

Year End Report

Q4 January—December 2020



This Interim Report consists of two sections. The first one is the regular Interim Report January—December 2020. The last section is an additional disclosure for holders of the Assemblin Senior Secured Notes issued on December 6, 2019.

Assemblin designs, installs and maintains technical systems for air, water and energy. We are present at more than 100 locations in Sweden, Norway and Finland which makes us one of the leading installation companies in the Nordics. Our vision is to create smart and sustainable installations - in both large and small assignments.

Assemblin



Year End Report

January—December 2020

Q4



Fourth quarter (October – December) 2020

- Net sales in the fourth quarter totalled SEK 2,732 million (2,856).
- Adjusted EBITA totalled SEK 232 million (204). The adjusted EBITA margin increased to 8.5 per cent (7.2).
- EBITA increased to SEK 219 million (-10).
- EBIT increased to SEK 212 million (-18).
- Profit after tax amounted to SEK 114 million (-51).
- Order intake increased to SEK 2,651 million (2,607).
- The order backlog at the end of the period amounted to SEK 8,148 million (8,478).
- During the quarter, eight acquisitions were implemented representing combined annual sales of SEK 243 million and 155 employees.
- In December, it was announced that an agreement had been signed to acquire Finnish building automation group Fidelix with annual sales of SEK 540 million and 360 employees. The transaction requires the approval of the Finnish Competition and Consumer Authority.

Full year (January – December) 2020

- Net sales for the period increased to SEK 10,009 million (9,978).
- Adjusted EBITA increased to SEK 597 million (516). The adjusted EBITA margin rose to 6.0 per cent (5.2).
- EBITA increased to SEK 533 million (270).
- EBIT increased to SEK 506 million (252).
- Profit after tax amounted to SEK 226 million (78).
- Order intake was relatively strong, totalling SEK 9,903 million (11,258). The difference year-on-year is attributable to three large projects being added to order bookings in 2019.
- Over the full year, 15 acquisitions were implemented representing combined annual sales of SEK 489 million and 238 employees.

Key figures

	Quarter 4		The period Jan - Dec	
	2020	2019	2020	2019
Net sales, SEKm	2,732	2,856	10,009	9,978
Growth, %	-4.4	10.0	0.3	12.3
Organic growth, %	-7.0	5.7	-2.1	8.3
Acquired growth, %	4.4	4.3	3.9	3.7
Currency effect, %	-1.7	0.1	-1.5	0.3
Adjusted EBITA, SEKm	232	204	597	516
Adjusted EBITA margin, %	8.5	7.2	6.0	5.2
EBITA, SEKm	219	-10	533	270
EBITA-margin, %	8.0	-0.4	5.3	2.7
EBIT, SEKm	212	-18	506	252
Profit for the period, SEKm	114	-51	226	78
Order backlog, SEKm	8,148	8,478	8,148	8,478
Order intake, SEKm	2,651	2,607	9,903	11,258
Average number of employees, FTE	5,809	5,902	5,820	5,901

For definitions, refer to page 22. For reconciliation of key figures not defined in accordance with IFRS, refer to page 17.

Unless otherwise indicated, amounts in the report are stated in SEK million rounded to the nearest million, which may result in rounding differences.

Assemblin Financing AB (publ)

Västberga Allé 1 | 126 30 Hägersten | Switchboard +46 10 472 60 00 | www.assemblin.com
Corp. ID no: 559077-5952 | VAT SE559077595201

CEO Statement

A good end to a strong year in challenging times

Assemblin delivered a strong end to 2020, achieving a new level of profitability while sales increased and cash flow remained very strong.

Increased market shares and increased order intake

Fourth quarter sales amounted to SEK 2,732 million (2,856), contributing to full year sales of SEK 10,009 million (9,978). Sales were affected positively by previously completed acquisitions but negatively by a weaker NOK and the discontinuation of several unprofitable profit units in late 2019.

Assemblin is continuing to increase market shares in many locations in which we operate. Intensified local sales work contributed to order intake increasing to SEK 2,651 million (2,607) in the final quarter of the year. New assignments consist of small and medium-sized projects, and it is particularly gratifying that all business units contributed to the increase. For the full year, order bookings amounted to SEK 9,903 million (11,258). The discrepancy compared with the preceding year is explained by three very large projects being added to order bookings in 2019. At the end of the period, the order backlog was SEK 8,148 million (8,478).

Accelerated and selective acquisition efforts

Although acquisitions are one of the cornerstones of our growth strategy, we are careful to acquire only companies that match us well in terms of their structure and culture. We assessed additional acquisition opportunities in 2020, with the result that we were able to complete no less than eight small and medium-sized complementary acquisitions in the fourth quarter. Combined, acquisitions in the quarter represent combined annual sales of SEK 243 million and 155 employees.

In December, we also announced a major strategic acquisition of the leading building automation group Fidelix, which also includes the Larmia and EcoGuard brands. Fidelix has approximately 360 employees in Finland and Sweden and estimated annual sales of slightly more than SEK 540 million. This transaction allows us to hone our offering, complementing it with additional smart products and environmentally friendly technology solutions for the next generation of buildings, while simultaneously strengthening Assemblin's presence in the Finnish market. We are extremely pleased with this acquisition and feel certain that both organisations will be able to contribute a great deal to one another. The completion of the transaction is conditional on the approval of the Finnish Competition and Consumer Authority.

Deliberate measures behind improved profitability

For five consecutive years, we have continuously improved profitability, and after closing strongly, the 2020 financial year was no exception. Adjusted EBITA for the quarter increased to SEK 232 million (204), and the adjusted EBITA margin increased from 7.2 per cent to 8.5. Following a somewhat weaker third quarter, all of the Swedish business areas contributed once again to the improvement in earnings, although the Norwegian operations achieved particularly strong earnings. For the full year, this meant that we have established a new level of profitability with an adjusted EBITA of 6.0 per cent (5.2), which is particularly gratifying given the challenges of 2020. Our having succeeded so well is attributable to our shared focus on earnings, profitable acquisitions and deliberate measures to improve earnings, particularly the action programme we implemented in late 2019, in which we discontinued low-performance profit units and reduced our central overheads.

Continued strong cash flow

The operations' capacity to generate cash continues to impress. The record-strong cash flow in the third quarter of the year was followed by an almost equally strong fourth quarter, resulting in a 149-per cent cash conversion.

Although some of the strong cash balances will be used to finance the acquisitions made, to ensure continued scope for acquisitions and favourable liquidity, we issued an additional EUR 100 million in bonds in January 2021, at the same time as our principal shareholders plan to provide a shareholder contribution of EUR 20 million after closing the Fidelix acquisition.

