

Q2 Report

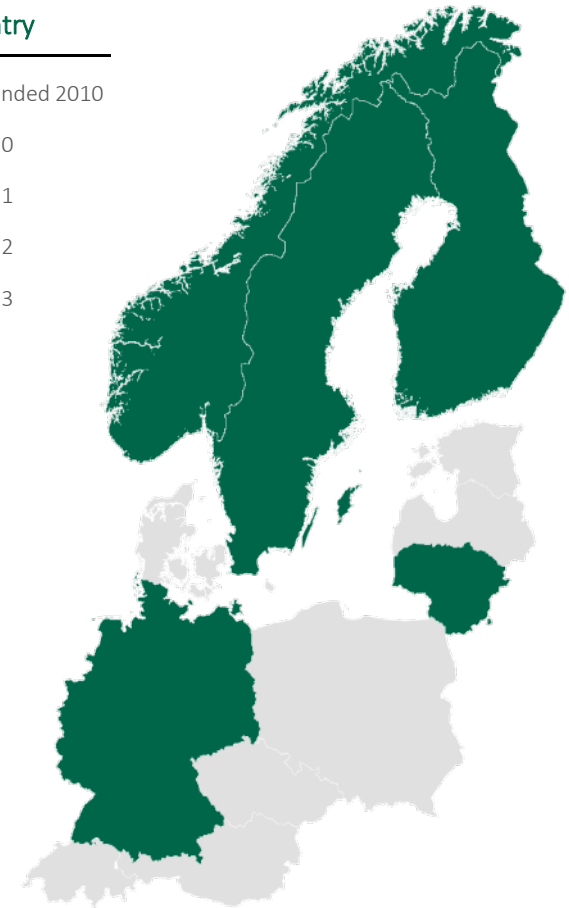
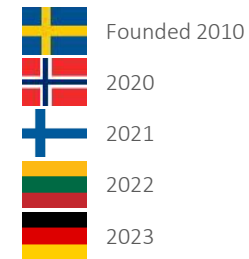
April – June 2023

24 August 2023

Green Landscaping Group - a home for entrepreneurs

- ▶ A leading company in the landscaping service industry
- ▶ The leading consolidator in Europe
- ▶ Business model based on trust and local accountability to promote agility
- ▶ Focus on strong local presence and identity
- ▶ Net sales of SEK 5.5 billion last 12 months, with an EBITA margin of 8.6%

Market entry



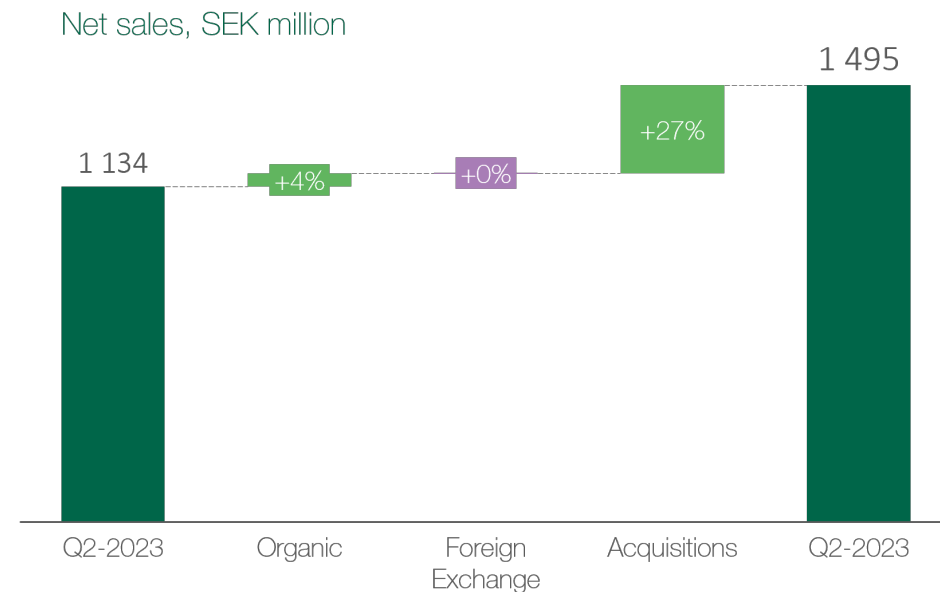
Summary Q2 2023

- ▶ Good progress
- ▶ Net sales increased by 32% to SEK 1,495 (1,134) million
 - ▶ Organic growth of 4.4%
 - ▶ Acquisitions contributed by +27.2%
- ▶ EBITA increased by 51% and amounted to SEK 138 million (92)
- ▶ EBITA-margin of 9.2% (8.1) in the quarter
 - ▶ Seasonally strong quarter
 - ▶ Positive mix effect from acquired companies
 - ▶ Strong performance by segment Finland & other Europe
- ▶ Good cash flow from operating activities, SEK 80 million (15)
- ▶ Acquisition of Schmitt & Scalzo, marking the entrance in Germany

