

**Q1 2025 presentation**

29 April 2025

# INSTALCO

A scenic landscape featuring a dense forest of evergreen trees. In the foreground, there is a rocky, uneven ground with some low-lying green vegetation. In the background, a prominent mountain peak rises above the treeline. The sky is a warm, orange-yellow color, suggesting a sunset or sunrise. The sun is visible as a bright, glowing orb behind the trees on the right side of the image. The word 'INSTALCO' is written in large, bold, white capital letters across the center of the image, partially obscuring the forest and mountains.

# This is Instalco

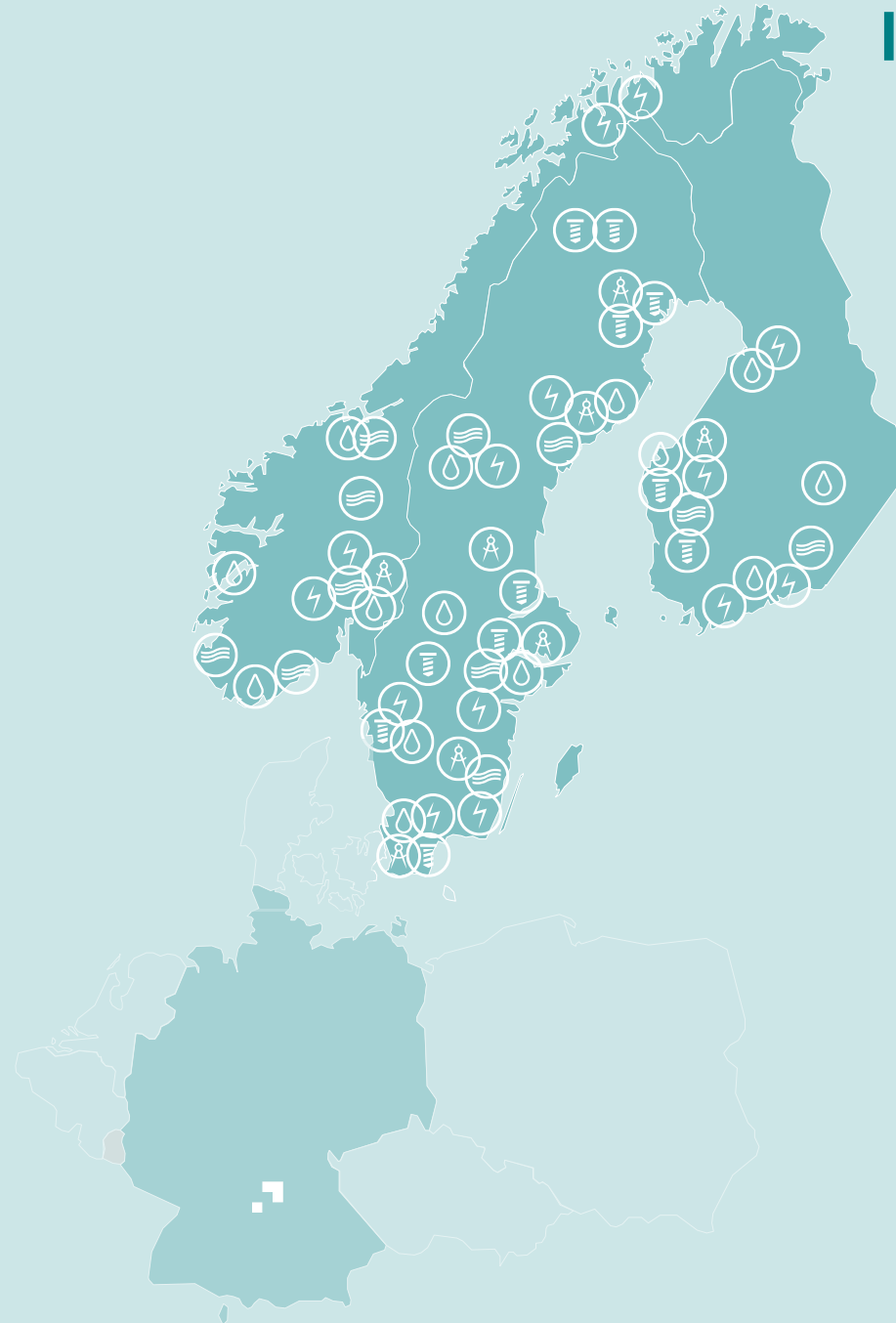
A leading northern European group within heating and plumbing, electricity, ventilation, industry and technical consulting