Market and outlook

With 2020 being pervaded by the Covid-19 pandemic, the year was challenging for everyone. Overall, I can affirm that, like our industry in general, we have coped with the pandemic relatively well. At Assemblin, we are doing our utmost to address the situation responsibly, and I am proud that our skilled and committed employees have succeeded in meeting our commitments with the new risk scenario and increased short-term absence.

The consequences of Covid-19 have, of course, affected us to some extent too. We perceive the market as having slowed somewhat while uncertainty has increased. Several of our customers' tender and decision-making processes are taking longer and competition has increased in some local markets. In these uncertain times, it is an advantage to be a large and stable yet flexible player operating close to the market and able to respond quickly to changes in the market. With a leading position in the market, a strong financial position and a decentralised organisation with favourable customer relations, we have an excellent starting position.

The underlying driving forces for long-term growth in the Nordic installation markets remain strong.

Moving into 2021, we will continue to monitor developments and adapt to the market changes we face. We will also continue to focus on profitability and cash flow, as well as on ensuring that we have the industry's best employees and managers. We strongly believe that committed, skilled employees are crucial for good delivery and for our customers to perceive Assemblin as the best installation company in the market. Now and in the future.

Stockholm, February 2021

Mats Johansson
President and CEO,
Assemblin



Overview, consolidated results

Net sales and order intake

Fourth quarter (October – December)

Sales for the fourth quarter changed by -4.4 per cent year-on-year, totalling SEK 2,732 million (2,856). Sales were negatively affected by currency effects (down 1.7 per cent) and lower volumes due to discontinued unprofitable profit units towards the end of 2019 (down 7.0 per cent in total), while previously completed acquisitions had a positive effect on sales (up 4.4 per cent).

The share of service assignments in the quarter increased year-on-year, accounting for 41 per cent (39) of the Group’s sales.

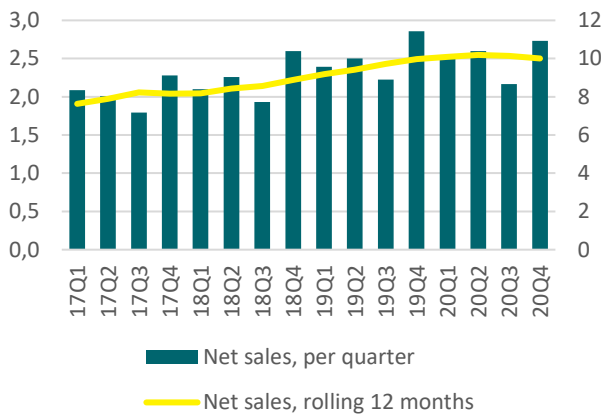
Order intake was favourable for all business units, increasing to SEK 2,651 million (2,607) year-on-year.

Full year (January – December)

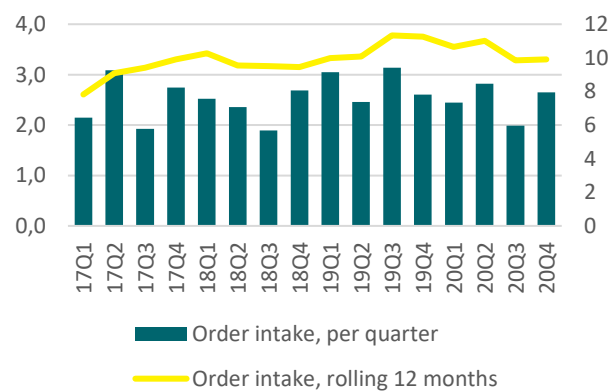
Sales for the full year rose by 0.3 per cent year-on-year to SEK 10,009 million (9,978) despite negative currency effects. Of the total growth, 3.9 per cent was driven by acquisitions, a negative 2.1 per cent was organic, and a negative 1.5 per cent was currency-driven. Compared with the previous period, service operations grew and accounted for 40 per cent (38) of Group sales.

Order intake for 2020 was favourable, despite increased hesitancy in the market, amounting to SEK 9,903 million (11,258). The difference compared with 2019 is attributable to three very large projects being added to order bookings in 2019.

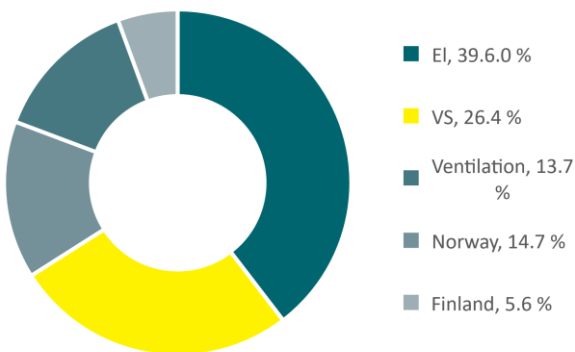
Net sales, SEK bn



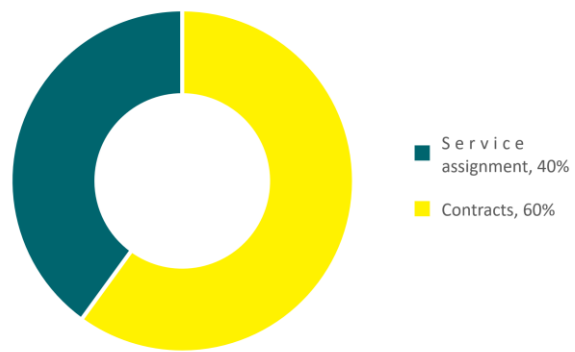
Order intake, SEK bn



Net sales per business area, rolling 12 months



Net sales per assignment, rolling 12 months



Earnings and profitability

Fourth quarter (October – December)

The year 2020 ended strongly, particularly for Assemblin Norway and Assemblin H&S. For the fourth quarter, the Group’s adjusted EBITA totalled SEK 232 million (204), while the EBITA margin strengthened from 7.2 to 8.5 per cent year-on-year. The improvement in earnings was driven primarily by measures to enhance profitability that were taken in late 2019, in combination with profitable acquisitions.

