

Investor presentation

May 2025

**INSTALCO**



**A leading installation group within heating and plumbing, electrical, ventilation, industry and technical consulting.**

# Local proximity with the possibilities of a large company

A leading northern European group within heating and plumbing, electrical, ventilation, industry and technical consulting

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

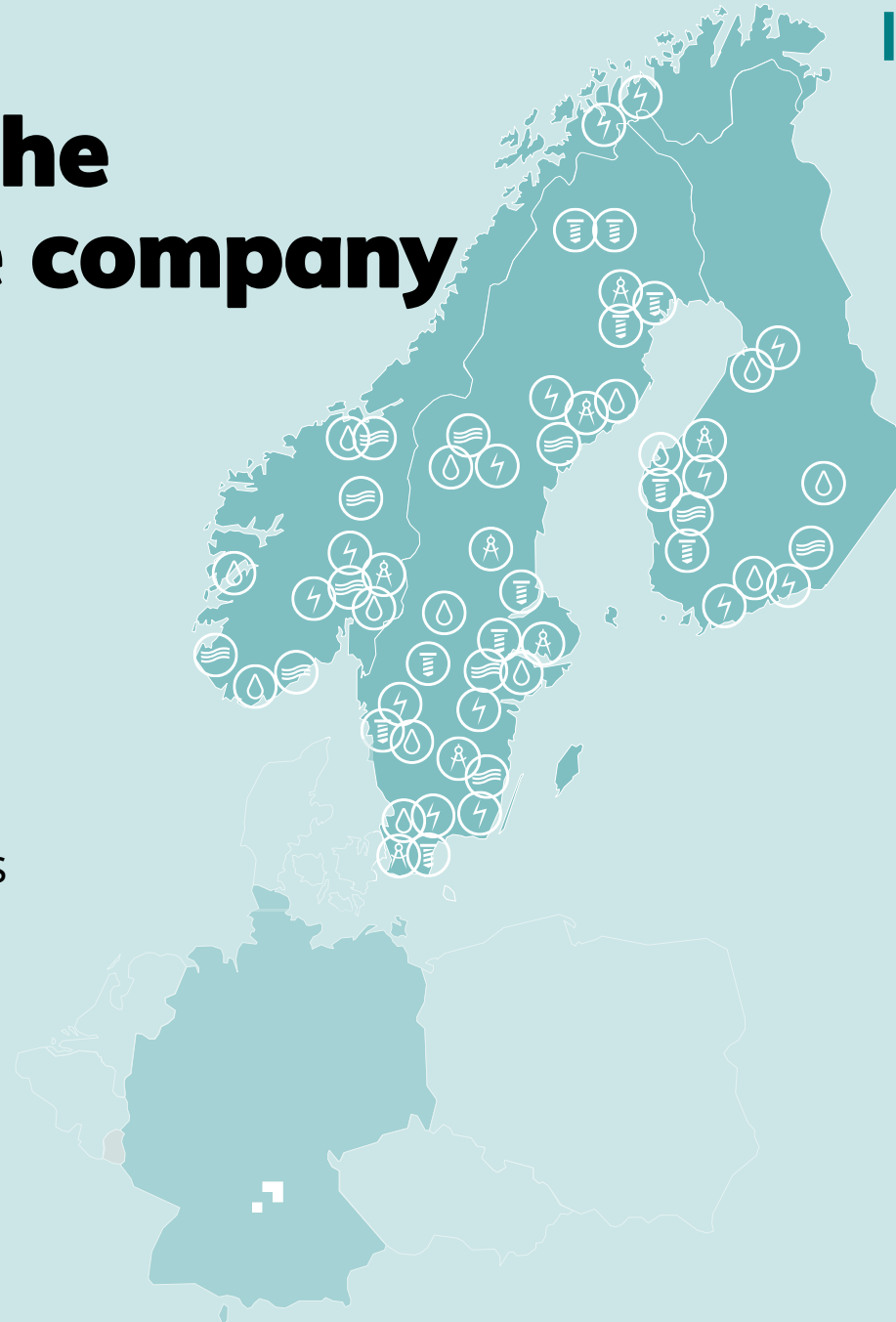
Highly decentralised structure

>150 subsidiaries – specialized local companies

>6,000 employees

Supported by a small central organisation

**Driving the green transformation – strong underlying market drivers**



# Five reasons to invest in Instalco

- 1 Attractive and diversified positioning in the mid-size projects market, driven by global megatrends
- 2 Focus on services that benefit society, and increase energy efficiency and sustainability
- 3 Decentralised model maintaining the entrepreneurial spirit, but with the financial muscles to provide an attractive offering to customers
- 4 Proven track record of successful acquisitions and start-ups in a fragmented market with low multiples
- 5 Combination of strong growth, industry-leading margins, and high cash conversion