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

Highly decentralised structure – specialised local companies

>6,000 employees

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





# Key financials, LTM

Net sales, million SEK

**13,700**

EBITA adj., million SEK

**900**

Cash flow from operations, million SEK

**970**

Order backlog, million SEK

**9,019**

EBITA adj. margin, %

**6.6**

Service share of revenue YTD, %

**36**

# Quarterly summary

- Market still challenging – but positive signs and organic growth
- Margin negatively impacted by several factors
- Continuous ongoing mitigation work
- One acquisition, and phase one of expansion to Germany completed

## Key financials Q1 2025

Net sales

SEK **3,293** million

EBITA adj.

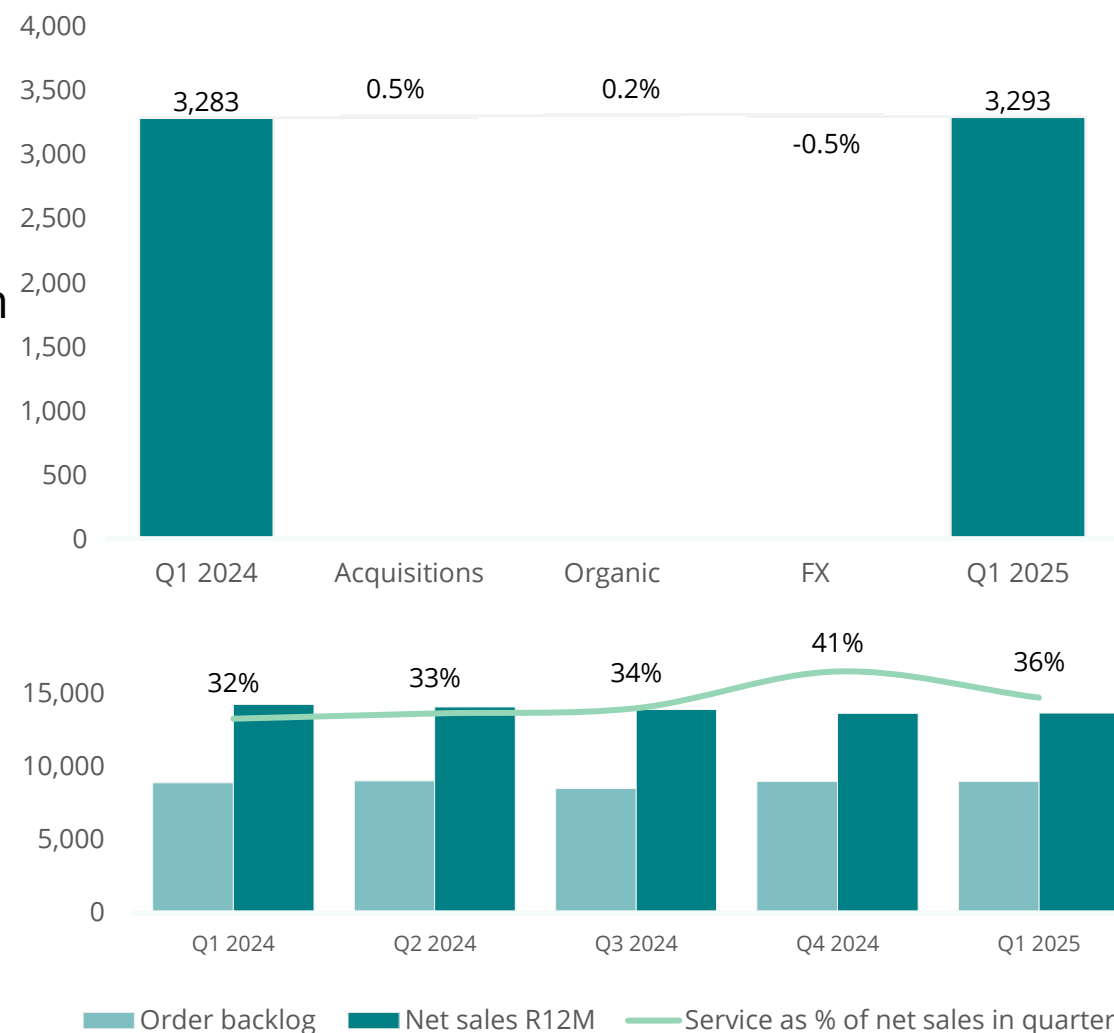
SEK **187** million

EBITA margin adj.

**5.7** %

# Net sales and order backlog (SEK million)

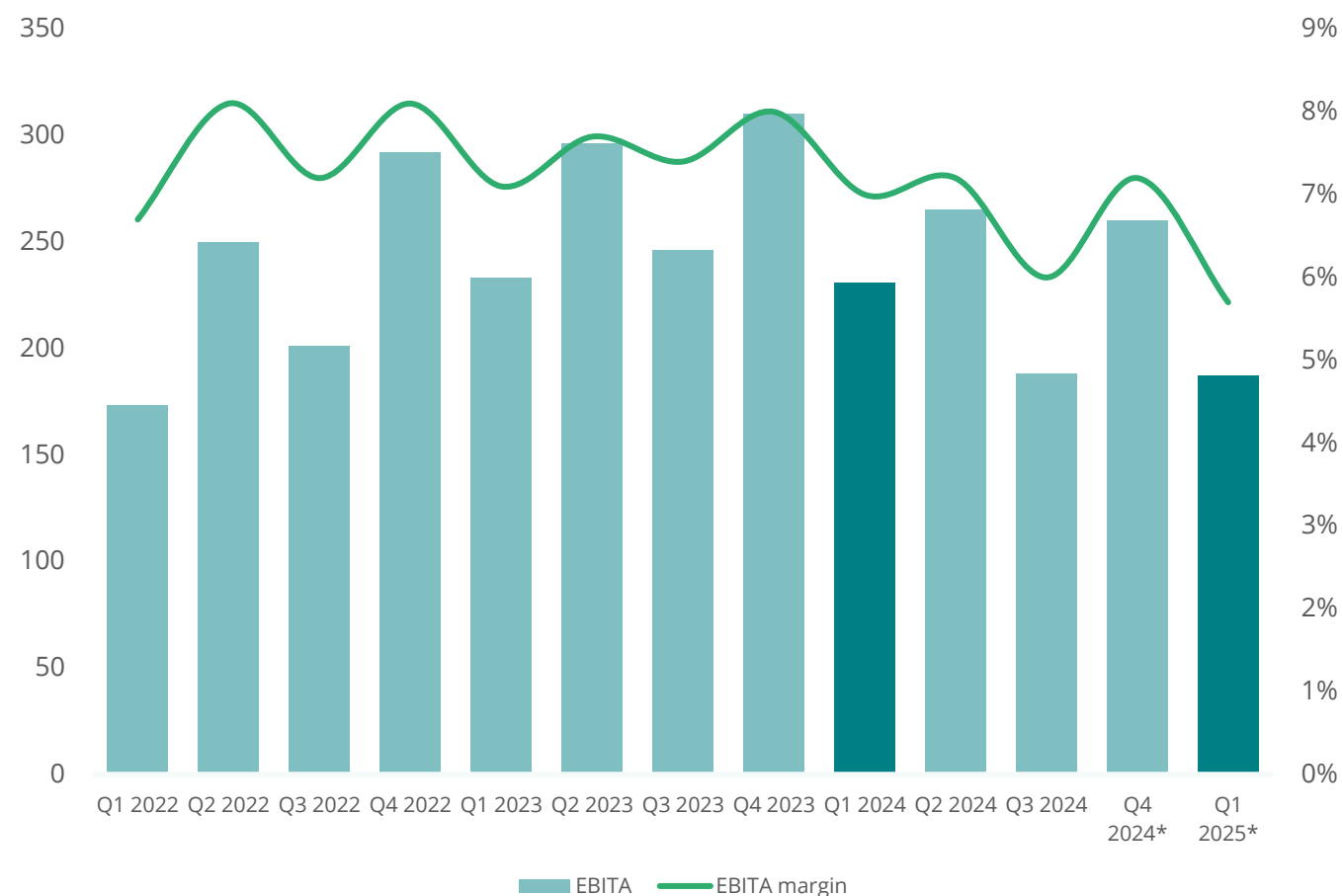
- Net sales development of 0.3% to SEK 3,293 (3,283) million
- Organic development 0.2% (-8.1), while acquired growth contributed 0.5%
- Organic order backlog growth of 2.1% - though we remain selective on order taking
- Service, not included in order backlog, made up 36% of sales in the quarter