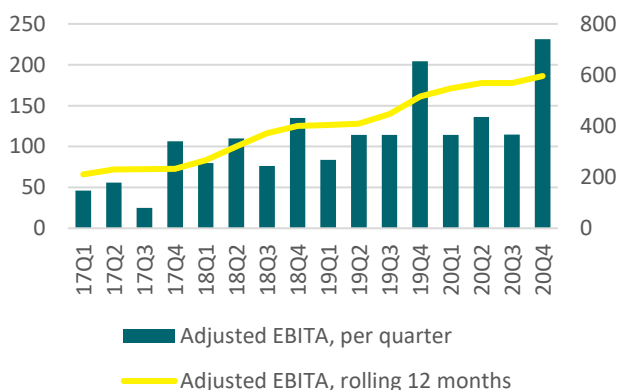
EBITA for the quarter was SEK 219 million (-10), which resulted in an EBITA margin of 8.0 per cent (-0.4). The discrepancy compared with the preceding year was attributable to items affecting comparability arising in connection with profitability-improving measures implemented in the fourth quarter of 2019.

Full year (January – December)

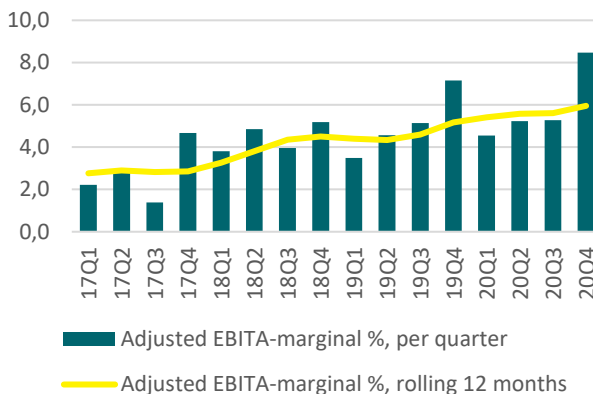
Acquisitions and the measures implemented in late 2019 to enhance profitability, were also the principal reason for Group’s adjusted EBITA for the full year increasing to SEK 597 million (516), which strengthened the adjusted EBITA margin to 6.0 per cent (5.2). Although profitability strengthened in all of the business areas except Finland, it was particularly high in Assemblin Norway and Assemblin H&S.

EBITA for the full year increased to SEK 533 million (270), and the EBITA margin improved year-on-year from 2.7 per cent to 5.3 per cent.

Adjusted EBITA, SEK m



Adjusted EBITA margin, %



Net financial items and profit/loss after tax

Net financial items amounted to SEK -49 million (-60) for the quarter and to SEK -196 million (-120) for the period. The change for the quarter was driven by costs for terminating prior financing arrangements in the fourth quarter of 2019. The change for the period was driven by higher interest rates on the current senior secured notes compared with the previous bank financing and the positive effect in the second quarter of 2019 from SEK 19 million dividend.

Tax amounted to SEK 49 million (26) for the quarter and to SEK 84 million (54) for the period, corresponding to 30 per cent (34) and 27 per cent (41) of profit before tax respectively. Profit for the period amounted to SEK 223 million (78).

Cash flow and financial position

Cash flow from operating activities was SEK 414 million (383) for the fourth quarter and SEK 823 million (485) for the period. Net debt at the end of the period was SEK 2,676 million (2,969). The reduced net debt is a consequence of the strong cash flow during the period.

Cash and cash equivalents at the end of the period totalled SEK 721 million (407). Unutilised available credit facilities at the end of the period totalled SEK 450 million (450).

Effects of Covid-19

We have based our response to the Covid-19 situation on the authorities' recommendations and restrictions. With the Nordic construction and installation industry not having been subject to major shut-downs, we have worked with Covid-19 as a serious work environment risk and have sought to actively limit the risk of contagion in various ways. To some extent, our operations have been negatively affected by market uncertainty, particularly in the service operations. This has entailed local short-term lay-offs, for which we have received state support to a limited extent. We have also been negatively affected by increased short-term absence, which we have managed to resolve through active planning of staffing and increased government compensation for sick pay, although we have been forced to hire in more expensive resources in some locations. At the same time, less travel and fewer personnel activities have led to somewhat lower overheads, offsetting part of the negative effect.

Organisation and employees

Over the 2020 full year, the average number of employees, restated in full-time equivalents (FTEs), was 5,820 (5,901).

Significant events during the quarter

- Assemblin H&S made three acquisitions (Mälardalens Fjärrvärme Entreprenad AB (acquisition of assets) in Västerås, Essen Rör in Örebro and Kalmar VVS- & El-montage), with combined annual sales of approximately SEK 155 million and 91 employees.
- Assemblin Finland made three acquisitions (KK Kylmäpalvelu Oy in Helsinki with subsidiaries Salo Kylmäpojat Oy, operating in Salo, and Karjalan Kylmäpalvelu Oy in Joensuu) with combined annual sales of SEK 51 million and 35 employees.
- Assemblin Electrical acquired J Östling & C. Sparf El AB in Uppsala with annual sales of approximately SEK 35 million 28 employees.
- Assemblin Ventilation conducted an acquisition of assets, FBI Fastighet o Butiksinstallationer AB, with annual sales of approximately SEK 2 million and one employee.
- In December, it was also announced that an agreement had been signed to acquire Finnish property automation group Fidelix with annual sales of SEK 540 million and 360 employees. The transaction requires the approval of the Finnish Competition and Consumer Authority.
- We continue to evaluate the effects of the coronavirus and act on the recommendations from the authorities.

Significant events after the end of the period

- Assemblin Electrical made three acquisitions (TIS EI in Karlstad, Åby Eltjänst in Norrköping and EA Installationer in Trelleborg) with combined annual sales of approximately SEK 129 million and 100 employees.
- Assemblin H&S acquired Vantec System AB with annual sales of SEK 50 million and 16 employees.
- Assemblin Norway acquired Nor-Klima T. Svendsen AS with ventilation operations in Drammen and annual sales of approximately SEK 33 million.
- In the beginning of 2021, Assemblin issued additional EUR 100 million in bonds on unchanged terms compared with previous bonds (see note 6), to finance the Fidelix acquisition and to secure continued favourable liquidity. Assemblin's shareholders also plan to provide a shareholder contribution of EUR 20 million.
- Assemblin Electrical divested electromechanical workshops with operations in three locations, annual sales of approximately SEK 90 million and 45 employees.
- In February it was announced that Per-Ingemar Persson will be elected as a new Director of Assemblin's Board at the upcoming AGM.

Risks and uncertainties

The Group's material risks and uncertainties comprise strategic risks associated with the market and business cycle, as well as sustainability and operational risks related to customer contracts. Furthermore, the Group is exposed to different kinds of financial risks, for example, currency, interest rate and liquidity risks. The Group's and Parent Company's risks are described in Assemblin's Annual Report, which can be found on Assemblin's website. Apart from increased uncertainty regarding future performance owing to Corona, no additional material risks are deemed to have arisen since the 2019 Annual Report was released.