# Key financials FY 2024

Net sales, million SEK

**13,690**

EBITA adj., million SEK

**944**

Cash flow from operations, million SEK

**946**

Order backlog, million SEK

**9,002**

EBITA adj. margin, %

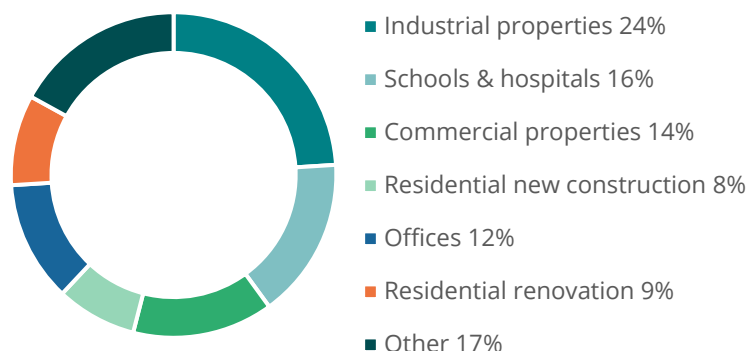
**6.9**

Service share of revenue YTD, %

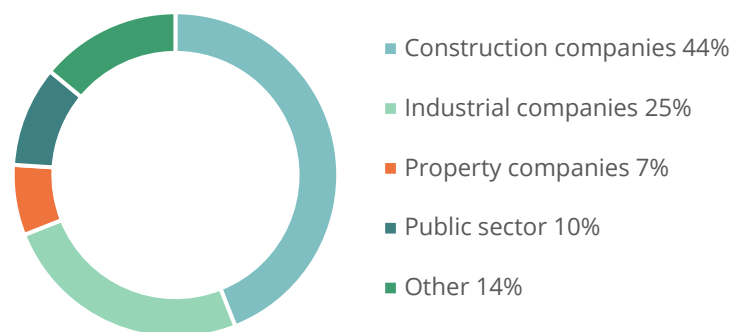
**35**

# Solid foundation through variety in customers, projects and disciplines

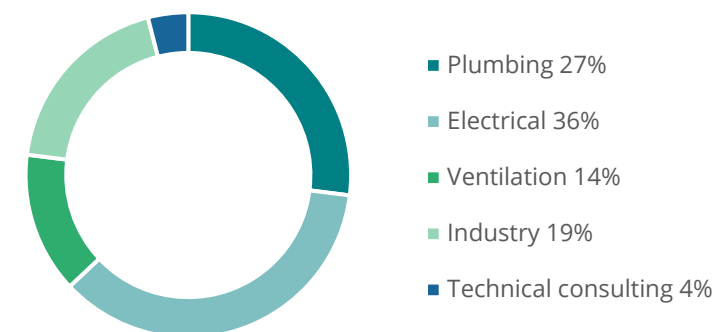
SALES BY END MARKET FY 2024



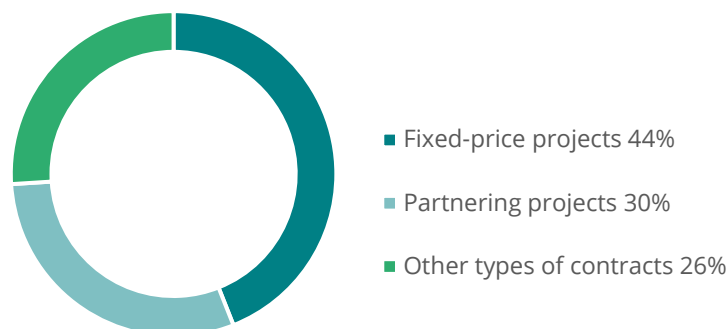
SALES BY CUSTOMER GROUPS FY 2024



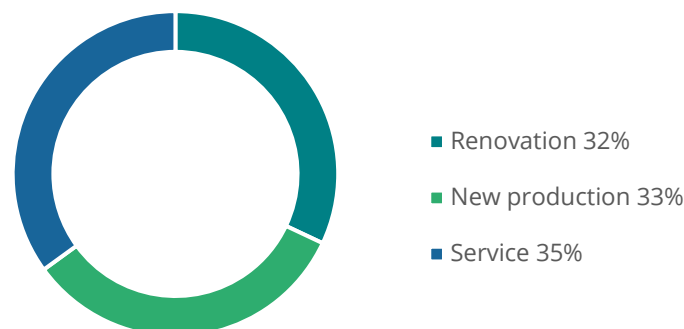
SALES BY DISCIPLINE FY 2024



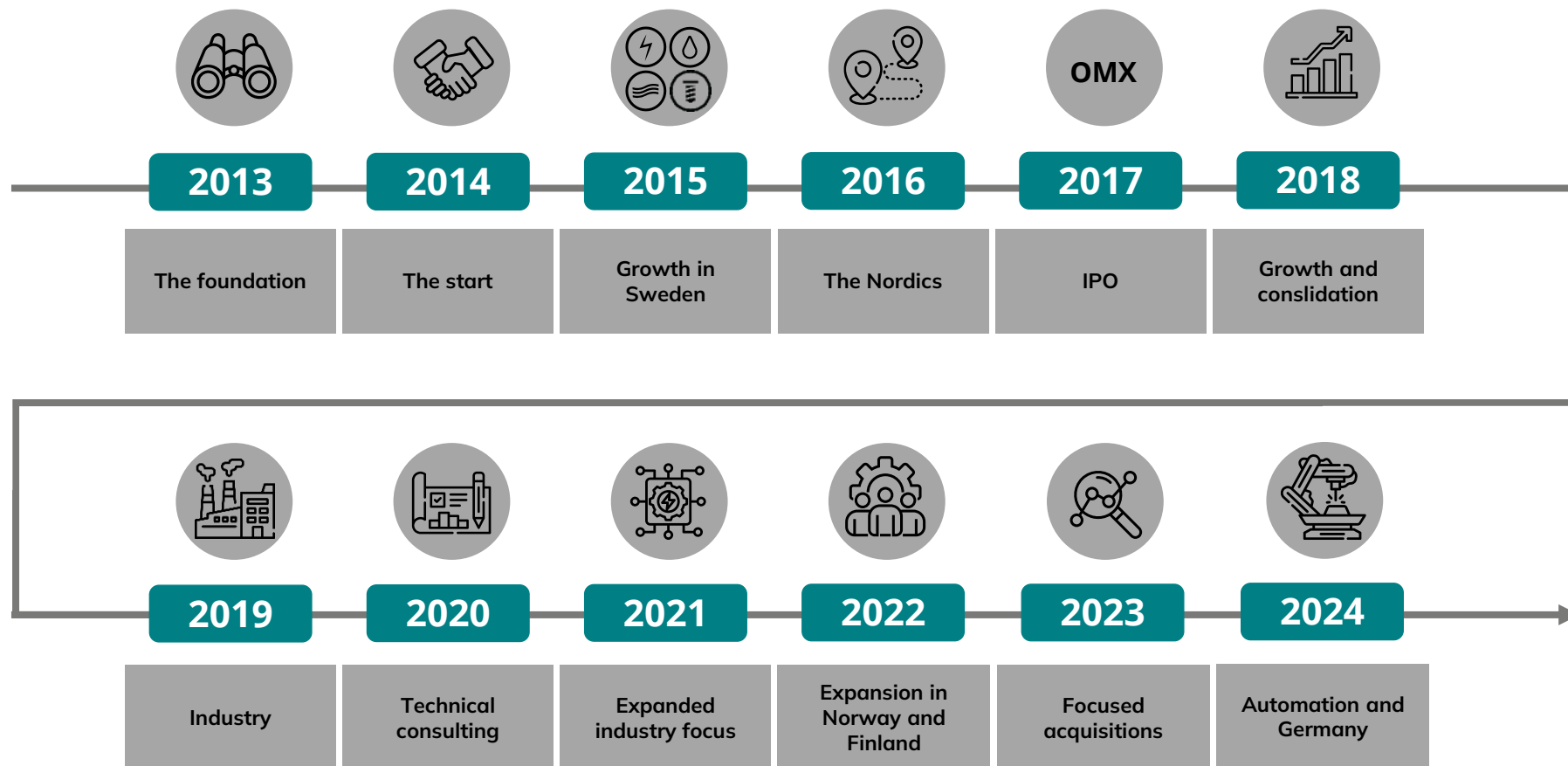
SALES BY CONTRACT TYPE FY 2024



SALES BY PROJECT TYPE FY 2024



# Instalco's journey



# Market

Attractive and diversified positioning in the mid-size projects market, driven by global megatrends



