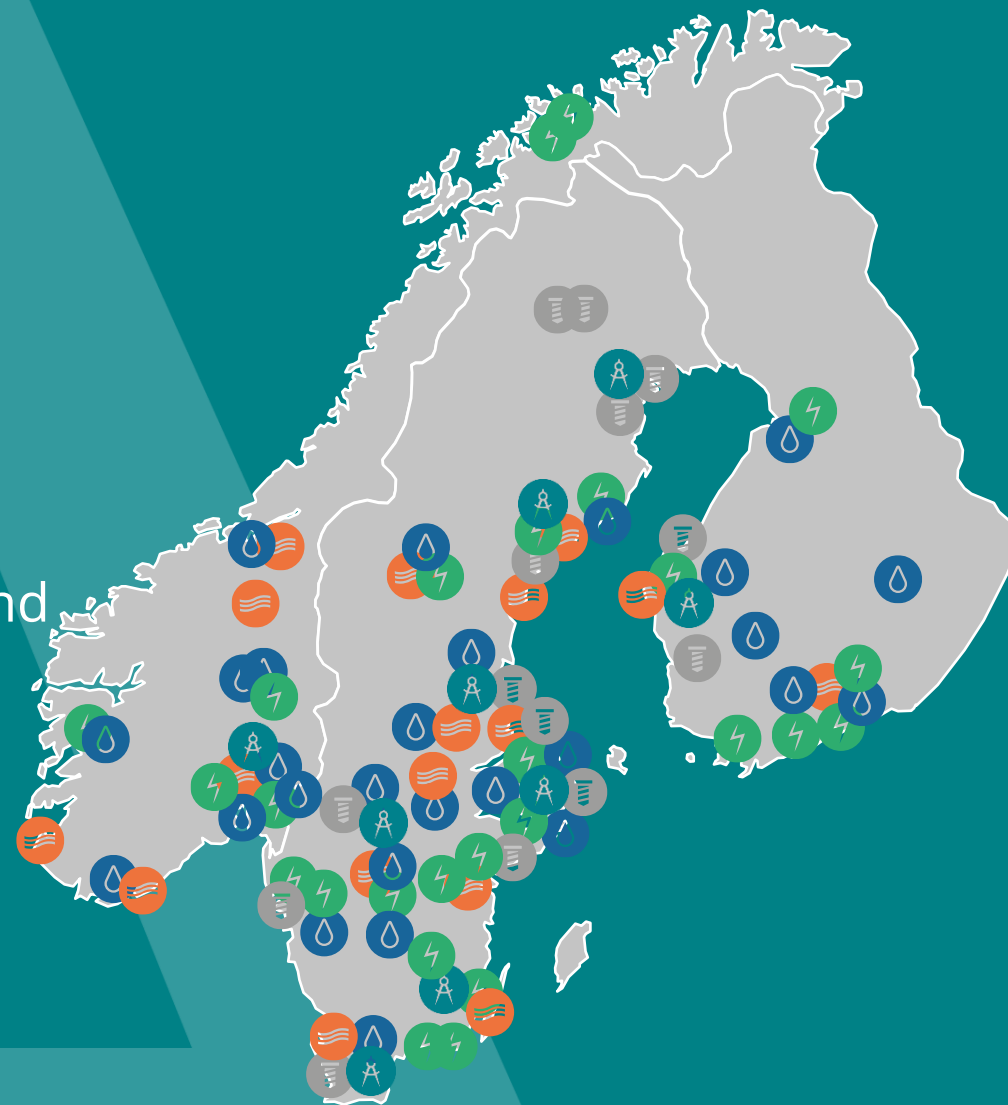
A leading Nordic group within heating and plumbing, electricity, ventilation, industry and technical consulting

Project planning, installation, service and maintenance of systems installed at properties and facilities

Highly decentralised structure – specialised local companies

>6,200 employees

Driving the green transformation – strong underlying market drivers



Key financials, LTM

Net sales, million SEK

14,122

EBITA, million SEK

1,051

Cash flow from operations, million SEK

907

Order backlog, million SEK

9,058

EBITA margin, %

7.4

Number of companies

160

Quarterly highlights

- Margins remain best in class despite challenging market conditions
- Starting to see positive signs in the market
- Launch of a new business area