Parent Company

The Parent Company of the Group changed in the fourth quarter of 2019, from Assemblin Holding AB (559025-2952) to Assemblin Financing AB (559077-5952), in conjunction with the issuance of a bond. The internal restructuring was deemed not to be a business acquisition. From a reporting perspective, this means that predecessor accounting has been applied. Accordingly, the assets and liabilities in the former Group have not been restated. The new Parent Company, Assemblin Financing AB (publ), has chosen to present the historical consolidated financial statements of its predecessor, Assemblin Holding AB, for 2019.

The Parent Company's loss after tax for the quarter totalled SEK 1 million (4), and SEK 67 million (4) for the period. At 31 December 2020, the Parent Company's total assets was SEK 6,740 million (6,748). Equity in the Parent Company amounted to SEK 4,018 million (4,085).

Related party transactions

No transactions that substantially impacted the company's financial position and earnings took place with related parties outside the Group.

The share and shareholders

Since 2015, Assemblin's principal shareholder has been investment company Triton via Ignition MidCo S.á.r.l. (owned by Triton Fund IV). Share capital amounts to SEK 500,000, with a quotient value of SEK 1 per share.

Business Areas

Business Area Assemblin Electrical (Sweden)

Net sales and order intake

Net sales for the quarter totalled SEK 1,078 million (1,217). The change compared with the preceding year is explained by the production rate being extremely high in late 2019, while a number of unprofitable profit units were discontinued at that time. Sales for the full year were on par with the preceding year, totalling SEK 4,010 million (4,151).

Order intake for the quarter amounted to SEK 1,115 million (1,199), contributing to order intake for the full year of SEK 4,153 million (4,507). The difference compared with order bookings for the preceding year is mainly attributable to two large multidisciplinary project orders registered in 2019. The order backlog at the end of the year increased to SEK 3,131 million (3,029).

Earnings and profitability

As a result of the lower sales for the quarter, adjusted EBITA decreased to SEK 86 million (94), although measures to improve profitability taken previously resulted in the adjusted EBITA margin for the same period being strengthened to 8.0 per cent (7.7).

The adjusted EBITA for the full year increased to SEK 225 million (222), and the adjusted EBITA margin was strengthened to 5.6 per cent (5.3).

Key figures

	Quarter 4		The period Jan - Dec	
	2020	2019	2020	2019
Net sales, SEKm	1,078	1,217	4,010	4,151
Growth, %	-11.4	17.3	-3.4	15.6
Adjusted EBITA, SEKm	86	94	225	222
Adjusted EBITA margin, %	8.0	7.7	5.6	5.3
Order intake	1,115	1,199	4,153	4,507
Order Backlog	3,131	3,029	3,131	3,029
Average number of employees, FTE	2,751	2,827	2,783	2,796



Business Area Heating and Sanitation (H&S) (Sweden)

Net sales and order intake

The business area's net sales increased to SEK 748 million (734) in the fourth quarter and to SEK 2,672 million (2,642) for the full year. Sales were affected positively by completed acquisitions, while the discontinuation of a number of unprofitable profit units at the end of 2019 contributed negatively.

Order intake for the quarter remained favourable and amounted to SEK 660 million (656). Order intake for the full year decreased to SEK 2,624 million (3,007), which is explained by two large multidisciplinary installation project orders that were registered in 2019. At the end of the year, the order backlog was SEK 2,048 million (2,005).

Earnings and profitability

Following a weaker third quarter, Assemblin Heating and Sanitation experienced a strong end of the year. Adjusted EBITA was SEK 68 million (58) in the quarter and SEK 166 million (139) for the full year. This meant that the adjusted EBITA margin fell to 9.1 per cent (9.3) for the quarter and rose to 6.2 per cent (5.3) for the full year. The strengthening of margins was mainly driven by measures to ensure profitability that were taken in 2019, the two largest profitable acquisitions, as well as profitable acquisitions.

Following a weaker third quarter, Assemblin Heating and Sanitation experienced a strong end of the year. Adjusted EBITA was SEK 68 million (58) in the quarter and SEK 166 million (139) for the full year. This meant that the adjusted EBITA margin fell to 9.1 per cent (9.3) for the quarter and rose to 6.2 per cent (5.3) for the full year. The strengthening of margins was mainly driven by measures to ensure profitability that were taken in 2019, the two largest profitable acquisitions, as well as profitable acquisitions.

Key figures	Quarter 4		The period Jan - Dec	
	2020	2019	2020	2019
Net sales, SEKm	748	734	2,672	2,642
Growth, %	2.0	15.2	1.2	10.7
Adjusted EBITA, SEKm	68	50	166	139
Adjusted EBITA margin, %	9.1	6.8	6.2	5.3
Order intake	660	656	2,624	3,007
Order Backlog	2,048	2,005	2,048	2,005
Average number of employees, FTE	1,431	1,496	1,406	1,475

Business Area Assemblin Ventilation (Sweden)

Net sales and order intake

Net sales for the fourth quarter amounted to SEK 402 million (368), contributing to sales for the period of SEK 1,384 million (1,367).

Order intake in the quarter was good and increased to SEK 354 million (273), resulting in an order intake of SEK 1,192 million (1,956) for the full year. The difference compared to 2019 is attributable to two large multidisciplinary installation project orders and a major ventilation project order that were registered in 2019. The order backlog at the end of the period amounted to SEK 1,633 million (1,805).

Earnings and profitability

Assemblin Ventilation delivered an adjusted EBITA of SEK 37 million (37) for the quarter and SEK 78 million (73) for the full year. This meant that the adjusted EBITA margin fell to 9.3 per cent (10.0) for the quarter but rose to 5.6 per cent (5.3) for the full year.

Assemblin Ventilation delivered an adjusted EBITA of SEK 37 million (37) for the quarter and SEK 78 million (73) for the full year. This meant that the adjusted EBITA margin fell to 9.3 per cent (10.0) for the quarter but rose to 5.6 per cent (5.3) for the full year.

Key figures	Quarter 4		The period Jan - Dec	
	2020	2019	2020	2019
Net sales, SEKm	402	368	1,384	1,367
Growth, %	9.2	-7.9	1.2	3.9
Adjusted EBITA, SEKm	37	37	78	73
Adjusted EBITA margin, %	9.3	10.0	5.6	5.3
Order intake	354	273	1,192	1,956
Order Backlog	1,633	1,805	1,633	1,805
Average number of employees, FTE	549	543	553	544

Business Area Assemblin Norway

Net sales and order intake

Despite negative currency effects, Assemblin Norway delivered growth also in the fourth quarter. Net sales rose to SEK 410 million (381) for the quarter, contributing to sales of SEK 1,493 million (1,285) for the full year.

