

Q4 Report

October – December 2023

8 February 2024

A home for entrepreneurs

A leading company in the ground maintenance and landscaping industry

The leading industrial consolidator in Europe

Well proven and successful decentralized business model



Summary full year 2023

- ▶ We followed through on the plan laid out
 - ▶ Consolidated the acquisitions from late 2022
 - ▶ Extensive preparation work for expansion into DACH
 - ▶ Monitoring and navigating tightening macro environment
 - ▶ Increased M&A pace in the second half of the year
 - ▶ Three acquisitions closed and one announced, not yet closed
- ▶ Strong year with a solid finish
 - ▶ Net sales increased by 21% to SEK 5,831 (4,810) million
 - ▶ EBITA increased by 26% and amounted to SEK 512 million (407)
 - ▶ EBITA-margin of 8.8% (8.5)



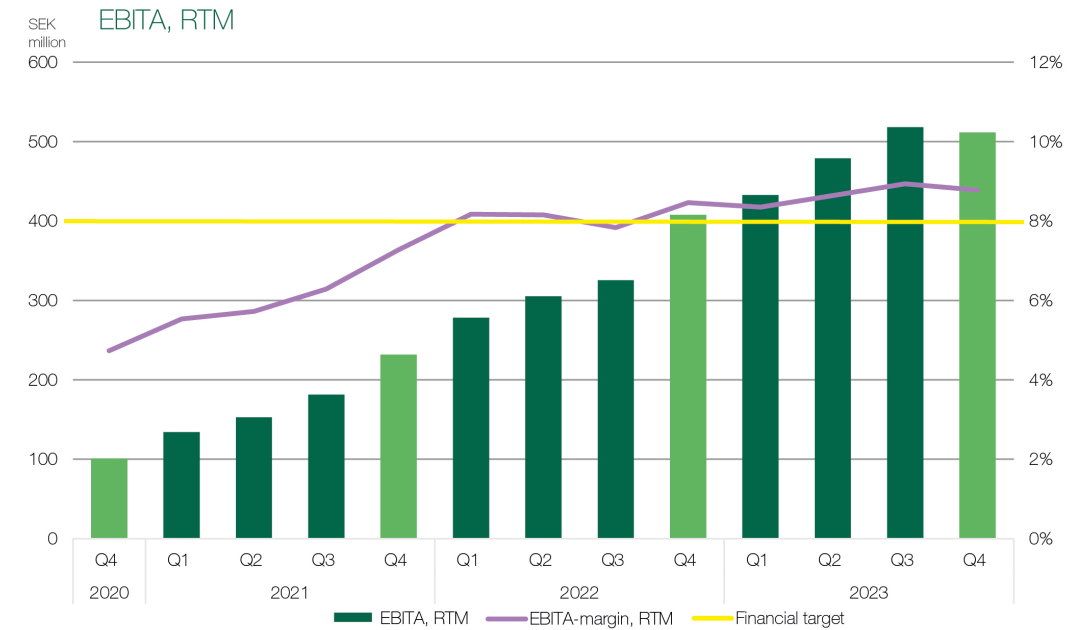
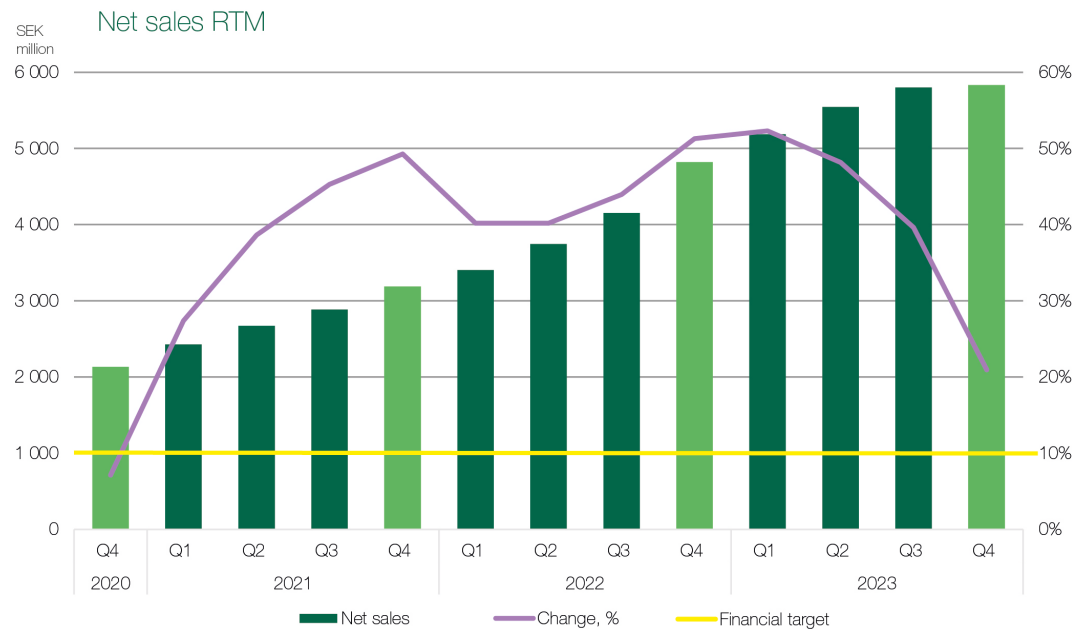
Summary Q4 2023