## A fragmented market

# SEK 214 bn

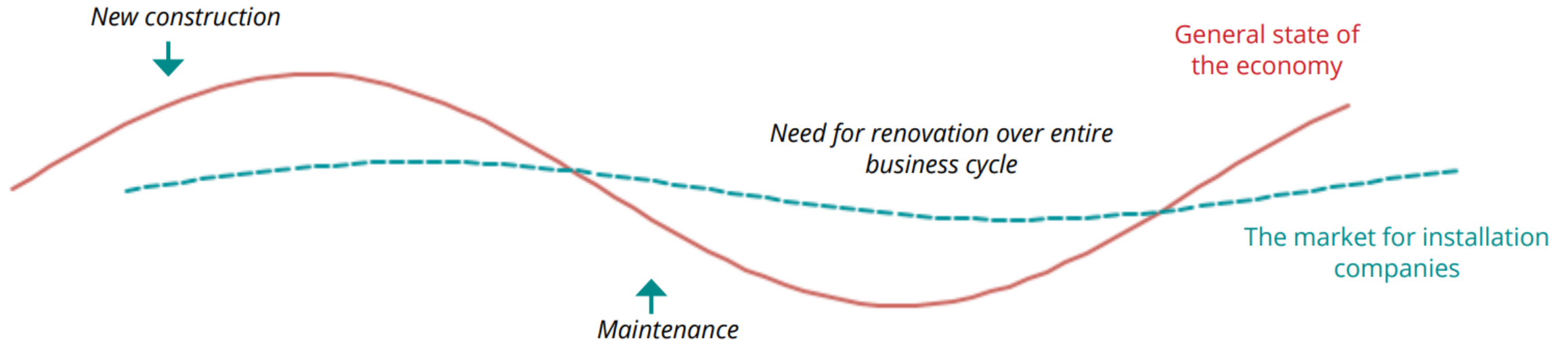
Sales for Instalco's core markets (Sweden, Norway and Finland) in 2024

# 6.4%

Instalco's market share in 2024



# Installation less cyclical than construction



# Long-term market drivers



**Green transition  
and energy  
efficiency**



**Ageing real estate  
stock and  
expansion**

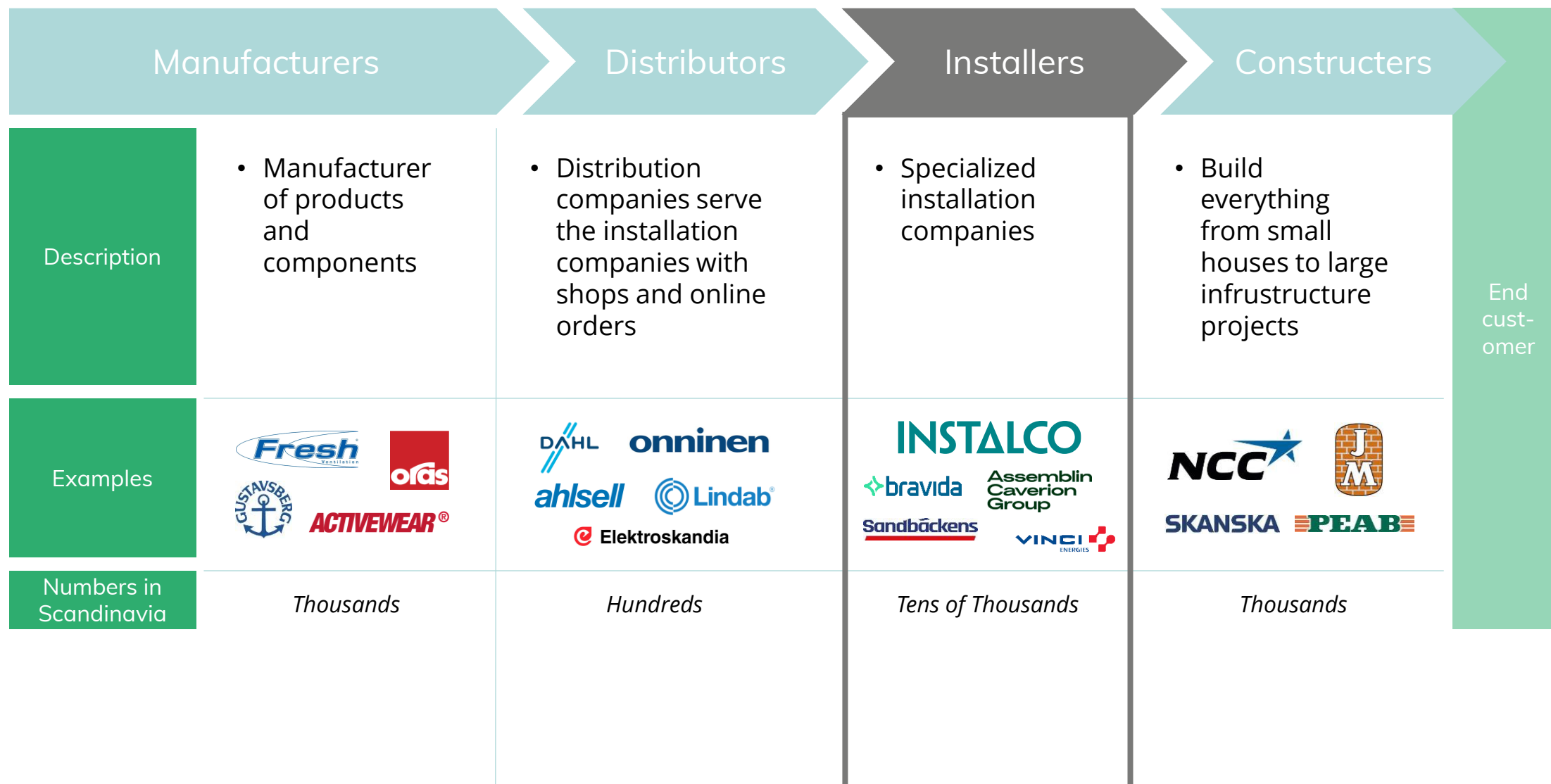


**Digitalisation and  
increased building  
complexity**



**Housing shortage  
and relocation**

# Instalco in the value chain



# Attractive segment and risk minimization



## Large projects (SEK >75m), e.g.:

- Stadiums
- Shopping malls
- Infrastructure

## Key success factors:

- Price
- Financial strength
- Organisation



## Mid-size projects (SEK 1-75m), e.g.:

- Public buildings
- Residential buildings
- Commercial buildings
- Industrial buildings
- Housing co-ops

## Key success factors:

- Quality
- Lead time
- Local presence
- Relationship



## Small projects (SEK <1m), e.g.:

- Individual households
- Retail market

## Key success factors:

- Local presence
- Relationship

## To minimize risk:

- Mid-size projects (main-business)
- Partnering
- Few larger fixed price projects over SEK 30m
- Second opinion/ sign off routine
- Follow up of forecast
- Board meetings in every subsidiary



# Examples of projects

## Construction City, Oslo, Norge

- Lysteknikk Elektroentreprenør AS
- Electrical project design and installations
- New construction of office facility of over 100,000 sqm

## Clab, Oskarshamn, Sverige

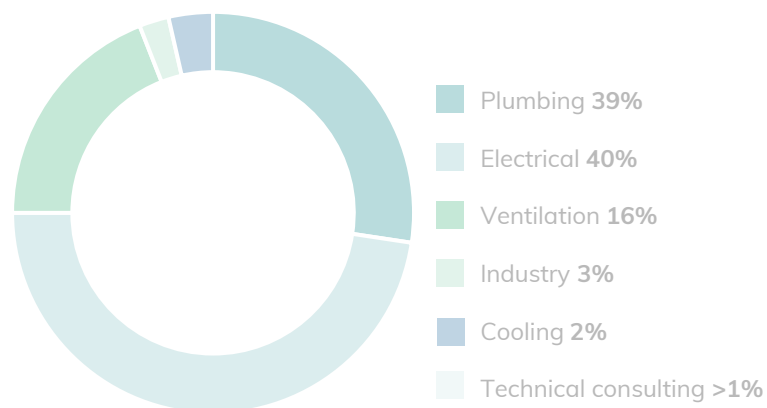
- Avent AB in Kalmar
- Installations of ventilation systems at the Central Interim Storage Facility for Spent Nuclear Fuel
- Modernisation and energy optimisation