Order intake increased to SEK 375 million (356) for the quarter and to SEK 1,360 million (1,296) for the 2020 full year. At the end of the year, the order backlog amounted to SEK 1,103 million (1,367).

Earnings and profitability

Adjusted EBITA for the quarter increased to SEK 44 million (26), which meant that the adjusted EBITA margin was strengthened to 10.7 per cent (6.8). The strong end of the year contributed to adjusted EBITA for the full year increasing to SEK 119 million (70) and adjusted EBITA margin to 8.0 per cent (5.4). The increase in earnings compared with the preceding year was driven by measures implemented previously to improve profitability, profitable acquisitions and project write-downs in early 2019.

Key figures	Quarter 4		The period Jan - Dec	
	2020	2019	2020	2019
Net sales, SEKm	410	381	1,493	1,285
Growth, %	7.6	7.8	16.2	19.8
Adjusted EBITA, SEKm	44	26	119	70
Adjusted EBITA margin, %	10.7	6.8	8.0	5.4
Order intake	375	356	1,360	1,296
Order Backlog	1,103	1,367	1,103	1,367
Average number of employees, FTE	747	648	735	704

Business Area Assemblin Finland

Net sales and order intake

Net sales for the fourth quarter decreased to SEK 142 million (180), and for the period to SEK 567 million (598), mainly due to the discontinuation of non-strategic and unprofitable profit units.

Order intake for the quarter increased to SEK 147 million (123), and to SEK 574 million (492) for the full year. At the end of the year, the order backlog was SEK 233 million (272).

Earnings and profitability

Adjusted EBITA for the quarter amounted to SEK 4 million (7), and the adjusted EBITA margin was 2.6 per cent (3.9). Adjusted EBITA for the full year totalled SEK 3 million (12) and adjusted EBITA margin was 0.5 per cent (1.9).

Key figures	Quarter 4		The period Jan - Dec	
	2020	2019	2020	2019
Net sales, SEKm	142	180	567	598
Growth, %	-21.2	7.5	-5.2	10.8
Adjusted EBITA, SEKm	4	7	3	12
Adjusted EBITA margin, %	2.6	3.9	0.5	1.9
Order intake	147	123	574	492
Order Backlog	233	272	233	272
Average number of employees, FTE	307	362	319	357

Condensed consolidated statement of earnings

Amounts in SEKm	Quarter 4		The period Jan - Dec	
	2020	2019	2020	2019
Net sales	2,732	2,856	10,009	9,978
Production cost	-2,160	-2,303	-8,179	-8,131
Gross profit	572	553	1,830	1,848
Sales and administrative expenses	-359	-571	-1,324	-1,595
Operating profit (EBIT)	212	-18	506	252
Net financial items	-49	-60	-196	-120
Profit/loss before tax	163	-77	310	133
Tax	-49	26	-84	-54
Profit for the period	114	-51	226	78
Profit for the year attributable to:				
Parent company owner	114	-51	226	78
Holders without controlling influence	-	-	-	-
Profit for the period	114	-51	226	78

Condensed comprehensive income

Amounts in SEKm	Quarter 4		The period Jan - Dec	
	2020	2019	2020	2019
Profit for the period	114	-51	226	78
Other comprehensive income				
Items that have been transferred or can be transferred to profit for the period				
Translation differences for the year in translation of foreign operations	-5	-10	-69	11
Changes in the fair value of hedge reserve	-11	-6	-20	-6
Tax attributable to items that can be transferred to profit/loss for the year	2	14	12	14
Items that cannot be transferred to profit/loss for the year				
Revaluation of defined-benefit pension plans	-48	-11	-10	-111
Tax attributable to items that cannot be transferred to profit/loss for the year	10	2	2	23
Other comprehensive income for the period	-52	-24	-85	-70
Comprehensive income for the period	61	-75	141	8
Attributable to:				
Parent Company owners	61	-75	141	8
Holders without controlling influence	-	-	-	-
Comprehensive income for the period	61	-75	141	8

Condensed consolidated statement of financial position

Amounts in SEKm	31-Dec-2020	31-Dec-2019
Assets		
Goodwill	2,970	2,640
Right-of-use assets	699	693
Other fixed assets	302	288
Total fixed assets	3,971	3,621
Contract assets	383	441
Trade receivables	1,278	1,410
Other receivables	330	363
Cash and cash equivalents	721	407
Total current assets	2,711	2,621
Total assets	6,681	6,242
Equity	-661	-803
Liabilities		
Long-term liabilities	3,652	3,492
Leasing debt	562	583
Total long-term liabilities	4,215	4,075
Leasing debt	207	193
Contract liabilities	833	712
Trade payables	780	861
Other current liabilities	1,308	1,204
Total current liabilities	3,128	2,970
Total liabilities	7,343	7,045
Total equity and liabilities	6,681	6,242
Where of interest-bearing liabilities	3,397	3,375

Condensed consolidated statement of changes in equity

Amounts in SEKm	Jan-Dec 2020	Jan-Dec 2019
Equity at the beginning of the period	-803	238
Transition to IFRS 16	-	-45
Profit for the period	226	78
Other comprehensive income	-85	-82
Comprehensive income for the period	141	-4
Effect of new parent company	-	-
New capital issue	-	-
Equity at end of period *	-661	-803

* The negative equity is an accounting consequence of the restructuring of the group in 2019. The actual value of Assemblin's equity is better reflected in the equity of the parent company.

Condensed consolidated statement of cash flow

Amounts in SEKm	Quarter 4		The period Jan - Dec	
	2020	2019	2020	2019
Operating activities				
Profit/loss before tax	163	-77	310	133
Adjustments for items not included in the cash flow	75	330	295	484
Tax paid	9	14	-8	-12
Cash flow from operating activities before changes in working capital	247	267	597	605
Changes in working capital	167	116	225	-121
Cash flow from operating activities	414	383	823	485
Investment activities				
Acquisitions of subsidiaries	-148	-109	-300	-211
Net investment fixed assets	-2	-1	-8	-4
Other	0	0	0	17
Cash flow from investment activities	-150	-111	-308	-197
Financing activities				
Loans raised	-	2,591	-	2,591
Repayment of loan	0	-2,717	-2	-2,717
Amortisation of lease debt	-48	-43	-185	-170
Cash flow from financing activities	-48	-169	-188	-296
Cash flow for the period	215	103	327	-8
Cash and cash equivalents at the beginning of the	507	308	407	411
Exchange rate difference in cash and cash equivalents	-2	-4	-13	4
Cash and cash equivalents at the end of the period	721	407	721	407

Condensed summary of the Parent Company's income statement

Amounts in SEKm	Quarter 4		The period Jan - Dec	
	2020	2019	2020	2019
Net sales	8	22	21	22
Production Cost	-	-	-	-
Gross profit	8	22	21	22
Administrative expenses	-16	-31	-45	-31
Operating profit (EBIT)	-8	-30	-25	-30
Net financial items	-15	-5	-64	-5
Profit after financial items	-2	-4	-88	-4
Allocations	21	10	21	10
Profit/loss before tax	-2	-4	-67	-4
Tax	0	0	0	0
Profit for the period	-1	-4	-67	-4

The result for the period corresponds to the total result for the period.