# EBITA development (SEK million and margin %)

- EBITA amounted to SEK 123 (231) million
- EBITA margin of 3.7% (7.0) – adjusted for non-recurring costs margin amounted to 5.7%  
Non-recurring costs:  
SEK 64 million impacted EBITA
- A result of the weak market, project timing and one-off costs



\* Q4 24 adjusted with MSEK 65 one-off costs  
Q1 25 adjusted with MSEK 64 one-off costs



# Segment Sweden

- Net sales amounted to SEK 2,386 (2,248) million

Organic growth 5.7%

Acquired growth of 0.4%

- EBITA down to SEK 99 (177) million, corresponding to a margin of 4.1% (7.9) - adjusted for one-off costs of SEK 64 million, EBITA margin amounted to 6.8%

## Key financials Q1 2025

Net sales

SEK **2,386** million

EBITA adj.

EBITA margin adj.

SEK **163** million **6.8** %

Order backlog

SEK **6,631** million



# Segment Rest of Nordics

- Net sales amounted to SEK 907 (1,034) million
  - Organic development -11.6%
  - Acquired growth of 0.8%
- EBITA amounted to SEK 25 (54) million, corresponding to a margin of 2.7% (5.3)

## Key financials Q1 2025

Net sales

SEK **907** million

EBITA

EBITA margin

SEK **25** million      **2.7** %

Order backlog

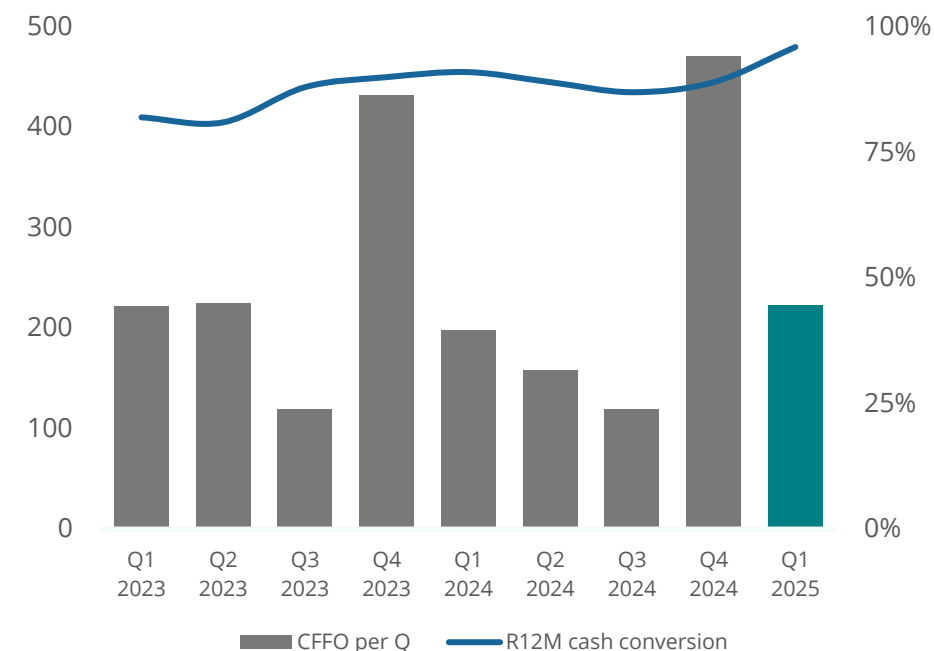
SEK **2,387** million



# Cash generation (SEK million)

- Very high cash conversion despite the lower earnings
- Q1 record for cash flow from operations at SEK 223 (198), a result of continued focus on working capital

SEKm	Q1 2025	Q1 2024
EBITDA	223	321
Change in net working capital	150	42
<b>Cash flow from operating activities (CFFO)</b>	<b>223</b>	<b>198</b>
<i>Cash conversion (R12M)</i>	96%	91%
Cash flow from investing activities	-164	-108