Strong growth in the quarter, and over time

Strong growth in the quarter

- ▶ Net sales Q2 32%
- ▶ Organic growth 4.4%
- ▶ Acquired growth 27.2%



Strong long-term growth

- ▶ Net sales rolling 12 months 50%
- ▶ Organic growth 10.1%
- ▶ Acquired growth 39.5%

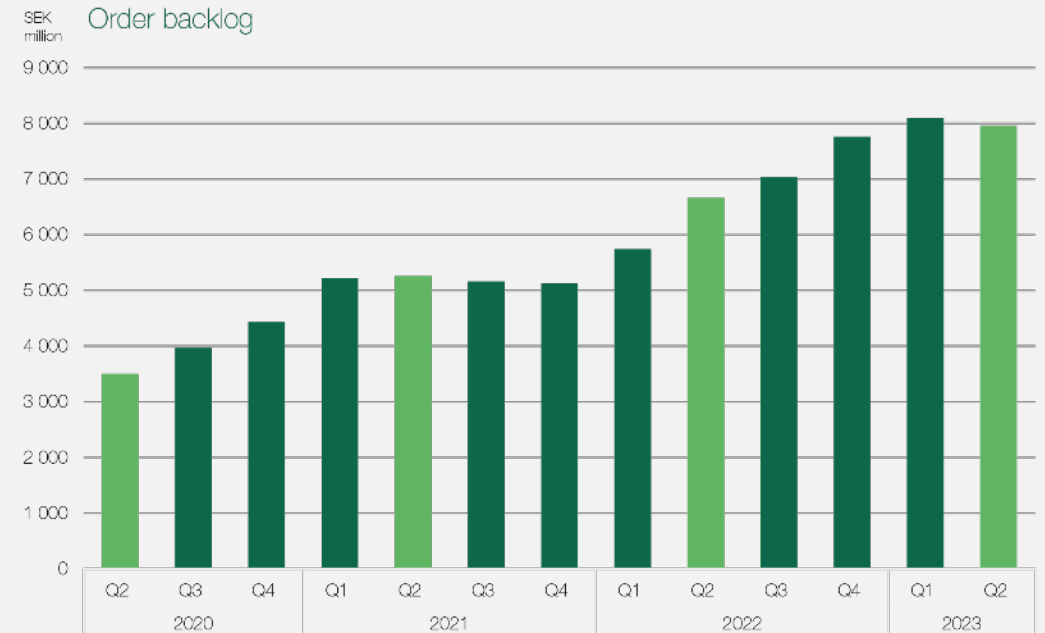


Order backlog stable at SEK 7.9 billion

Growth of 19% compared with Q2 2022

Increase attributable to acquisitions and new contracts. High retention rate.