Condensed consolidated statement of the Parent Company's financial position

Amounts in SEKm	31-Dec-2020	31-Dec-2019
Assets		
Shares in Group companies	5,098	5,081
Receivables in Group companies	1,607	1,616
Total fixed assets	6,705	6,697
Other receivables	1	-
Short-term receivables, group companies	34	33
Cash and cash equivalents	1	18
Total current assets	35	51
Total assets	6,740	6,748
Equity		
Restricted equity	1	1
Unrestricted equity	4,017	4,084
Equity	4,018	4,085
Liabilities		
Long-term interest-bearing liabilities	2,625	2,621
Total long-term liabilities	2,625	2,621
Short-term payables, group companies	72	-
Other current liabilities	26	42
Total current liabilities	98	42
Total liabilities	2,722	2,663
Total equity and liabilities	6,740	6,748

Condensed statement of changes in equity for the Parent Company

Amounts in SEKm	Jan-Dec 2020	Jan-Dec 2019
Equity at the beginning of the period	4,085	0
New capital issue	-	0
Shareholder contribution	-	4,089
Profit for the period *	-67	-4
Equity at end of period	4,018	4,085

* The result for the period corresponds to the total result for the period.

Calculation of key performance indicators not defined under IFRS

This interim report presents certain financial measures that are not defined under IFRS. Assemblin believes that these measures provide valuable information about the company's performance, but they should be regarded as a supplement to the measures defined under IFRS. Assemblin's definitions of these measures may differ from other companies' definitions of the same terms. A reconciliation of these measures follows below. For definitions of key figures, refer to page 22.

Reconciliation of key figures

Amounts in SEKm	Quarter 4		The period Jan - Dec	
	2020	2019	2020	2019
Net debt				
Interest-bearing liabilities	3,397	3,375	3,397	3,375
Cash and cash equivalents	-721	-407	-721	-407
Net debt	2,676	2,969	2,676	2,969
EBITA				
Operating profit/loss (EBIT)	212	-18	506	252
Amortisation and impairment, intangible fixed assets	7	7	27	18
EBITA	219	-10	533	270
Adjusted EBITA				
EBITA	219	-10	533	270
Adjustments for Items Affecting Comparability *	13	215	64	246
Adjusted EBITA	232	204	597	516
Adjusted EBITDA				
Adjusted EBITA	232	204	597	516
Depreciation of property, plant and equipment and right-of-use assets	47	93	200	243
Lease accounting adjustments	-24	-70	-109	-153
Adjusted EBITDA	256	228	687	606
Free Cash Flow				
Adjusted EBITDA	256	228	687	606
Changes in working capital	167	116	225	-121
Excluding changes in provisions	15	120	58	158
Net investment fixed assets	-2	-1	-8	-4
Net vehicle leases capex	-27	-32	-72	-116
Free Cash Flow	408	431	890	524
Cash Conversion (%)	176%	211%	149%	101%

*Items affecting comparability are described in Note 3 below

Notes

1. Accounting policies

The condensed consolidated financial statement was prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions in the Swedish Annual Accounts Act. The Parent Company interim report was prepared in accordance with Chapter 9, Interim reports, of the Annual Accounts Act.

For the Group and the Parent Company, the same accounting policies and bases for calculation have been applied as in the latest annual report. In addition to the financial statements and the accompanying notes, disclosures in accordance with IAS 34.16a also appear in other parts of this interim report.

The Group has received public subsidies during the period that collectively do not amount to a material item. The subsidies have been accounted for as cost reducing items in the condensed consolidated statement of earnings.

2. Operating segments

Net sales per business area	Quarter 4		The period Jan - Dec	
	2020	2019	2020	2019
SEKm				
El	1,078	1,217	4,010	4,151
VS	748	734	2,672	2,642
Ventilation	402	368	1,384	1,367
Norway	410	381	1,493	1,285
Finland	142	180	567	598
Eliminations	-48	-23	-118	-65
Total	2,732	2,856	10,009	9,978
<i>Of which service, %</i>	41	39	40	38

Adjusted EBITA and profit before tax	Quarter 4		The period Jan - Dec	
	2020	2019	2020	2019
SEKm				
El	86	94	225	222
VS	68	50	166	139
Ventilation	37	37	78	73
Norway	44	26	119	70
Finland	4	7	3	12
Group adjustments	-7	-10	5	0
Adjusted EBITA	232	204	597	516
<i>Adjusted EBITA margin, %</i>	8.5	7.2	6.0	5.2
Items Affecting Comparability	-13	-215	-64	-246
Amortisation and impairment, intangible fixed assets	-7	-7	-27	-18
Net financial items	-49	-60	-196	-120
Profit/loss before tax	163	-77	310	133

Average number of employees, FTE	Quarter 4		The period Jan - Dec	
	2020	2019	2020	2019
El	2,751	2,827	2,783	2,796
VS	1,431	1,496	1,406	1,475
Ventilation	549	543	553	544
Norge	747	648	735	704
Finland	307	362	319	357
Group shared functions	24	26	24	25
Total	5,809	5,902	5,820	5,901

3. Items affecting comparability

The Group recognised items affecting comparability of SEK 13 million (215) for the quarter and SEK 64 million (246) for the period attributable to acquisitions, integration and restructuring costs, and other non-recurring items.