## SSAB, Brahestad, Finland

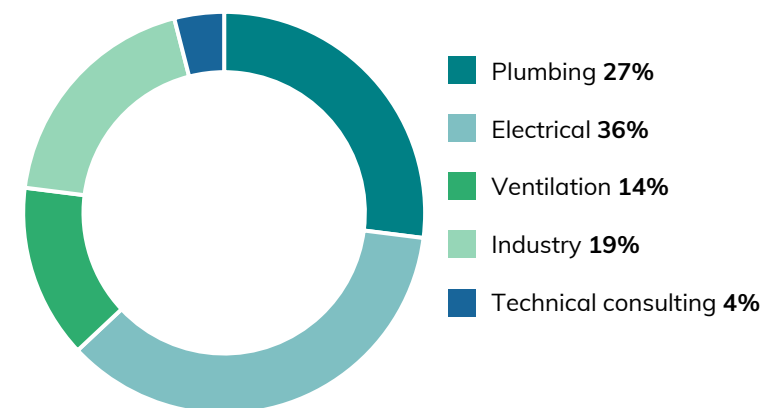
- Pohjanmaan Talotekniikka Oy in Uleåborg
- Technical installations required when SSAB expands its facility in Northern Ostrobothnia
- Heating, sanitation and ventilation

# A more diversified business

SALES PER DISCIPLINE FY 2020



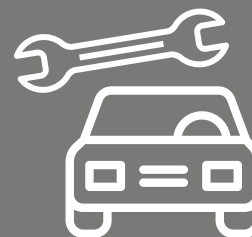
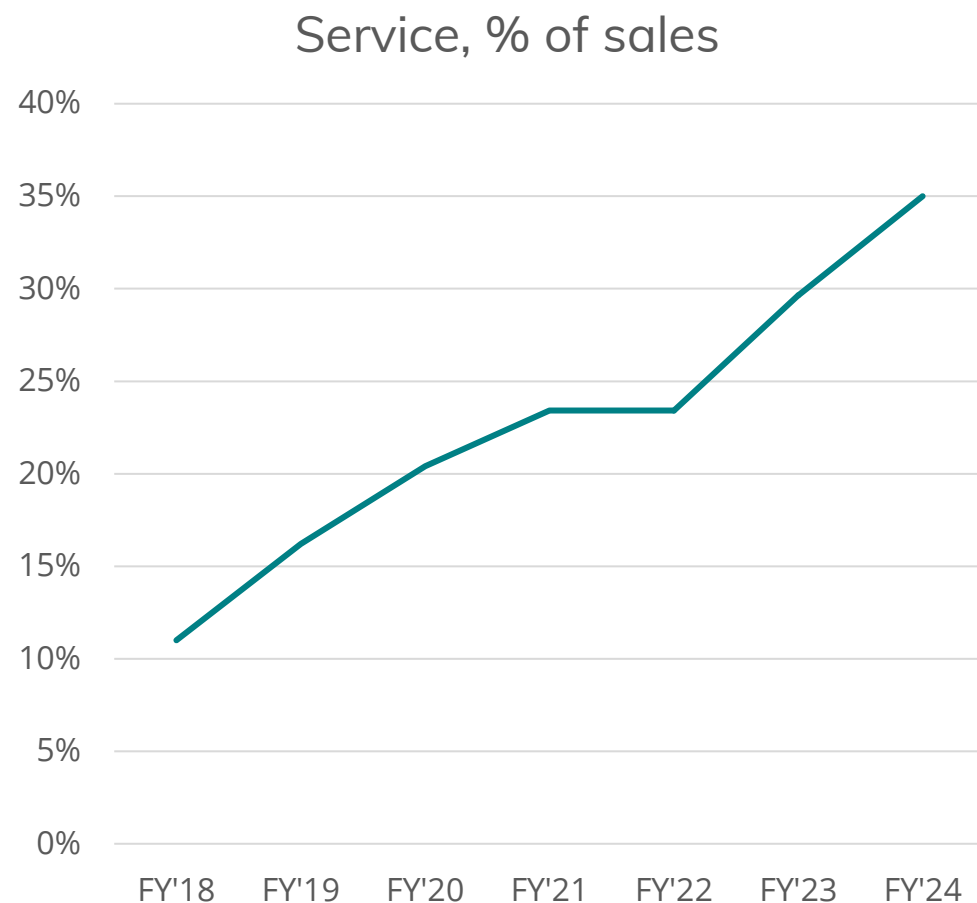
SALES PER DISCIPLINE FY 2024



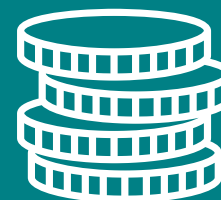
Strategic growth in industry and consulting while maintaining a strong position in core disciplines.

Diversification supports margin stability and positions Instalco for new types of projects and customer needs.

# A growing, more resilient part of our business



Smaller, ongoing assignments – often as part of service agreements or assignments sent to the companies' service departments



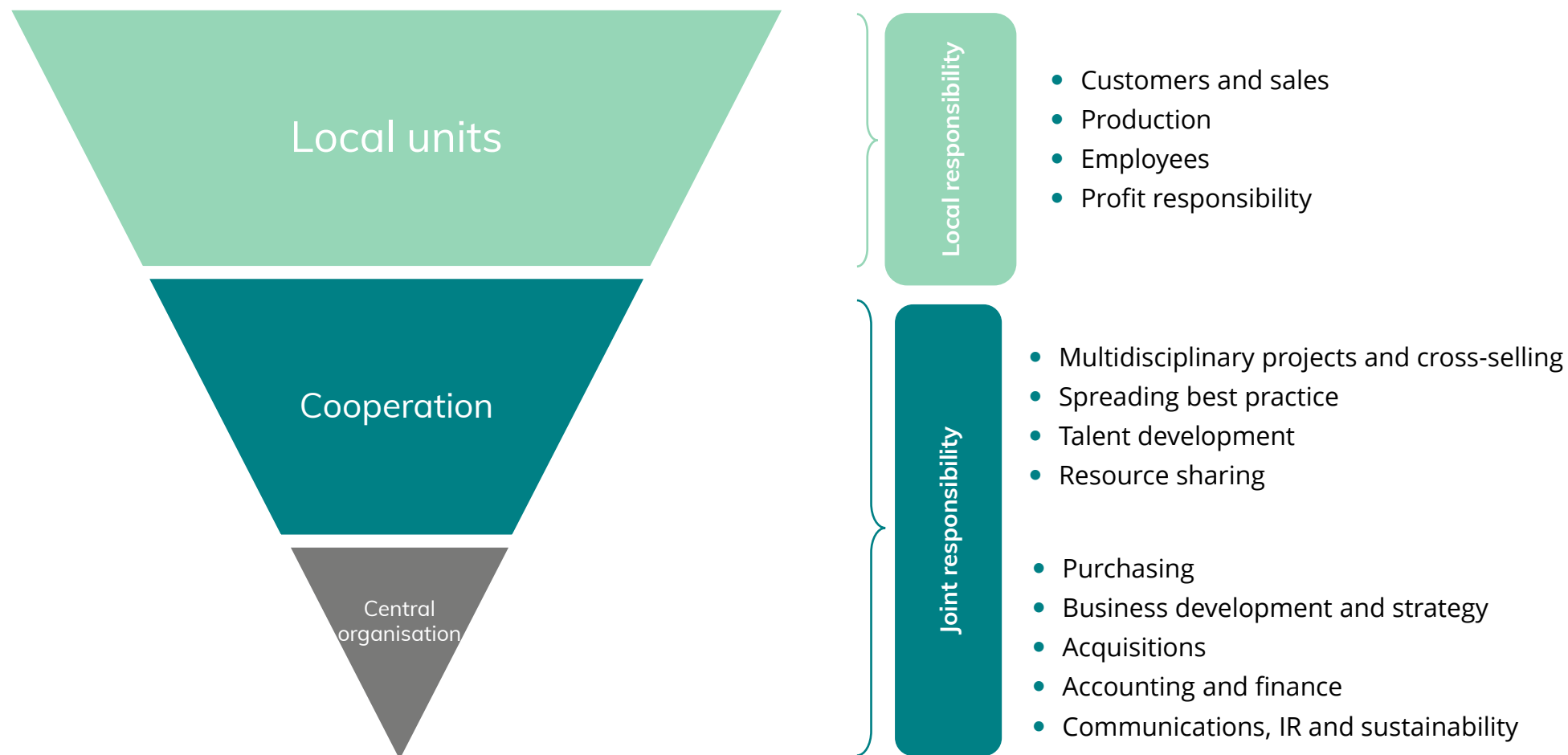
- Revenue that does not fall under the need for percentage-of-completion
- Assignments on a running account without a budget