Cash flow from financing activities	-164	-281
<b>Cash flow for the period</b>	<b>-106</b>	<b>-191</b>



# 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



## ACQUISITION

# Multidisciplinary in Örnsköldsvik

- In March, Instalco acquired Alf Näslunds Eltjänst AB in Örnsköldsvik. Through the acquisition, Instalco becomes multidisciplinary in the region
- Founded in 1995, around 30 employees and net sales of around SEK 55 million
- All types of electrical installations for companies, the public sector and industrial applications
- Major upcoming investments in the region, strategically important addition to the group
- Existing collaboration with other Instalco subsidiaries



# CEO's theme **A typical Instalco project**





# 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

# Backlog examples

## Company A

Project	Order value, SEK
Fire station	32,860,000
Factory	250,303
Process industry	2,716,000
Fire protection	943,619
Retail	2,000,000
Residential refurb	18,656
Public new construction	1,367,457
Electrical upgrade	22,717
Infrastructure adjacent	345,000
City square	59,994
House refurb	208,000
Property refurb	245,000
Office	1,460,000
Residential	3,783,465
<b>Total</b>	<b>46,279,611</b>

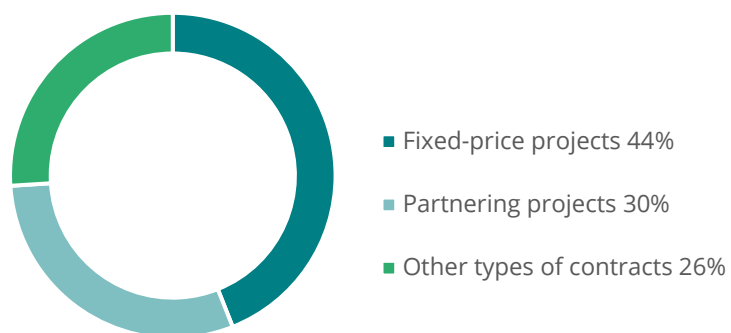
## Company B

Project	Order value, SEK
Residential new build	18,049,080
Collab other Instalco company	1,814,200
Tenant adjustment	462,000
Residential	7,146,704
Residential refurb	785,000
Commercial	8,111,000
Fire protection	922,387
Office	5,015,909
School	5,950,000
Office	12,18,884
Replumbing	14,785,670
Residential refurb	3,845,230
Collab other Instalco company	1,756,500
Collab other Instalco company	25,683,781
<b>Total</b>	<b>106,746,345</b>