Majority of order book consists of contracts with public sector customers



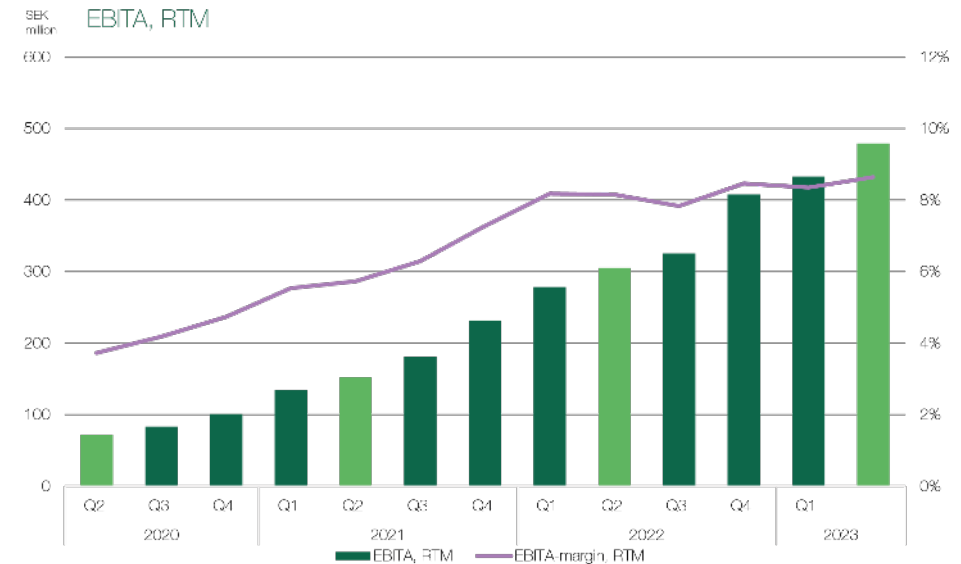
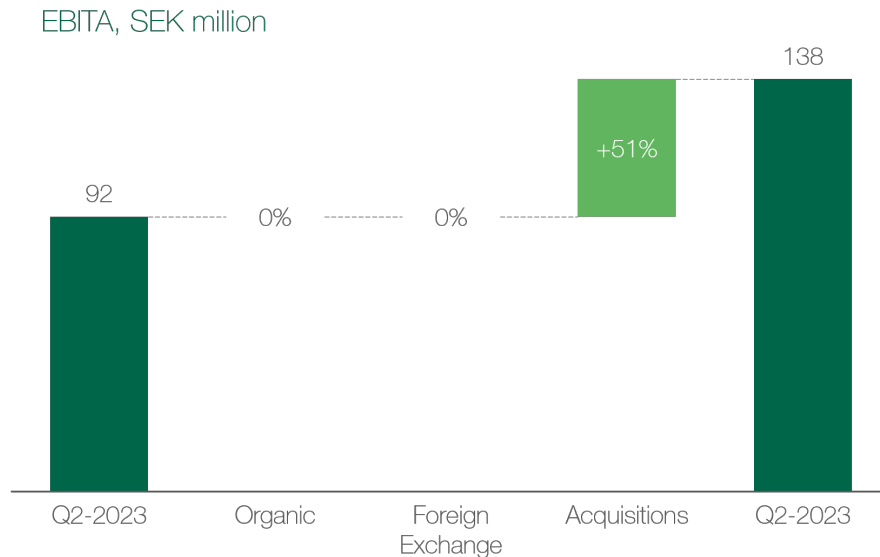
Steady increase of EBITA and EBITA-margin

Strong growth in the quarter, +51%

- ▶ Existing businesses contributed with 0%
- ▶ Acquired companies contributed with 51%
- ▶ Changed exchange rates had a negligible effect

Steady growth over time
(rolling twelve months)

- ▶ EBITA growing consistently
- ▶ EBITA margin at 8.6%



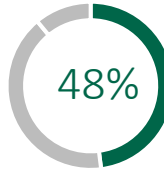
Sweden

- ▶ Net sales SEK 725 (687) million, +6%
 - ▶ Organic growth contributed 3%
 - ▶ Acquisitions contributed 3%
- ▶ EBITA SEK 39 (43) million, -9%
 - ▶ EBITA-margin 5.4% (6.3)

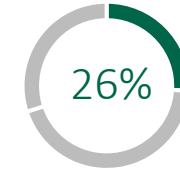


Net organic sales was positively impacted by good demand for ground maintenance.