Key financials Q2 2024

Net sales

SEK **3,656** million

EBITA

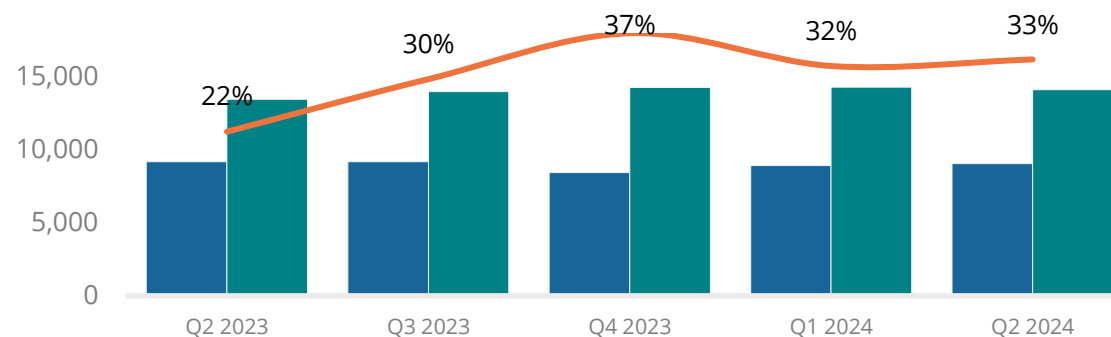
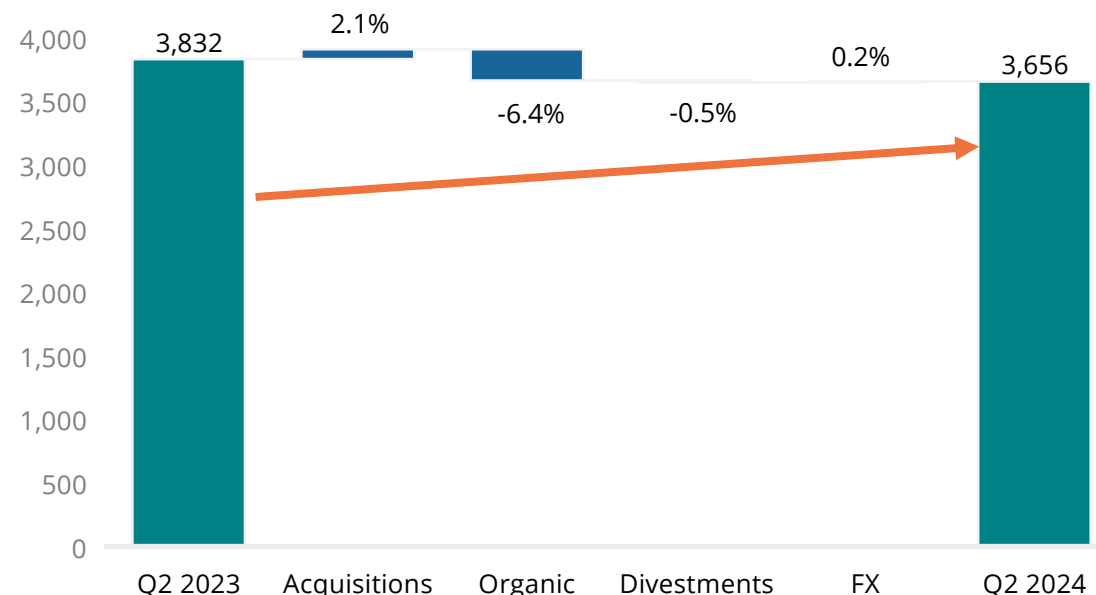
SEK **265** million

EBITA margin

7.2 %

Net sales and order backlog (SEK million)