- ▶ Net sales increased by 2% to SEK 1,656 million
 - ▶ Organic growth decreased by 6%
 - ▶ Acquisitions contributed by 10%
 - ▶ Majority of the companies increased net sales
- ▶ EBITA decreased by 4% and amounted to SEK 159 million
- ▶ EBITA-margin of 9.6% (10.2) in the quarter
 - ▶ Positive mix effect from acquired companies
 - ▶ Tighter competitive landscape impacting
- ▶ Financial discipline
 - ▶ Financial gearing at 2.5, in line with financial goal
- ▶ Expansion in DACH; Germany, Austria, Switzerland
 - ▶ Acquisition of Rainer Gartengestaltung & Landschaftsbau in Bavaria, Germany
 - ▶ Acquisition of Hartmann Ingenieure GmbH in Berlin, Germany
 - ▶ Announced acquisition of Viva Gartenbau AG in Basel, Switzerland



Strong growth

- ▶ Strong growth of net sales and EBITA over time
- ▶ Trending well above financial targets

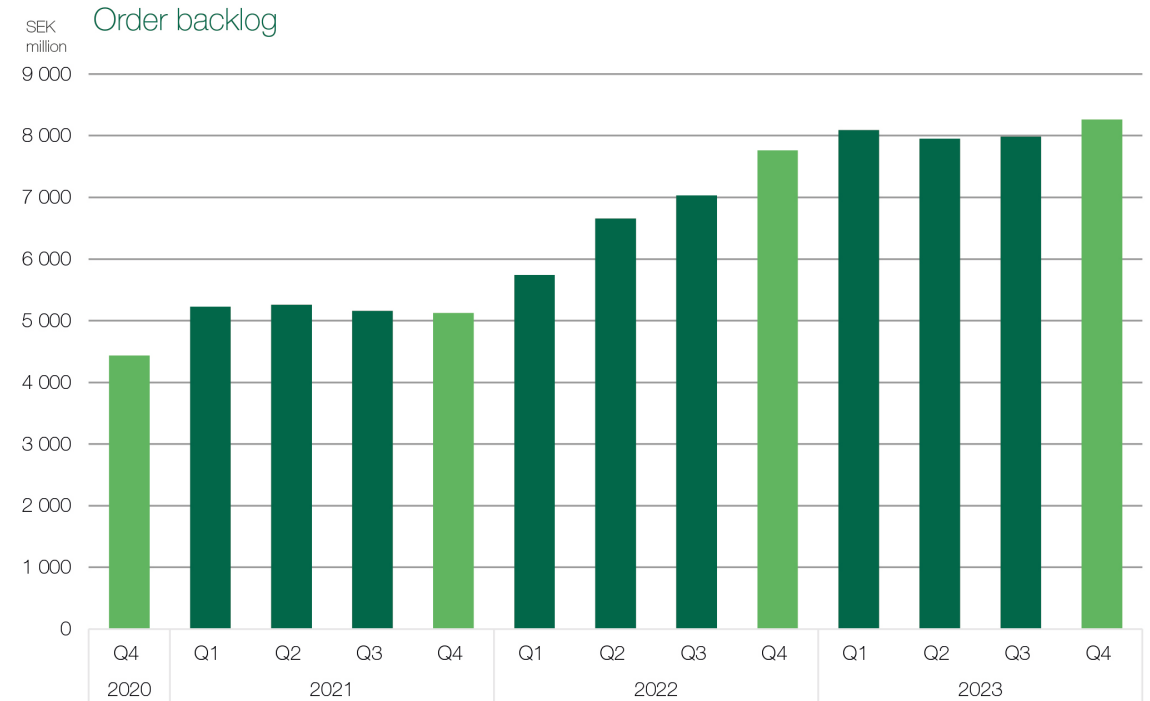