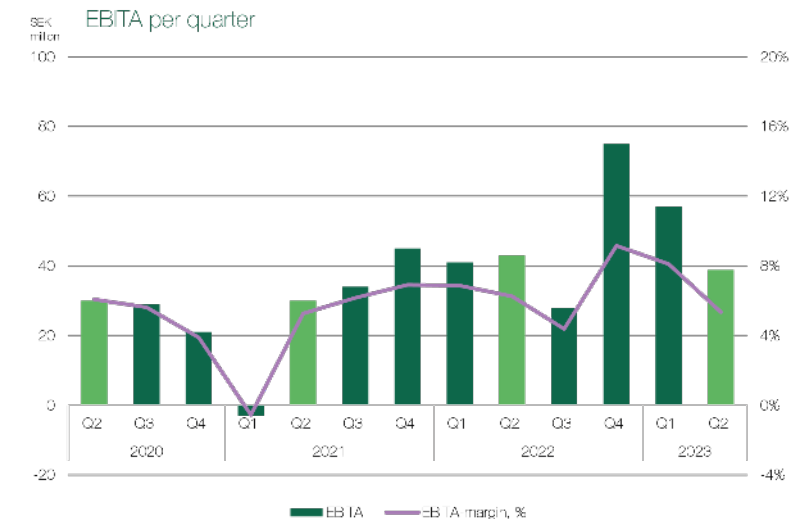
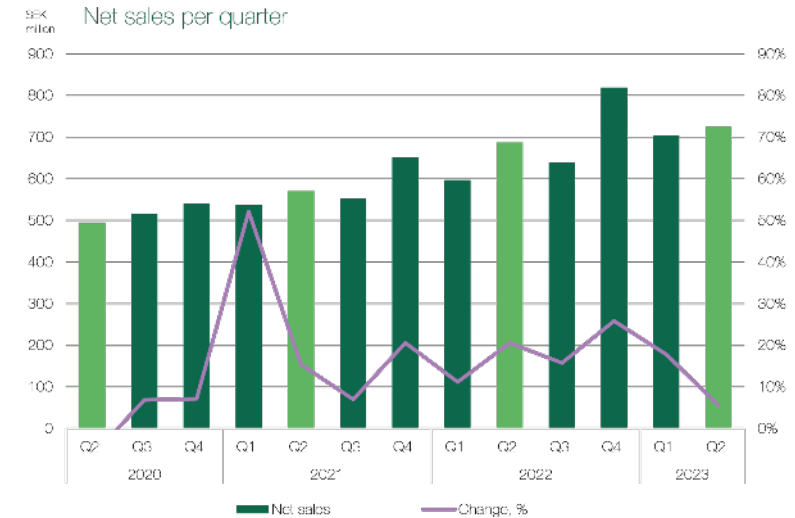
One subsidiary recorded contract related impairments impacting segment EBITA margin by about 2 percentage units.



Share of net sales



Share of EBITA



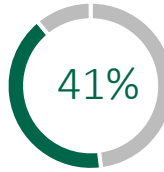
Norway

- ▶ Net sales SEK 608 (391) million, +55%
 - ▶ Organic growth contributed 4%
 - ▶ Acquisitions contributed 52%
 - ▶ Changed exchange rates had a negligible contribution
- ▶ EBITA SEK 66 (51) million, 29%
 - ▶ EBITA-margin 10.9% (13.1)

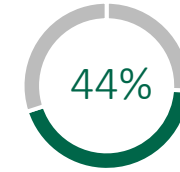


Organic growth rate normalized. Acquisitions accounted for the majority of growth.

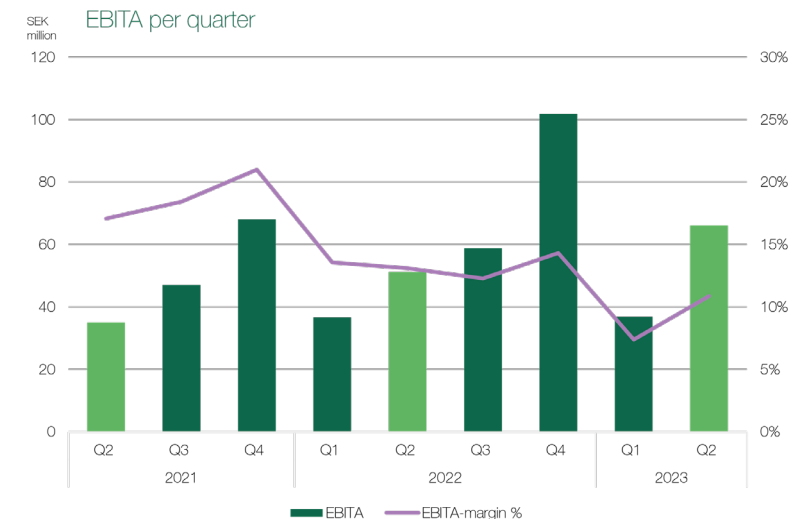
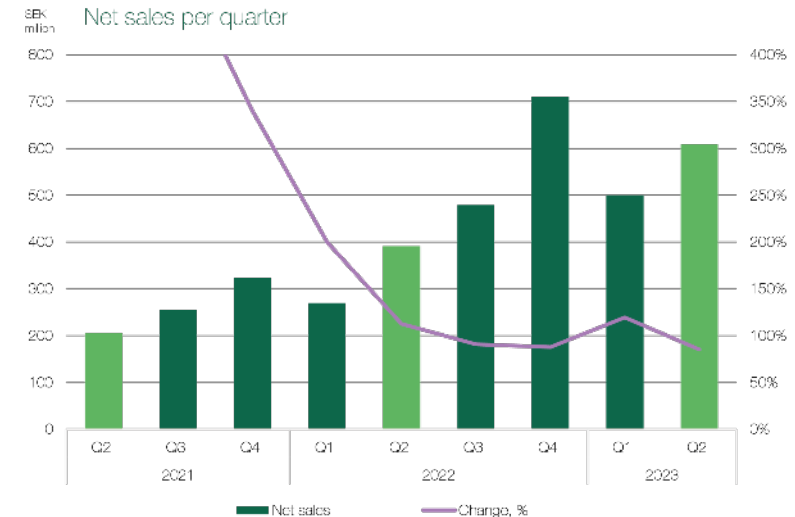
EBITA increased primarily by contribution from acquisitions. Acquired companies have profit margins in line with the Group goal and diluted the margin for the segment.