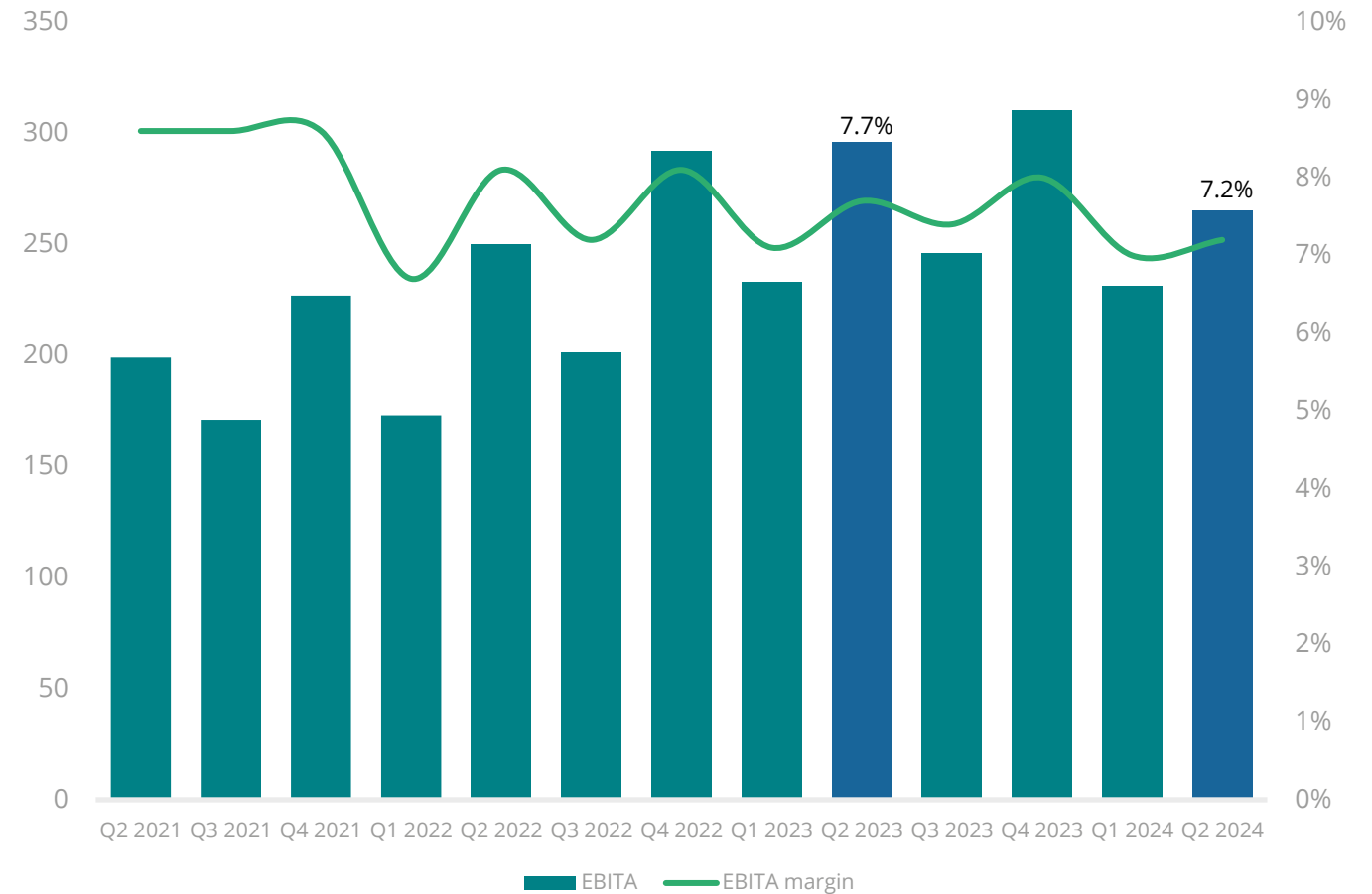
- Net sales development of -4.6% to SEK 3,656 (3,832) million
- Organic development -6.4%, while acquired growth contributed 2.1%
- Backlog essentially flat YoY and sequentially
- Margins over volume
- Service, not included in order backlog, made up 33% of sales in the quarter



Order backlog Net sales R12M Service as % of net sales

EBITA development (SEK million and margin %)

- EBITA amounted to SEK 265 (296) million
- EBITA margin of 7.2% (7.7), a stable earnings development in the current market





Segment Sweden

- Net sales amounted to SEK 2,550 (2,720) million
 - Organic development -7.1%
 - Acquired growth of 1.4%
- EBITA margin of 7.1% (8.2), affected by market conditions

Key financials Q2 2024

Net sales

SEK **2,550** million

EBITA

EBITA margin

SEK **182** million **7.1** %

Order backlog

SEK **6,619** million



Segment Rest of Nordics

- Net sales roughly flat at to SEK 1,106 (1,112) million
 - Organic development -5.0%
 - Acquired growth of 3.7%
- EBITA grew by 13.8% to SEK 85 (75) million, corresponding to an EBITA margin of 7.7% (6.7)