Order backlog stable at SEK 8.3 billion

Growth of 6% compared with Q4 2022

Increase attributable to acquisitions and new contracts.

Majority of order book consists of contracts with public sector customers



Sweden



- ▶ Net sales SEK 2,838 million, 4% for 2023
 - ▶ Organic growth contributed 1%
 - ▶ Acquisitions contributed 3%
- ▶ Net sales SEK 800 million, -2% for Q4

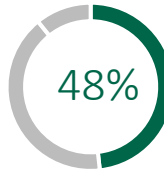
Stable demand for ground maintenance

Strong demand for road- and winter services offset by weaker conditions for landscaping services

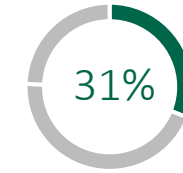
- ▶ EBITA SEK 174 million, -9% for 2023
 - ▶ EBITA-margin 6.1% (7.0)
- ▶ EBITA SEK 57 million, -25% for Q4

Strong performance by ground maintenance companies

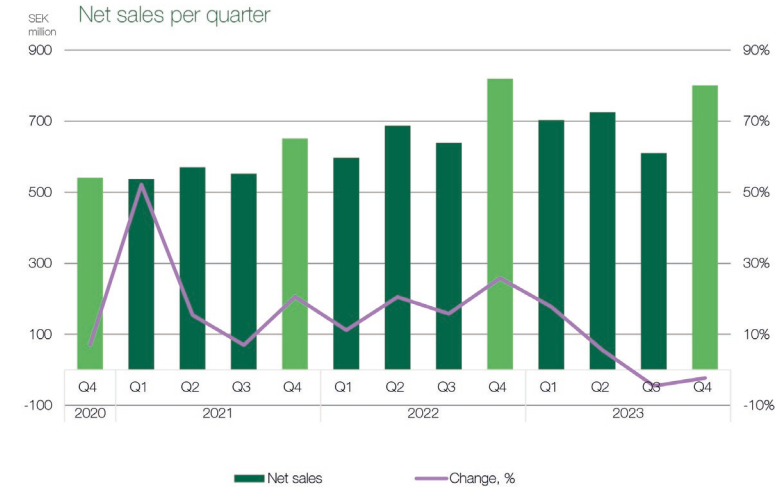
Subsidiary with loss-making project communicated earlier, impacted segment EBITA margin by about 1 percentage unit