Share of net sales

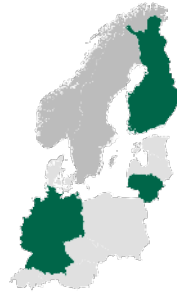


Share of EBITA



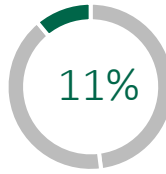
Finland and other Europe

- ▶ Net sales SEK 162 (58) million, +178%
 - ▶ Organic growth contributed 2%
 - ▶ Acquisitions contributed 168%
 - ▶ Changed exchanged rates contributed 8%
- ▶ EBITA SEK 44 (5) million, +780%
 - ▶ EBITA-margin 27.4% (8.8)



The second quarter is the seasonally strongest for all the segment's subsidiaries and demand was good. The order book is good overall, especially from customers in landscaping, while construction operations in Finland are primarily affected by a weak housing market.

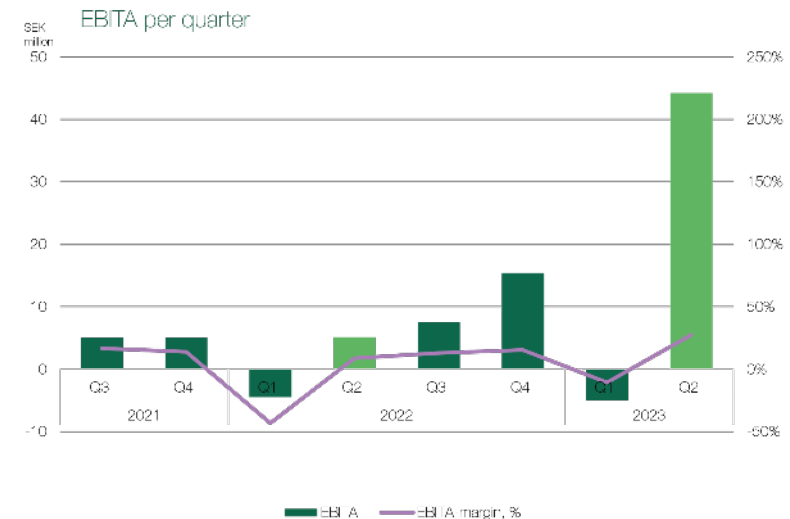
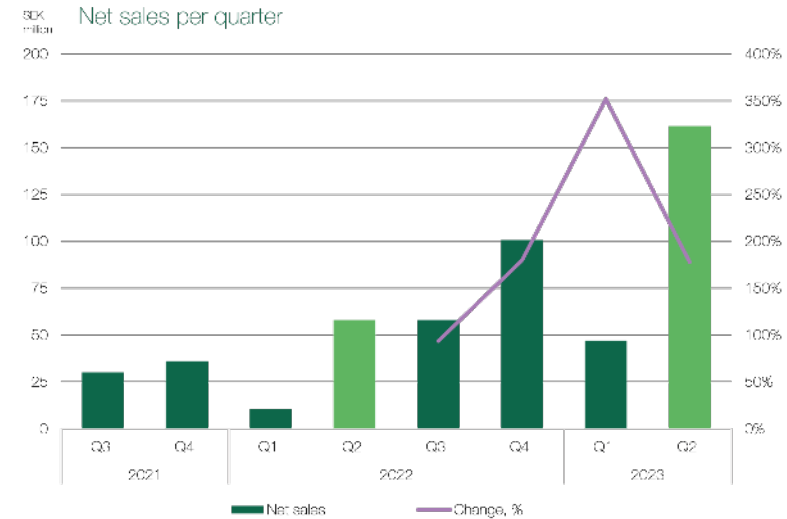
All companies contributed to the significant improvement in earnings, the Taimisto Huutokoski nursery and Stebule in particular.