# The Instalco model

Decentralised model maintaining the entrepreneurial spirit, but with the financial muscles to provide an attractive offering to customers

# Decentralized model keeps us close to customers



We enable **our companies, employees and customers** to grow by collaborating on installations for transition to a **green society** for the next generation. We are the most competent and efficient **partner** for our customers.





# Our values – our strength

## Innovative

- We have simple communication pathways and provide comprehensive solutions between technical areas. We focus on quality and sustainability.

## Efficient

- We have effective processes for each task, a small organization and mature leadership. We simplify operations every day, both internally and for our clients.

## Collaboration

- We work closely with our clients and collaborate internally. We are very engaged in our tasks and we listen to and learn from each other.

# Instalco is built by entrepreneurs

## Entrepreneurial spirit

- Subsidiaries maintain their own culture and brand
- Team building activities to further strengthen subsidiaries
- Specialisation
- Strong local ties

## Mature leadership and collaboration

- Incentives to encourage further development
- Organic growth through cooperation between units and cross-selling
- Joint purchasing agreements
- Friendly competition

## Business development

- The Instalco Academy
- Best practice sharing
- Central and peer based business development support





# Our value creation

## M&A

- Buy & Build
- Proven track record of successful acquisitions in a fragmented market with low multiples

## Operations

- Combination of strong growth, industry-leading margins, and high cash conversion
- Attractive and diversified positioning in the mid-size projects market, driven by global megatrends

## Organisation

- Decentralised model maintaining the entrepreneurial spirit, but with the financial muscles to provide an attractive offering to customers
- Very low central overhead
- Commitment and determination



# Strategic focus areas



**Employees and leadership**



**Customers**



**Acquisitions and startups**



**Sustainable offerings**

# Growth

Proven track record of successful acquisitions and start-ups in a fragmented market with low multiples



# Different paths to profitable growth



**Organic growth  
through  
cooperation  
between  
companies**



**Startups**



**Strategic  
acquisitions**

# Collaboration between the companies: More multidisciplinary projects

## Gothenburg station

- Comprehensive solution - eight Instalco companies in a joint assignment
- Project design and installation of electrical, plumbing, ventilation, sprinkler and automation/control technology
- 15 000 sqm station, shops, restaurants och verksamheter

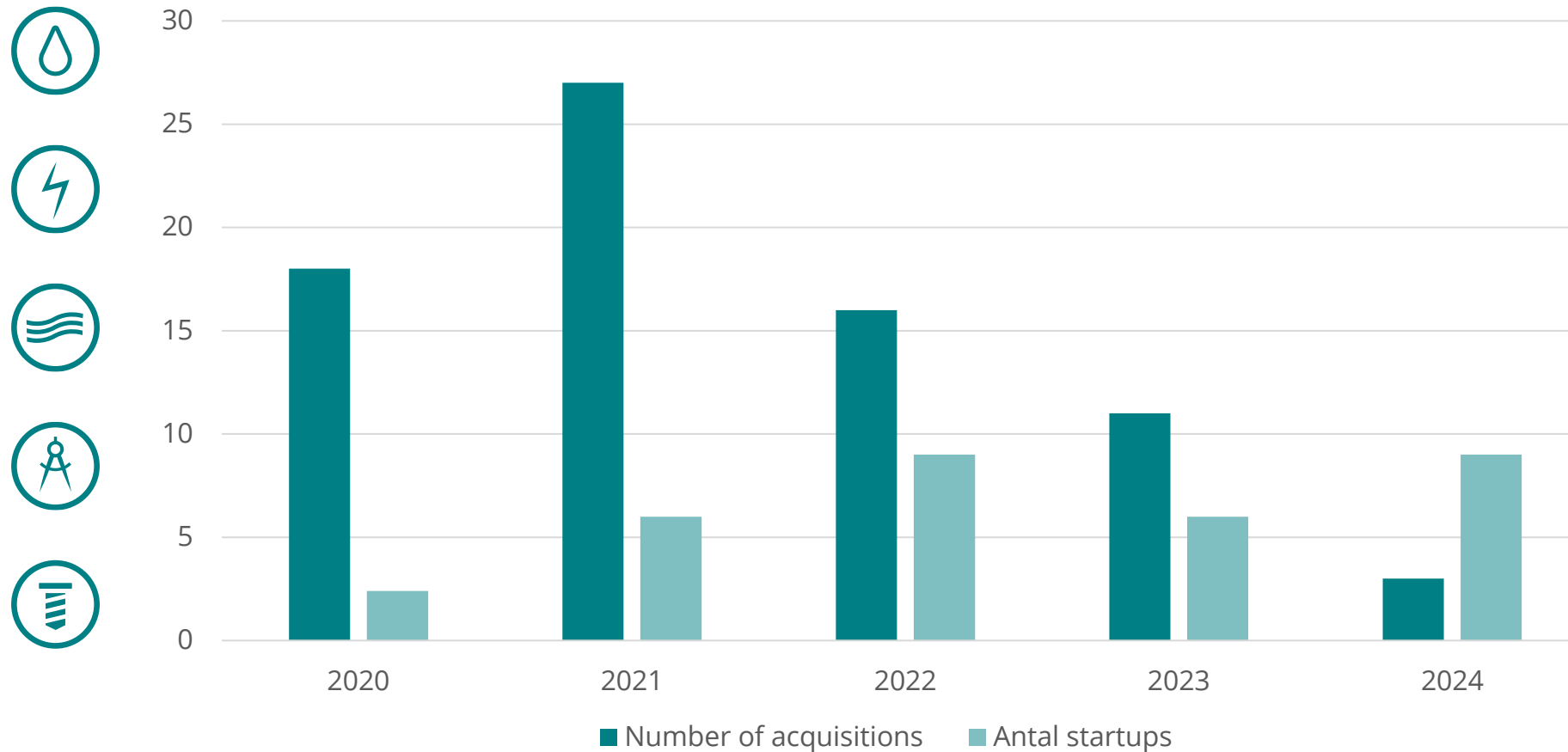
## Stockholm Exergi

- Six Instalco companies, electrical installations for the rebuilding and renovation of Värtaverket
- Co-operation is the key to delivering in a short time frame