4. Acquisition of business

Acquired unit	Country	Type	Time	Percentage of votes	Employees	Estimated annual sales in SEKm
Projektuppdrag Syd AB	Sweden	Company	January	100%	8	10
Elservice i Åmål AB	Sweden	Assets	April	-	8	8
Örestadskyl AB	Sweden	Company	May	100%	9	23
Botkyrka VVS & Fastighetsservice AB	Sweden	Company	July	100%	18	67
El & Installationsteknik i Stockholm AB	Sweden	Company	July	100%	11	34
SDC Stockholm Design & Construction AB	Sweden	Company	July	100%	13	24
Luftkompaniet Sjöblom AB	Sweden	Company	September	100%	16	80
Mälardalens Fjärrvärme Entreprenad AB	Sweden	Assets	Oct	-	11	15
Essen Rör AB	Sweden	Company	Oct	100%	45	70
KK-Kylmäpalvelu Oy	Finland	Company	Oct	100%	25	38
Salon Kylmäpojat Oy	Finland	Company	Oct	100%	8	11
Karjalan Kylmäpalvelu Oy	Finland	Company	Oct	100%	2	2
Kalmar VVS- & EL-Montage AB	Sweden	Company	Dec	100%	35	70
FBI Fastighet o Butiksinstallationer AB	Sweden	Assets	Dec	-	1	2
J Östling & C. Sparf El AB	Sweden	Company	Dec	100%	28	35

Effects of acquisitions 2020

Assemblin finalised fifteen acquisitions in the period from January to December. Acquisition analyses regarding the companies acquired in 2020 are preliminary, as only a brief period of time has elapsed since the acquisitions took place. These acquisitions are not considered to be material, either individually or jointly.

5. Financial assets and liabilities

Holdings in Elajo were recognized at fair value. The shares are classified as Level 3 assets since they are not listed in a regulated market and no observable transactions have recently been conducted in the company. Fair value as at 31 December 2019 was SEK 30 million; at the end of the third quarter of 2020, fair value was SEK 30 million.

The amount entered as a liability that could be paid to previous owners is SEK 155 million, falling due for payment within one to three years and classified as Level 3 liabilities. When calculating the fair value of currency swaps the closing quote from the respective counter-parties has been used. The liability is SEK 155 million and classified as a Level 2 liability. The fair values of the Group's long-term assets and liabilities do not differ substantially from the carrying amounts.

6. Non-current liabilities

Non-current liabilities include provisions for pensions of SEK 746 million at 31 December 2020 (SEK 703 million at 31 December 2019). The present value of pension obligations was established by an independent actuary based on certain financial assumptions. The assumptions for inflation and future salary growth have decreased since year-end, reducing the liability, while the discount rate has been lowered, thus increasing the liability. The key assumptions for defined-benefit obligations are presented below:

	31-dec-2020	31-dec-2019
Discount rate	1.10%	1.40%
Wage increase	2.00%	2.20%
Inflation	1.50%	1.70%

In December 2019, Assemblin issued senior secured notes totalling EUR 250 million with a quarterly coupon of 5 per cent. All future payments of principal and coupons have been hedged to SEK.

Events after the balance sheet date

In January Assemblin EI AB made three acquisitions (TIS EI in Karlstad, Åby Eltjänst in Norrköping and EA Installationer in Trelleborg) with combined annual sales of approximately SEK 129 million and 100 employees. Assemblin VS AB acquired Vantec System AB in Götene with annual sales of SEK 50 million and 16 employees. Assemblin AS in Norway grew the ventilation operations by acquiring Nor-Klima T. Svendsen AS in Drammen and annual sales of approximately SEK 33 million. In the beginning of February, Assemblin EI AB signed an agreement to divest electromechanical workshops with operations in three locations, annual sales of approximately SEK 90 million and 45 employees. Closing is expected to take place in April.

At the end of January, Assemblin issued additional EUR 100 million in bonds on unchanged terms compared with previous bonds, to finance the Fidelix acquisition and to secure continued favourable liquidity. Assemblin's shareholders also plan to provide a shareholder contribution of EUR 20 million.

Signature

Stockholm 22 February, 2021

For the Board of Directors of Assemblin Financing AB (publ)

Mats Johansson
President and CEO

The report for the period has not been audited.

For more information

For questions concerning this report, please contact CFO [Philip Carlsson](#) (tel: +46 10 475 39 50). For questions concerning operations in general, contact President and CEO [Mats Johansson](#) (tel: +46 10 475 39 60) or Head of Communications and Sustainability [Åsvor Brynne!](#) (tel: +46 10 475 39 48).

More information is also available on our website: www.assemblin.com

Invitation to investor presentation

On 22 February at 10:30 a.m. CET, the company's President and CFO will present the quarterly performance figures in a webcast. To participate in the webcast, please register in advance using [this link](#):

If you would like to listen to the presentation by telephone, ring +46 856642651 (Sweden), +45 35445577 (Denmark), +35 8 981710310 (Finland), +33 170750711 (France), +44 3333000804 (UK) or other international telephone number via [this link](#) and use PIN code **37718011#** (all participants).

The presentation material, and a recording of the webcast, will be published on www.assemblin.com under the "Investor" tab after the meeting.

Future reporting dates

Q1 Interim Report	January–March 2021	11 May 2021
Q2 Interim Report	January–June 2021	July 2021
Q3 Interim Report	January–September 2021	November 2021
Year-End Report	January–December 2021	February 2022

Definitions

Financial definitions

Acquired growth Net sales from units acquired during the period and the preceding period, less net sales from units acquired in the preceding period, divided by net sales for the equivalent period of the preceding year.

Adjusted EBITA Earnings before tax, net financial items, and amortisation and impairment of intangible assets, adjusted for items affecting comparability. Adjusted EBITA improves comparison over time by excluding non-recurring items.

Adjusted EBITDA Adjusted EBITA adjusted for Depreciation of property, plant and equipment and right-of-use assets. Assets excluding the effect of applying IFRS 16. Adjusted EBITDA improves comparison over time by excluding non-recurring items.

Adjusted EBITA margin (EBITA, %) Earnings before tax, net financial items, and amortisation and impairment of intangible assets, adjusted for items affecting comparability and divided by net sales. Adjusted EBITA margin, % excludes the effect of non-recurring items, thereby improving the possibility of comparisons over time.

Average number of employees, FTE Average number of employees during the period, taking full or part-time employment into account.

Cash Conversion, % Free cashflow divided by Adjusted EBITA. Cash conversion provides a measure of the ability to convert profits to cash.

Free Cash Flow Adjusted EBITDA adding or subtracting any changes in working capital adjusted for changes from non-cash items less net investment in fixed assets adjusted for net vehicle leases capex. Free cash flow shows the cash generation before costs related to items affecting comparability and capital structure, e.g. tax, financing activities and acquisitions.

Items affecting comparability Primarily costs for acquisitions and integration of acquisitions, as well as more comprehensive restructuring programmes and new establishments. These occur on an irregular basis, and thus make comparison over time difficult.

Net sales Sales recorded in accordance with the Group's accounting policies as described in Note 1 of Assemblin's 2019 Annual Report.