Share of net sales



Share of EBITA



Acquired companies in Q2 2023



Schmitt & Scalzo GmbH

- ▶ Founded in 1996
- ▶ Operates in Rhein/Main area in Hessen
- ▶ Offers a complete range of maintenance, landscaping and infrastructure services for outdoor environments to mainly public customers
- ▶ Annual sales of EUR 13 million
- ▶ 50 employees



Financials



Strong development across the line

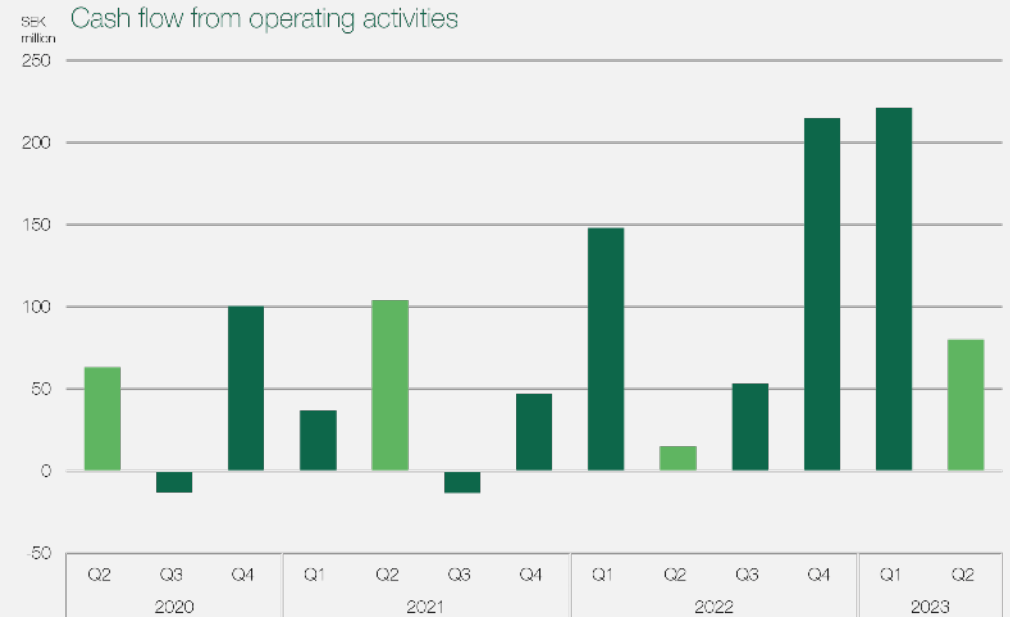
- ▶ Net sales increased significantly
- ▶ EBITA increased significantly
- ▶ EBITA-margin increased by 1.1 percentage point
- ▶ Good cash flow generation
- ▶ Increased return on equity
- ▶ Solid order backlog
- ▶ Earnings per share declined due to revaluation of bank loans in foreign currency
- ▶ Financial leverage in line with target

Key financials Q2 2023

SEK million	Q2 2023	Q2 2022	Rolling 12 months
NET SALES	1,495	1,134	5,546
EBITA	138	92	479
EBITA-MARGIN, %	9.2	8.1	8.6
CASH FLOW FROM OPER. ACTIVITIES	80	15	504
RETURN ON EQUITY, %	16	13	16
ORDER BACKLOG	7,949	5,739	7,949
EARNINGS PER SHARE	0.70	0.81	3.63
FINANCIAL LEVERAGE	2.4x	2.4x	2.4x