## Malmö Docks

- Joint installation contract for four Instalco companies
- Electricity, plumbing, ventilation and sprinkler for 160 partments
- Long-term co-operation with customer JM

# Number of acquisitions and startups



# Acquisition criteria

## Entrepreneurship

- Specialisation with the ability to adapt the offering going forward
- Long-term competitiveness
- Repeat customers

## Organisation

- Mature leadership
- Ensuring succession
- Stable organisation with low dependence on individuals
- Structural capital



## Financial stability

- Profitability
- Stability
- Growth
- Cash cow

## The Instalco spirit

- Team player willing to collaborate with other Instalco companies
- Drive to develop the business
- Good company culture

# What our entrepreneurs say



"We'd previously worked with several of the first five companies, but it was mainly VVS Metoder that prompted our interest in Instalco. We were a relatively new company, only three years old, and had no plans to sell but we were intrigued by the model," says **Tomas Danielsson**, CEO of **OTK Klimatinstallationer** and one of the previous owners.

Read more <https://instalco.se/en/for-entrepreneurs/>



"I'd followed Instalco from a distance and was impressed by and curious about the model. We were in a position where we'd built a good basis for our operations but needed to do something more to take the next step. Having explored various options, I decided Instalco stood out, both in terms of their attitude and way of working," says **Andreas Thors**, CEO of **RP Montage & Energipartner**.

# Instalco's startup model

- Complementing our acquisition strategy through organic expansion
- Companies are co-founded with local entrepreneurs, tailored to specific geographies or technical niches - Instalco retains majority ownership
- Fast start-up with Instalco's support: capital, sourcing, branding, business development, network
- Operates with full entrepreneurial freedom under our decentralised business model
- Creating group-wide synergies through joint projects, knowledge sharing and cross-selling
- A capital-efficient way to create future Instalco companies and open up new local markets



# Business area Technical Consulting – a startup from scratch

- Intec launched 2020
- Inmatiq launched 2024
- Stand-alone brands with several subsidiaries – an "Instalco within Instalco"



 Intec  
 Inmatiq



# Intec and Inmatiq – the result of our strategy for new disciplines

## INTEC

INTEC is a modern consulting company that offers a full range of services within building, industry and infrastructure. With knowledge, experience and innovation, we transform needs and requirements into energy savings and constructive technical solutions, **Beyond Engineering.**

## INMATIQ

INMATIQ is a technology company specialising in smart automation for facilities and industry. With in-depth expertise and innovative solutions, we create energy-efficient, reliable and user-friendly systems – from design to finished solution and long-term support. Through technology integration and close collaboration with the customer, we drive development towards sustainable and optimised facilities, **Beyond Automation.**