Key financials Q2 2024

Net sales

SEK **1,106** million

EBITA

SEK **85** million

EBITA margin

7.7 %

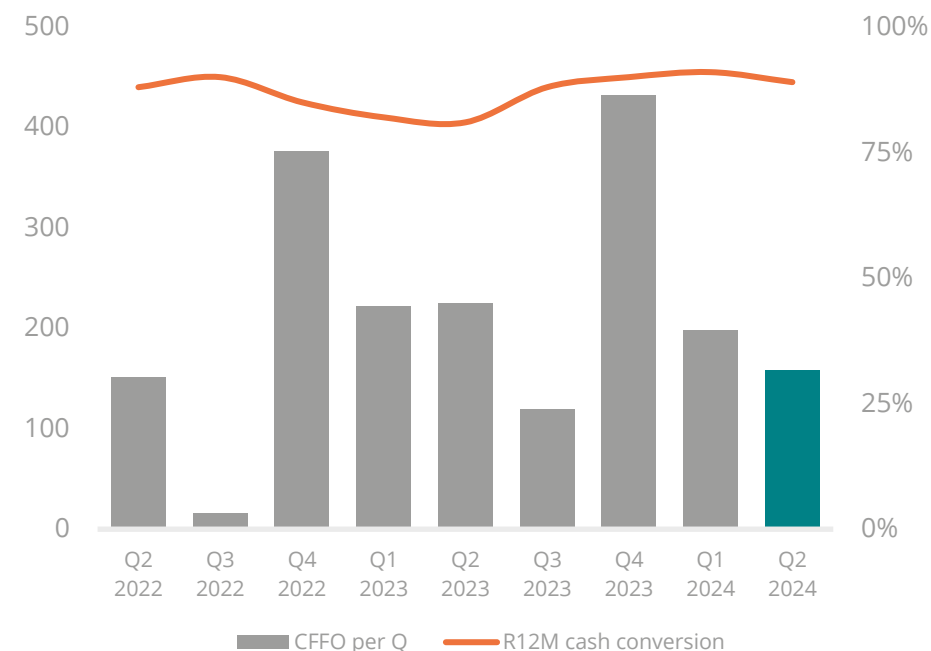
Order backlog

SEK **2,440** million

Cash generation (SEK million)

- Cash flow from operations of 158 (225) million, with a change in working capital of SEK -134 (-99) million
- Fewer acquisitions, but payment of dividend to shareholders affected total cash flow for the period

SEKm	Q2 2024	Q2 2023
EBITDA	359	381
Change in net working capital	-134	-99
Cash flow from operating activities (CFFO)	158	225
<i>Cash conversion (R12M)</i>	89%	81%
Cash flow from investing activities	-83	-138
Cash flow from financing activities	-141	-535
Cash flow for the period	-67	-447



Financial targets

Growth

≥10%

Average sales growth should be at least 10% per year over a business cycle.
Growth will take place both organically and through acquisitions

Cash conversion

100%

Instalco aims to achieve a cash conversion ratio of 100%, measured over a rolling twelve-month period over a business cycle