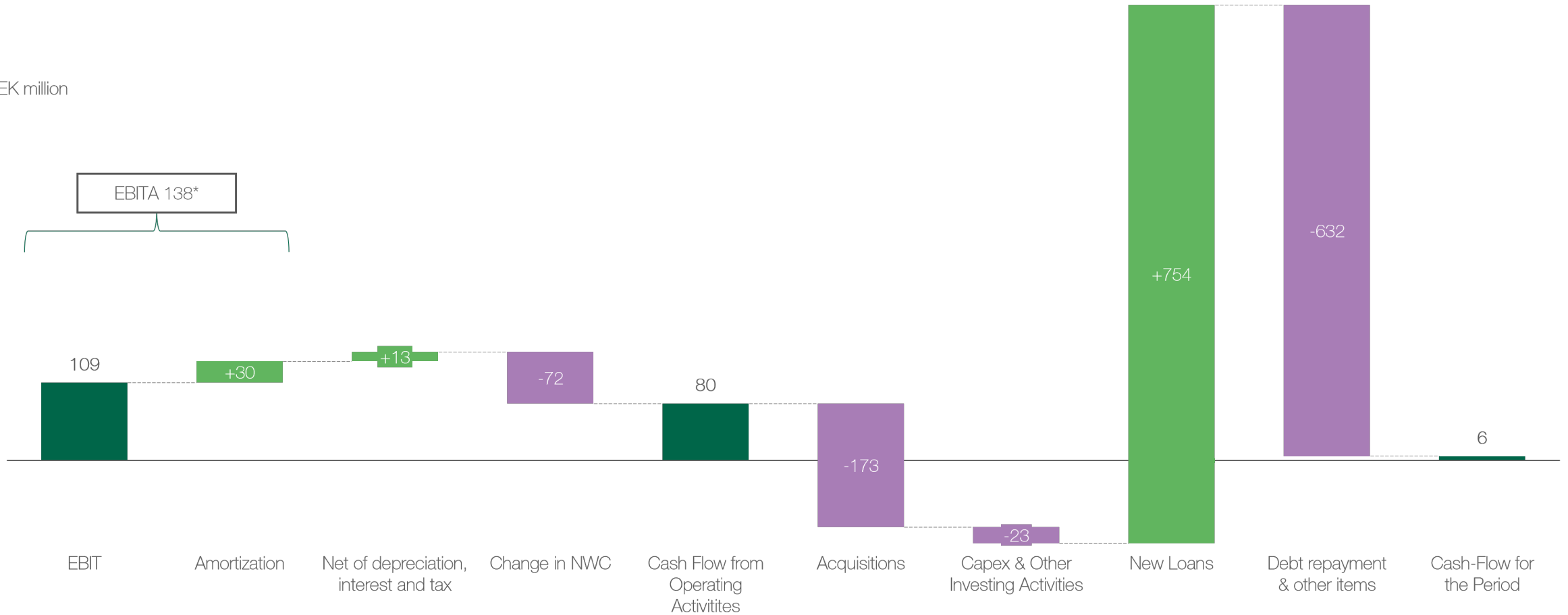
Cash flow

- ▶ Good cash flow from operating activities, amounting to SEK 80 (15) million
- ▶ EBITA contributed significantly, partly offset by increased working capital
- ▶ Cash and cash equivalents at the end of the period amounted to SEK 597 (328) million