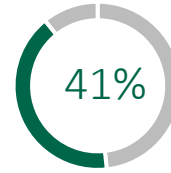
Share of net sales



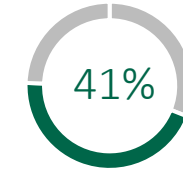
Share of EBITA



Norway



Share of net sales



Share of EBITA

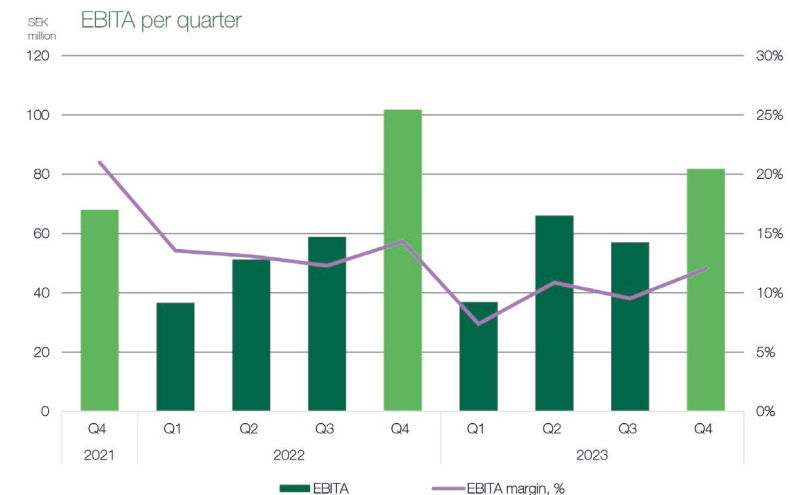
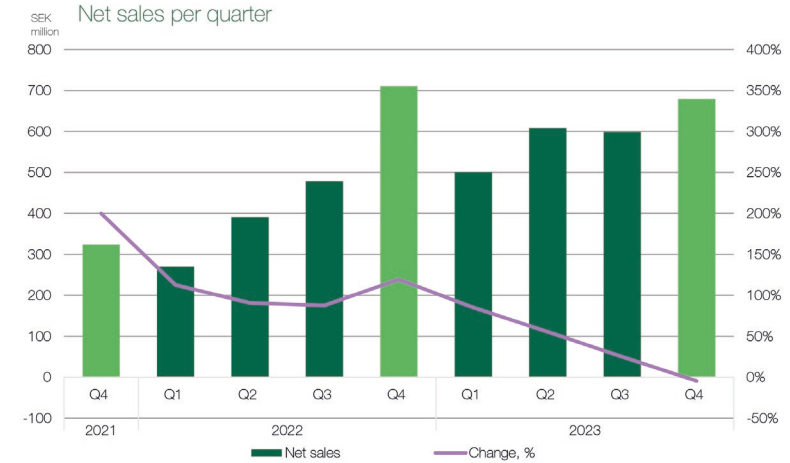


- ▶ Net sales SEK 2,385 million, 29% for 2023
 - ▶ Organic growth contributed 6%
 - ▶ Acquisitions contributed 28%
 - ▶ Changed exchanged rates -5%
- ▶ Net sales SEK 679 million, -4% for Q4

Organic decline offset by acquisitions
High comparables

- ▶ EBITA SEK 242 million, -2%
 - ▶ EBITA-margin 10.1% (13.4)
- ▶ EBITA SEK 82 (102) million, -20% for Q4

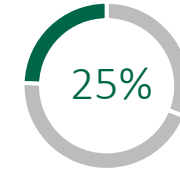
Declining EBITA-margin due to high comparables,
normalization of profit levels in some companies, and
currency effects



Finland and rest of Europe

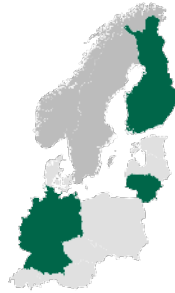


Share of net sales



Share of EBITA

- ▶ Net sales SEK 610 million, 168% for 2023
 - ▶ Organic growth contributed 5%
 - ▶ Acquisitions contributed 155%
 - ▶ Changed exchanged rates 8%
- ▶ Net sales SEK 179 million, 78% for Q4