Dividend policy

30%

Instalco targets a dividend payout ratio of 30% of net profit

Profitability

8%

Instalco aims to deliver an EBITA margin of 8.0%

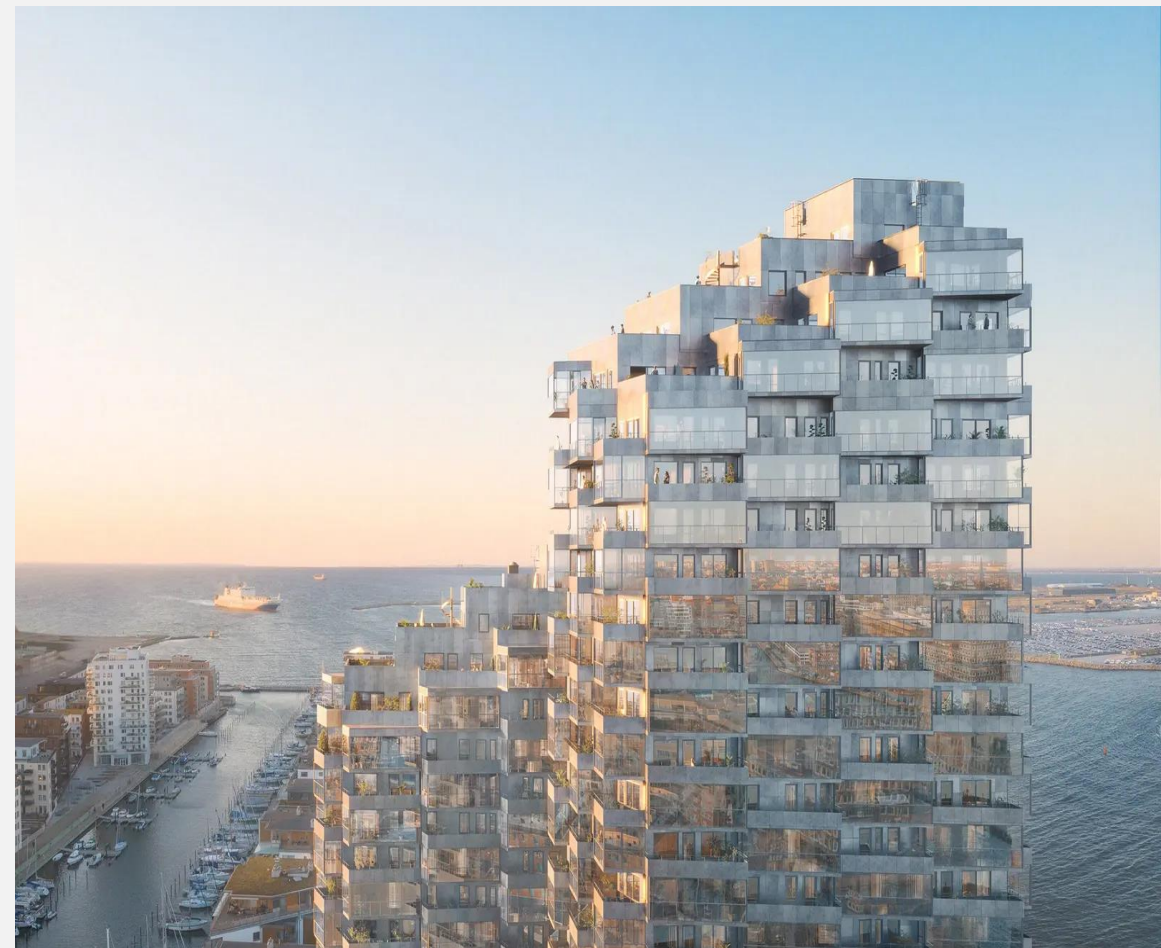
Capital structure (Net Debt/EBITDA)

2.5x

Instalco's net debt in relation to EBITDA shall not exceed a ratio of 2.5

Project: Apartments at a new landmark

- Four Instalco companies have been contracted for a joint installation assignment at a new construction project of 160 apartments in project Docks, Malmö.
- The combined order value for Instalco is around SEK 100 million.
- Instalco will be responsible for the electrical, heating & plumbing, ventilation and sprinkler installations. The following Instalco companies will be involved: El-Pågarna, Rörläggaren, Bi-Vent and Sprinklerbolaget.



CEO's theme

Automation – a new business area

Inmatiq delivers automation solutions to both buildings and industry. Automation adds a new dimension to the service portfolio.

Customers now have access to an even more integrated partner who can handle everything from design and installation to optimized operations and management.

What is automation?

- Digital and automatic control of technical installations
- In buildings, facilities, and industries
- To achieve energy efficiency and reduced resource consumption
- For improved comfort
- Examples of services: planning, project management, inspection, system integration, service, analysis



Why automation?



Complements
overall offering



More proactivity in
the sales process
throughout the
facility's lifespan



The prerequisite for
efficient and
sustainable
operations



Insights into real
customer needs

Inmatiq will walk in the footsteps of Intec

- Same start-up concept that we have successfully implemented through Intec
- Starting in the North of Sweden and rapidly expanding



Summary

- Stable development given the challenging market conditions
- Maintained focus on margins over volume
- Launch of a new, exciting business area through our proven start up-model
- Starting to see positive market signals – though installation is late cyclical



Q&A

INSTALLCO

Climate-smart, sustainable installations enable us to lower our energy consumption.