Net debt Long- and short-term interest-bearing liabilities, excluding pension liabilities, less cash and cash equivalents at the end of the period. This key metric is a measurement showing the Group's total interest-bearing debt.

Organic growth Growth less currency effect less acquired growth.

Order intake The value of projects received and changes to existing projects in the current period.

Order backlog The value of the remaining production value in all projects not generated at the end of the period.

Working capital The sum of current assets, reduced by cash and cash equivalents minus the sum of current liabilities, reduced by current provisions and short-term interest-bearing liabilities. This key metric shows how much working capital is tied up in the operations, and can be set in relation to sales to show how efficiently tied-up capital working capital is being used.

EBITA Earnings before tax, net financial items, and amortisation and impairment of intangible assets. EBITA is used as the primary key earnings figure in the operational monitoring of the Group.

EBITA, % Earnings before tax, net financial items, and amortisation and impairment of intangible assets, divided by net sales.

EBIT Earnings before tax and net financial items.

EBITDA EBITA before planned depreciation, amortisation and impairment. EBITDA is a measurement the Group considers relevant for an investor who wishes to understand earnings generation before making investments in fixed assets.

Growth Changes to net sales for the period, divided by net sales from the year-earlier period (including currency effects).

Profit margin Earnings for the period, divided by net sales for the period.

Other definitions

Installations/Installation assignments New construction and reconstruction of technical systems in buildings, facilities and infrastructure.

Service/Service assignments Operation and maintenance assignments, including maintenance-related reconstruction of technical systems in buildings, facilities and infrastructure.

Additional disclosure

Information for holders of Assemblin Senior Secured Notes
issued on December 6, 2019



Amounts in SEKm	31-dec-2020
Ratios:	
Consolidated Net Leverage Ratio	3.1x
Fixed Charge Coverage Ratio	4.3x
Reconciliations:	
Cash and cash equivalents	-721
Senior Secured Floating Rate Notes	2,640
Other long-term debt	1
Market value currency agreement ⁽¹⁾	26
Lease liabilities ⁽²⁾	337
Indebtedness	3,004
Consolidated Net Leverage	2,284
EBITA - reported	533
Depreciation of property, plant and equipment and right-of-use assets	200
EBITDA - Reported	732
Lease accounting adjustments (2)	-109
Items Affecting Comparability (3)	64
EBITDA excluding items affecting comparability	687
EBITDA - Proforma Acquisition adjustments (4)	50
Consolidated EBITDA - (Pro forma Adjusted EBITDA) ⁽⁵⁾	737
Consolidated Interest Expense	-171
Dividends	0
Fixed Charges	-171

Comments

1. Market value currency agreements refers to market-to-market changes in value of derivative instruments used to hedged EUR senior secured notes to SEK.
2. Lease liabilities refer to lease liabilities as defined in the Offering Memorandum for EUR 250,000,000 Senior Secured Floating Rate Notes due 2025, i.e. excluding additional lease liabilities recognised as a consequence of implementing IFRS16. Lease accounting adjustments is the effect on EBITDA of implementing IFRS16 compared to previous IFRS.
3. Items Affecting Comparability include acquisition, integration and start-up costs, restructuring costs, transformation costs and other adjustments. Year-to-date 2020 Items Affecting Comparability of SEK 64 million consist primarily of restructuring in Stockholm and acquisition and financing costs relating to the acquisition of Fidelix.
4. EBITDA - Pro forma Acquisition adjustments reflects an estimate of the pro forma full twelve-month impact of acquisitions that were completed prior to 31 December 2020 as if such acquisitions

had completed on 1 January 2020. The adjustments are based on each target's historical EBITDA derived from its management accounts, as adjusted for its actual contribution to our results of operations since the date of its acquisition and as further adjusted in a manner consistent with our Adjusted EBITDA to the extent applicable and the application of our accounting policies and other items.

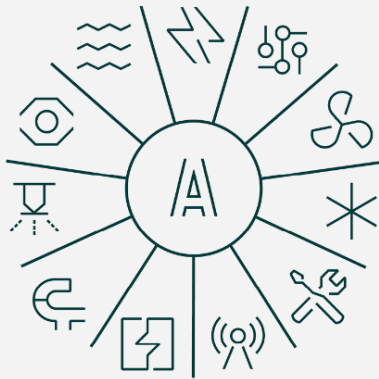
5. The pro forma adjustments to EBITDA presented above are for informational purposes only and do not purport to present what our results of operations would have been, nor do they purport to project our results of operations for any future period. Moreover, the assumptions underlying the pro forma adjustments to EBITDA presented above are based on our current estimates, and they involve risks, uncertainties, assumptions and other factors that may cause actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by such pro forma financial information. Please refer to the Offering Memorandum for EUR 250,000,000 Senior Secured Floating Rate Notes due 2025 section "Risk Factors—Risks Related to Our Business—Benefits from our accelerated profitability programme and anticipated pro forma adjustments to our financial information may not materialize as anticipated."

Consolidated leverage decreasing from 3.7x LTM Q4-2019 to 3.1x LTM Q4-2020

It's the inside that matters.

In every building, there are people living and working who depend on functioning air, water and energy every day, year-round. Our skilled and committed employees make this a reality. With full focus on the inside, we'll take your construction project all the way from start to finish.

A complete installation and service partner



Electrical, Heating and sanitation, Ventilation, Automation, Data and telecom, Security, Industrial pipes, District heating, Cooling, Sprinklers, Electrical workshop and field service.

Our common platform

Vision

Smart and sustainable installations.
By people, for people.

Mission

We use air, energy and water to make buildings work and make people feel comfortable.

Business concept

We design, install and maintain technical systems for buildings.

We act as a responsible and value-adding company in relation to all our stakeholders.

Assemblin as a supplier

Innovative and sustainable installations that make buildings work and people feel comfortable.

Assemblin as an employer

A developing and responsible employer who offers exciting assignments in a good, safe and non-discriminatory work environment.

Assemblin as a social player

We create prosperous citizens in buildings with good indoor climate and carry out our activities with care for the environment and the community around us.

Assemblin as an investment

A good return through stable economic development with controlled risk and a sound business ethics approach.



Our view of sustainability.

We try to take responsibility for the impact that our services and installations give rise to. Our objective is to run a profitable and sound business with respect for the world around us and manage our own and other's resources efficiently. Assemblin shall show great environmental consideration in all our activities.

Assemblin Financing AB (publ)

Västberga Allé 1 | 126 30 Hägersten | Switchboard +46 10 472 60 00 | www.assemblin.com
Corp. ID no: 559077-5952 | VAT SE559077595201