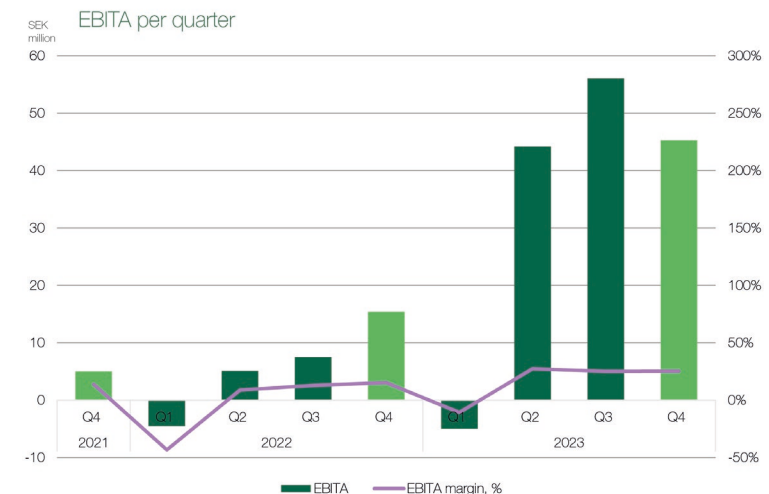
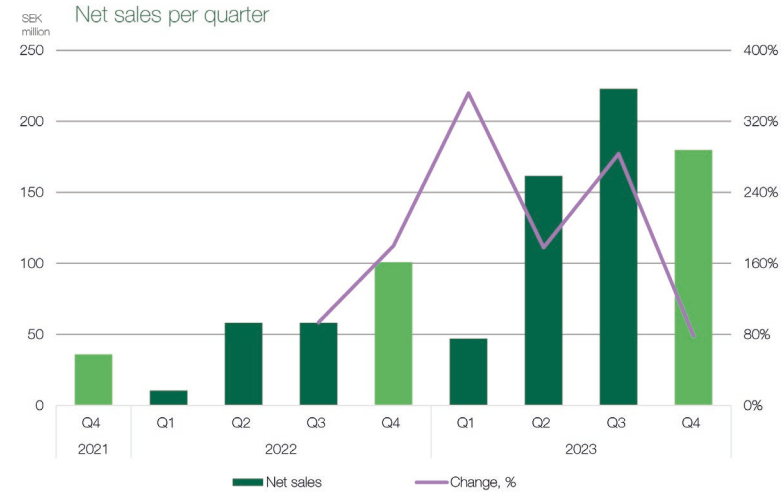


Early arrival of winter impacting the Finnish companies
 Lower activity level in line with normal seasonal pattern

- ▶ EBITA SEK 141 million, 513%
 - ▶ EBITA-margin 23.1% (10.2)
- ▶ EBITA SEK 45 million, 209%

Strong contribution from acquired companies

Further expansion in Germany, and market entry into Switzerland announced



Acquired company in October 2023



Rainer Gartengestaltung & Landschaftsbau GmbH

- ▶ Founded in 2005
- ▶ Operates around Ulm and Stuttgart
- ▶ Offers services in ground maintenance and landscaping for outdoor environments
- ▶ Annual sales of EUR 3 million
- ▶ 24 employees



Acquired company in December 2023



Hartmann Ingenieure GmbH

- ▶ Founded in 1985
- ▶ Operates in central Berlin
- ▶ Offers landscaping services for outdoor environments
- ▶ Annual sales of EUR 4.5 million
- ▶ 55 employees