# Rapid growth – from 0 to 450 consultants



Development number  
of FTEs at Intec



# The FABRI Group Decentralized. Partnership-based. Long-term.

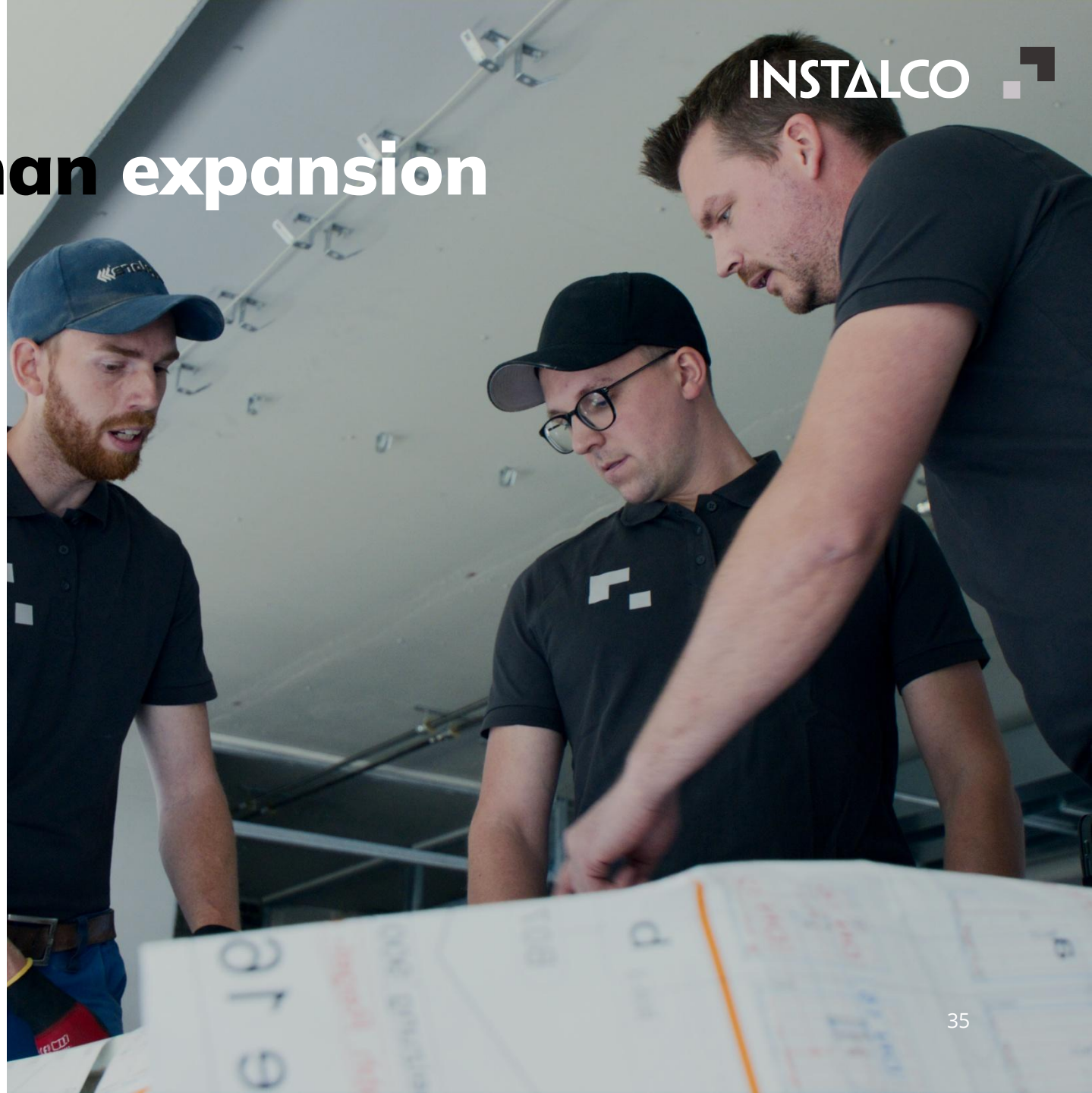




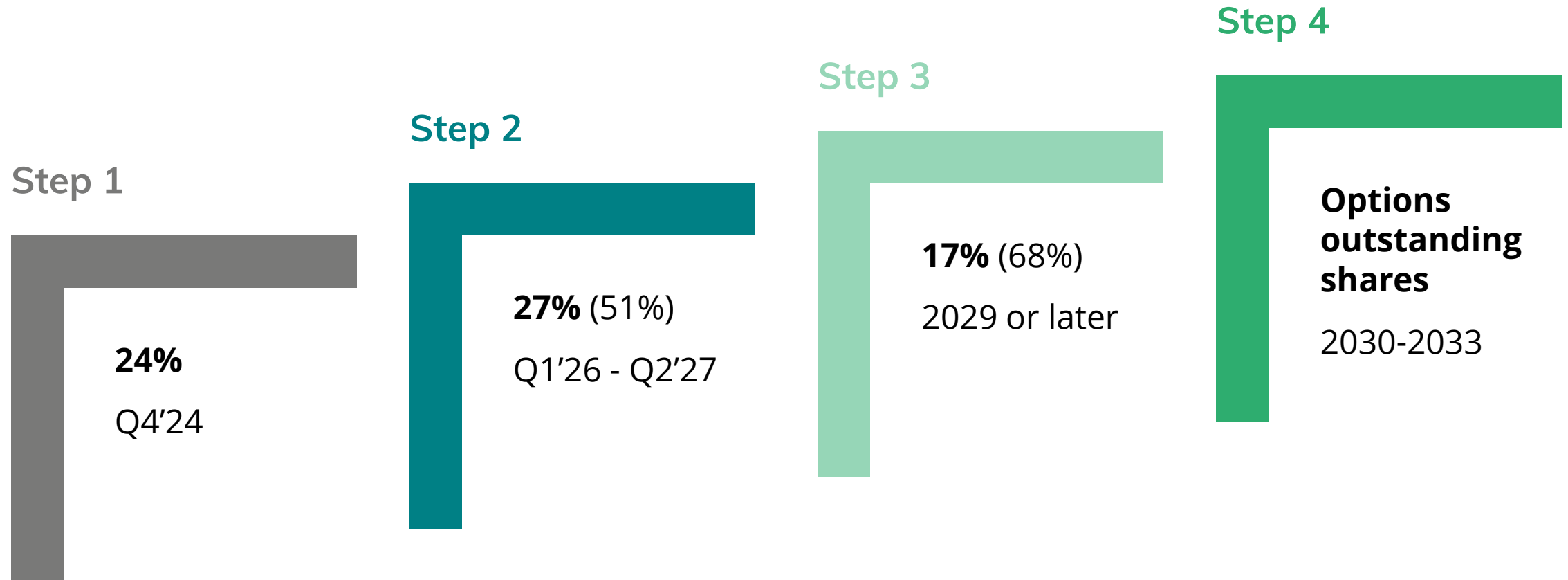
# A platform for German expansion

- Minority acquisition of 24% in Fabri Gruppe November 2024 – with a plan to become majority shareholder
- A small Instalco in Germany based in Nuremberg – shared values
- Fast growing, decentralised and acquisition-driven group
- One of Europe's largest installation markets
- A four-stage deal with shared risk and upside

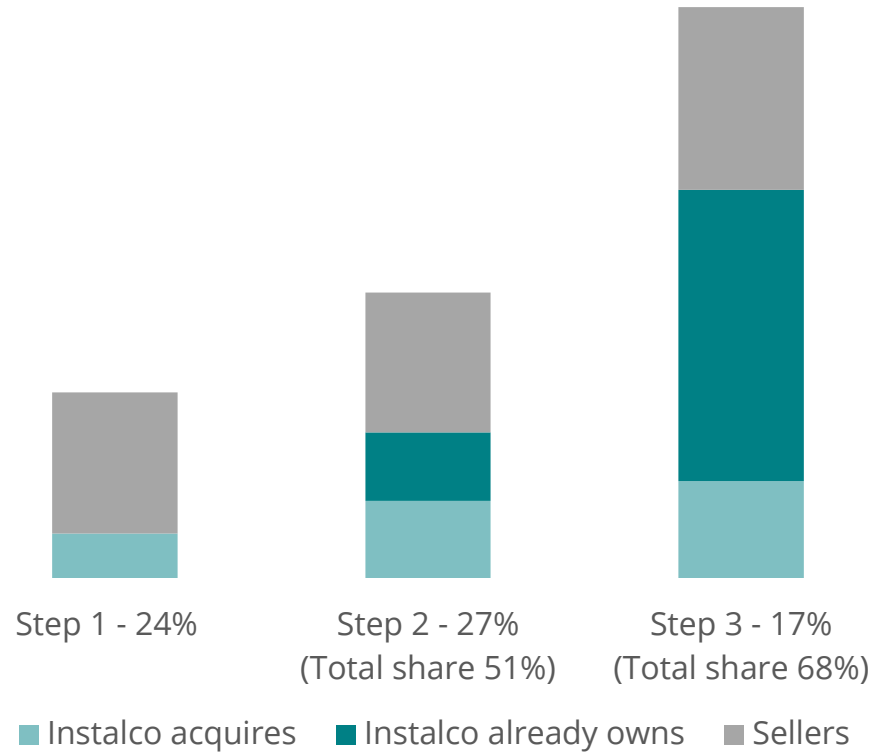
Read more <https://instalco.se/media/wqqbqaow/expansion-into-germany-instalco-presentation-nov-13-2024.pdf>



# Majority owner in Fabri through four phases



# Successive entry points while Fabri grows



*Chart for illustration purposes only*



# Sustainability – part of the business model

Focus on services that benefit society, and increase energy efficiency and sustainability



# Focus on services that generate societal benefits, higher energy efficiency and sustainability

- Solar panels
- Energy saving programs
- Property automation
- Heat pumps
- Geothermal heating
- Low consuming water systems
- Air heat exchangers
- LED lighting
- Charging stations, charging poles
- Water and air cleaning systems



# Long-term climate targets

Long-term

## Net zero

Net zero greenhouse gas emissions in the entire value chain by 2045

Medium-term

## 50%

Decrease the emissions intensity of greenhouse gas emissions in Scope 1 and 2 by 50 percent by 2030, with 2020 as the base year of comparison







# Criteria for a Sustainable Instalco Project

1. Review of the Instalco program, **Safe employee**
2. Suppliers are required to have signed the **Instalco Code of Conduct for Suppliers**
3. The project generates **benefits to the climate**
4. A **delivery** plan has been prepared
5. Routines in place for **waste management and sorting at the source**
6. The customer has been offered a **sustainability agreement/service agreement**