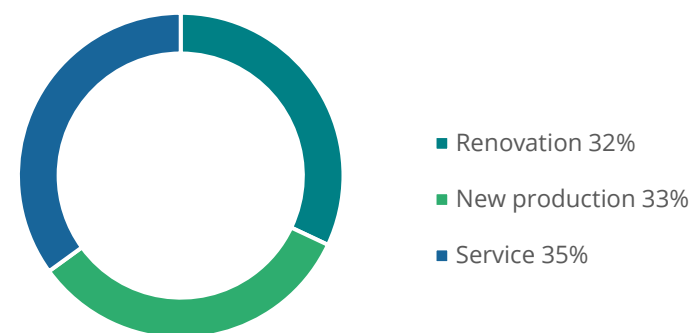


# Balanced sales mix minimises risk exposure

SALES BY CONTRACT TYPE FY 2024



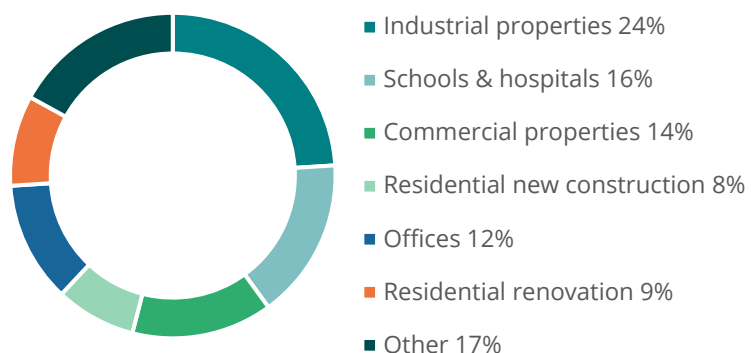
SALES BY PROJECT TYPE FY 2024



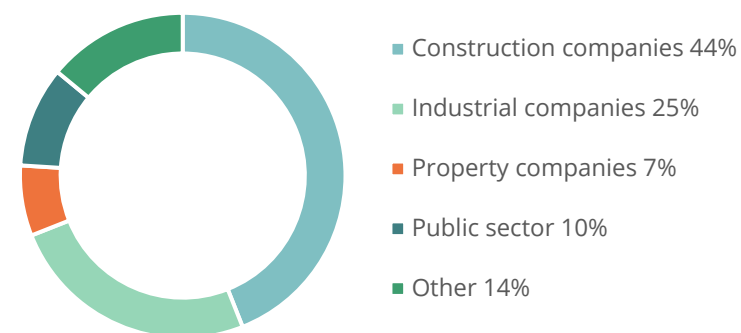
Over 80% of project revenue comes from assignments valued between 1-75 MSEK

# Diversified end-markets drive resilience

SALES BY END MARKET FY 2024



SALES BY CUSTOMER GROUPS FY 2024



~2,000 customers in total  
Top 5 customers = ~11% of 2024 sales  
Largest single customer <4% of sales

# Typical projects

## Case

Renovation of surgery room



**Company:** Installationsservice AB

**Discipline:** Ventilation

**Location:** Eskilstuna

**Project size:** SEK 1.1m



## Case

New build apartment building



**Company:** Stockholm Rörtentreprenad AB

**Discipline:** Heating & plumbing

**Location:** Stockholm

**Project size:** SEK 3.4m





# Summary

- Market remains challenging but shows tentatively positive signs
- In addition to weak market conditions, margins are impacted by temporary overcapacity and one-off writedown
- Stable financial position enables selective, strategic acquisitions
- Phase one of German expansion completed
- We are focusing on what we can influence and working intensively internally to emerge stronger when the market turns



Q&A

# INSTALCO

Full power installations from a powerful team