Acquisition announced in December 2023



VIVA Gartenbau AG



Viva Gartenbau AG

- ▶ Founded in 1992
- ▶ Operates around Basel
- ▶ Offers services in ground maintenance and landscaping for outdoor environments
- ▶ Annual sales of EUR 3.2 million
- ▶ 20 employees



Financials



Strong finish to the year

- ▶ Net sales at SEK 1.7 billion for the quarter and SEK 5.8 billion for the full year
- ▶ EBITA and EBITA-margin second-highest ever
- ▶ Cash flow impacted by NWC build-up
- ▶ Solid order backlog
- ▶ Financial leverage in line with target

Key financials Q4 2023

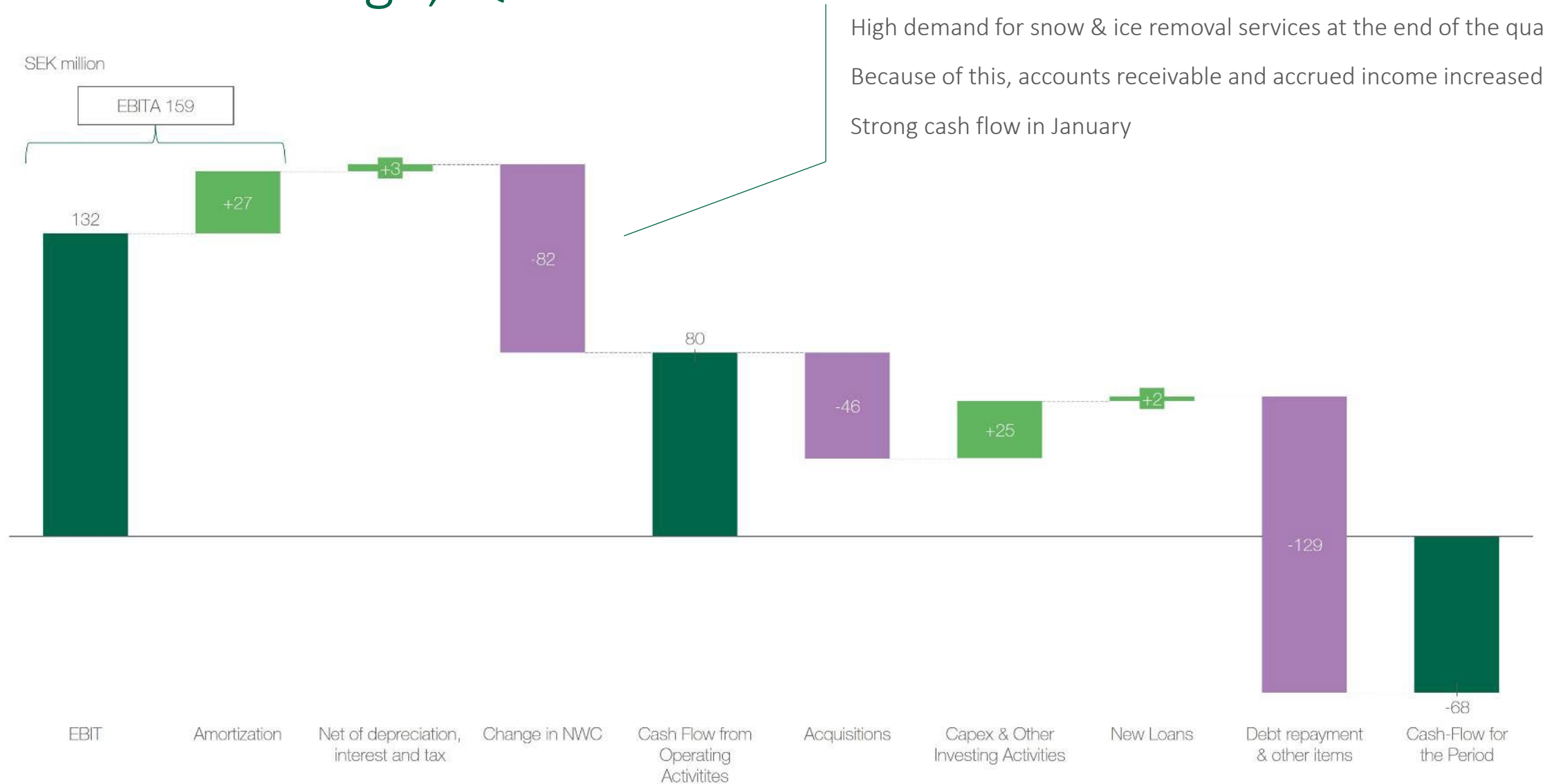
SEK million	Q4 2023	Q4 2022	Full year 2023
NET SALES	1,656	1,625	5,831
EBITA	159	166	512
EBITA-MARGIN, %	9.6	10.2	8.8
CASH FLOW FROM OPER. ACTIVITIES	80	215	379
RETURN ON EQUITY, %	15	16	15
ORDER BACKLOG	8,263	7,762	8,263
EARNINGS PER SHARE	1.66	1.41	3.85
FINANCIAL LEVERAGE	2.5x	2.4x	2.5x