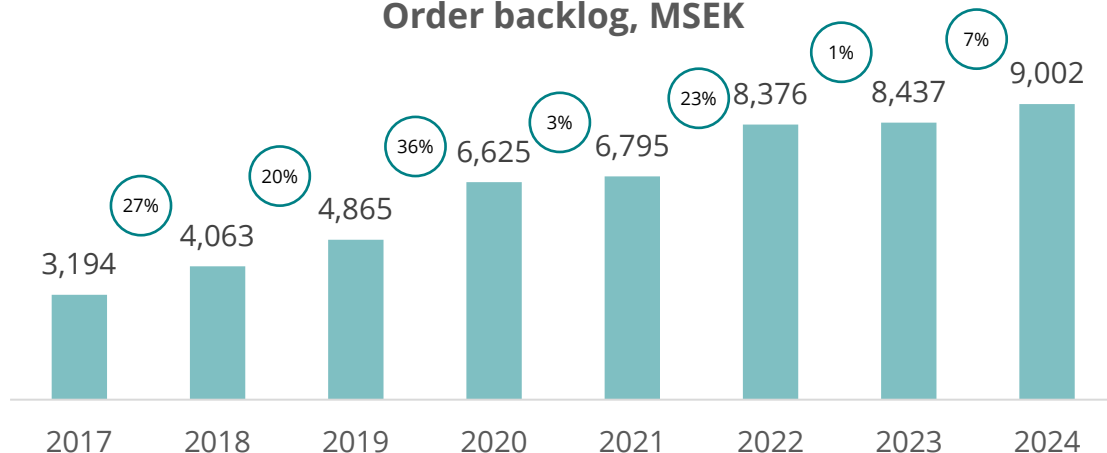
# The future

Combination of strong growth,  
industry-leading margins, and high  
cash conversion

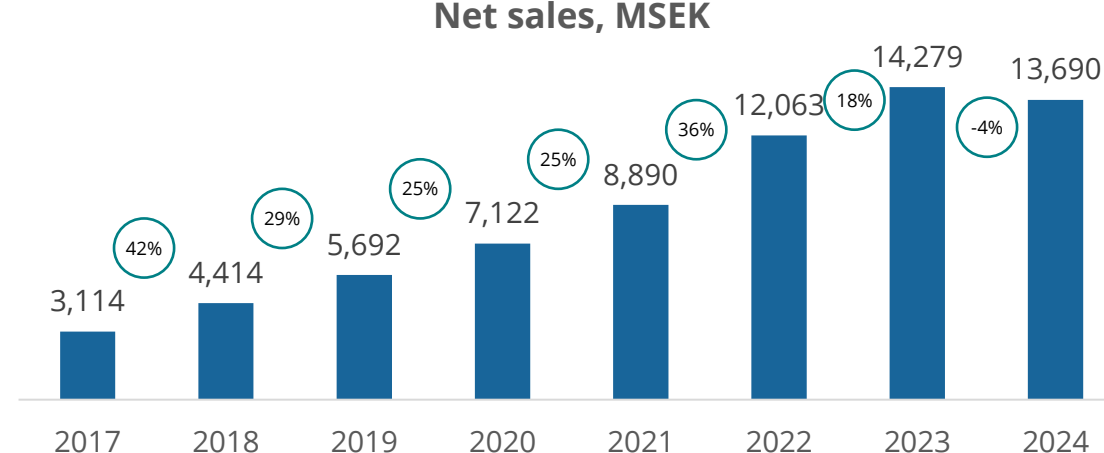
# Financial history - profitable growth

% Growth between years

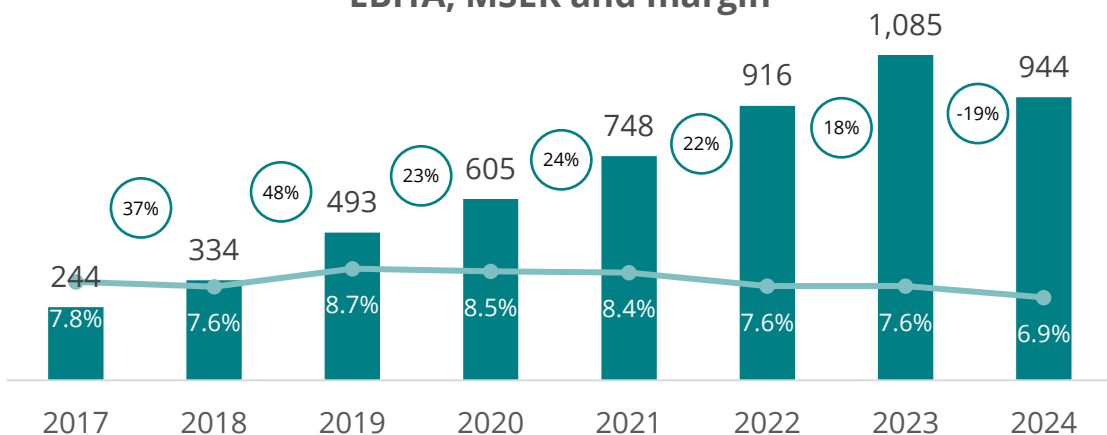
Order backlog, MSEK



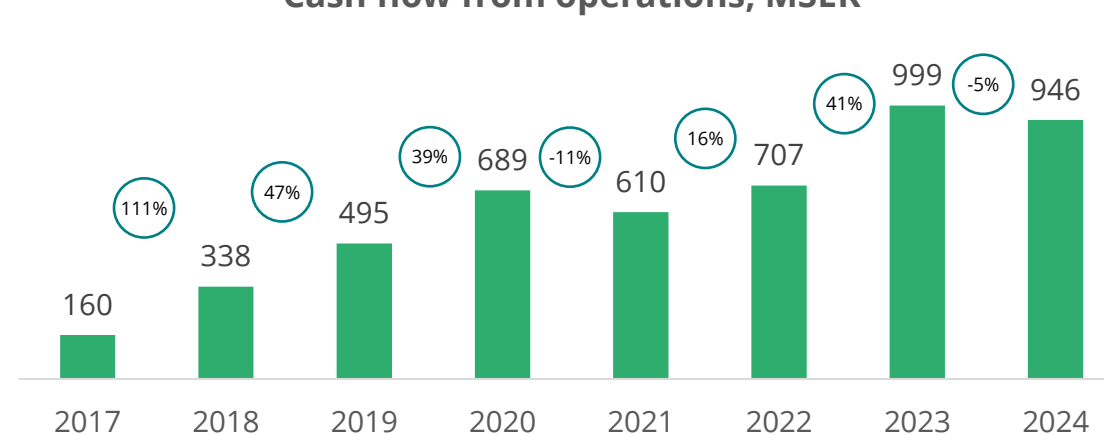
Net sales, MSEK



EBITA, MSEK and margin



Cash flow from operations, MSEK



# Strategic 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

## Climate target

# 50%

Reduction of GHG emission intensity in Scope 1 and 2 by 2030, with 2020 as base year

# Priorities

## Startups



## Business development & GoGr8



## Entry into Germany







# INSTALCO

**Full power installations  
from a powerful team**