Cash Flow Bridge

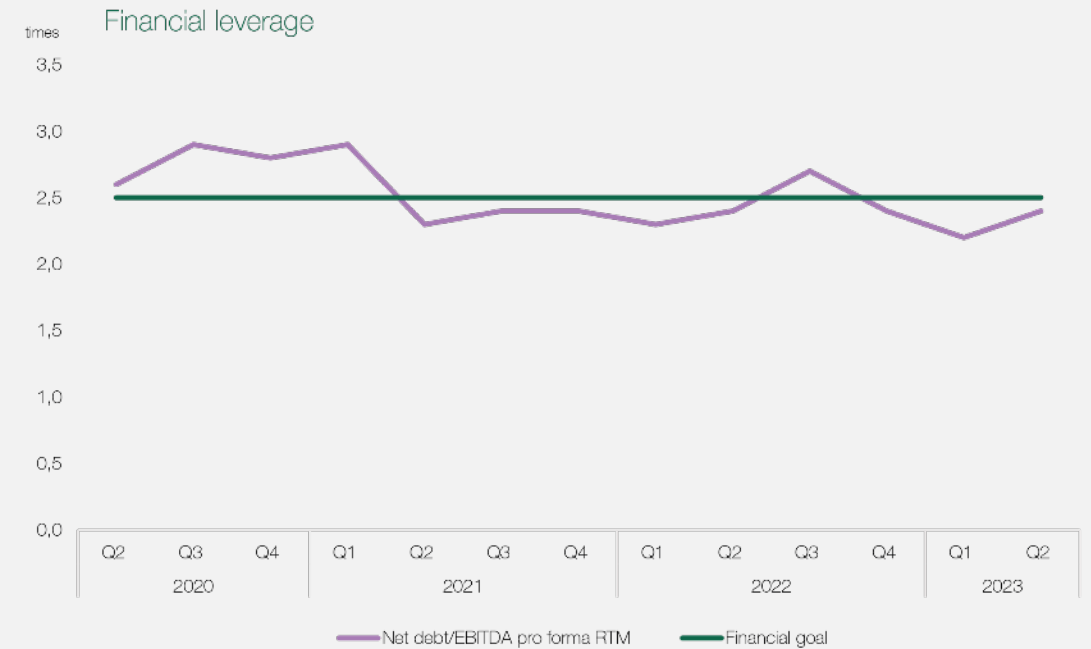
SEK million



*) Due to rounding, some of the calculations are not always exact.

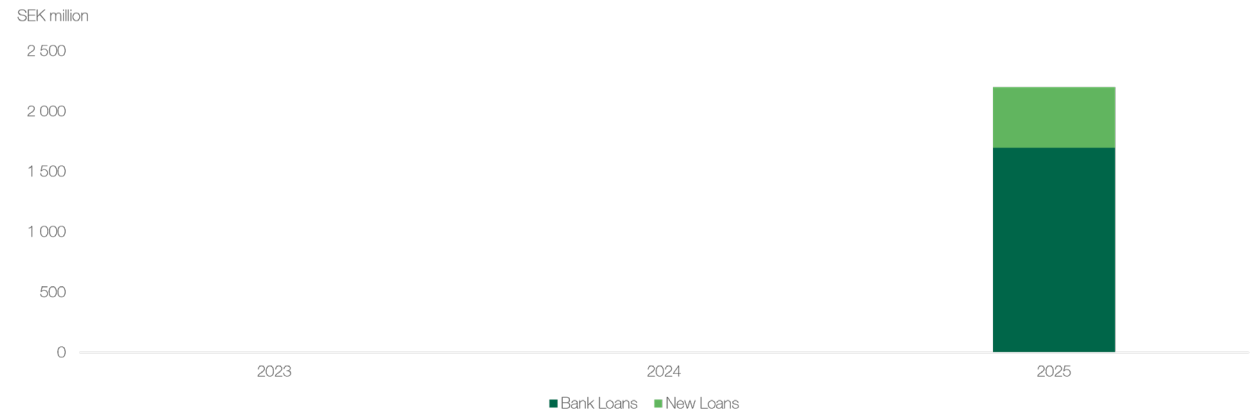
Financial leverage

- ▶ Financial leverage amounted to 2.4X (2.4X)
- ▶ Level below financial target
- ▶ Good generation of cash flow from operating activities



Loan maturity profile

- ▶ New loan facility with SEK amounting to SEK 500 million, with possibility to expand*
- ▶ Total maturities amounting to about SEK 2,000 million
- ▶ No maturities until 2025, one year extension optional
- ▶ Only covenant being Net debt / EBITDA pro forma. Current level of 2.4 leaves plenty of headroom



*New loan agreement with Svensk Exportkredit (SEK) signed subsequent to the interim period

*New loan agreement with Svensk Exportkredit (SEK) signed in April 2023

Financial targets

<p>Growth</p> <p>10%</p> <p>Sales shall, on average, grow by 10 percent per year (organically and via acquisitions)</p>	<p>EBITA margin</p> <p>8%</p> <p>EBITA margin shall, on average, amount to 8 percent per year</p>	<p>Leverage (ND/EBITDA)</p> <p>2.5x</p> <p>Net debt in relation to EBITDA shall over the long term, not exceed 2.5 times</p>	<p>Dividend (% of NI)</p> <p>40%</p> <p>Approximately 40% of profit for the year shall be distributed as dividends to shareholders. The dividend proposal shall take into account Green Landscaping Group's long-term growth potential, financial position and investment requirements.</p>
<p>Rolling twelve months</p> <p>50%</p>	<p>Rolling twelve months</p> <p>8.6%</p>	<p>2023 Q2</p> <p>2.4X</p>	<p>2023</p> <p>0%</p>

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Green

landscaping group