Cash flow

- ▶ Cash flow from operating activities amounting to SEK 379 (431) million in 2023
- ▶ Cash flow from operating activities amounting to SEK 80 (215) million in Q4
- ▶ Cash and cash equivalents at the end of the period amounted to SEK 459 (526) million

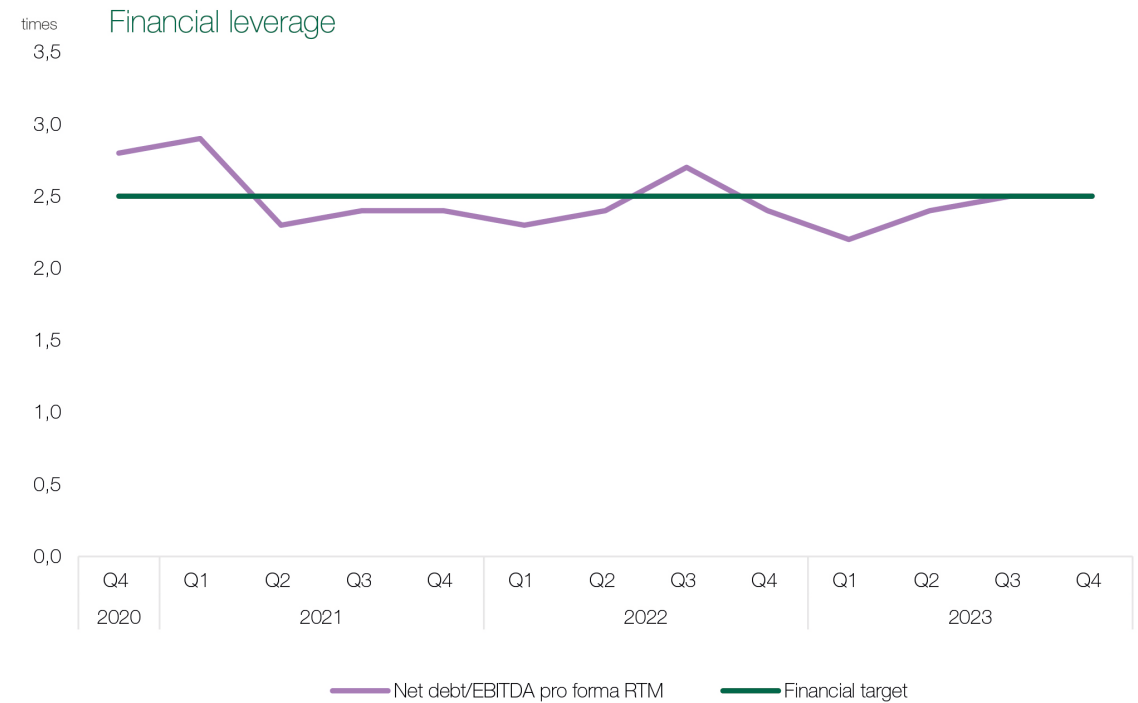


Cash Flow Bridge, Q4



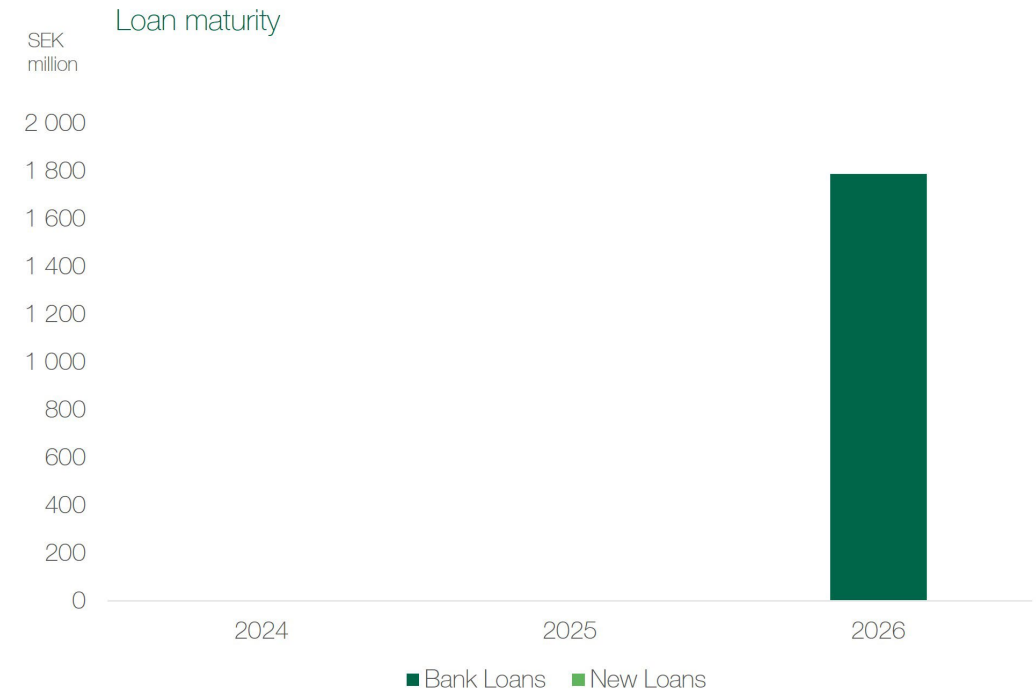
Financial leverage

- ▶ Financial leverage amounted to 2.5X (2.4X)
- ▶ Level in line with financial target
- ▶ Steady state means deleveraging through cash flow from operating activities



Loan maturity profile

- ▶ Loan facility maturity extended during the quarter, moved from 2025 to 2026
- ▶ Total maturities amounting to about SEK 1,975 million
- ▶ No maturities until 2026
- ▶ Only covenant being Net debt / EBITDA pro forma. Current level of 2.5 leaves plenty of headroom



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 <small>(ND/EBITDA)</small></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 <small>(% of NI)</small></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>Full year</p> <p>21%</p>	<p>Full year</p> <p>8.8%</p>	<p>2023 Q4</p> <p>2.5X</p>	<p>2023</p> <p>0%</p>

Summary

- ▶ We followed through on the plan laid out
 - ▶ Consolidated the acquisitions from late 2022
 - ▶ Extensive preparation work for expansion into DACH
 - ▶ Monitoring and navigating tightening macro environment
 - ▶ Increased M&A pace in the second half of the year
 - ▶ Three acquisitions closed and one announced, not yet closed

- ▶ Strong year with a solid finish

2023

- ▶ Net sales increased by 21% to SEK 5,831 (4,810) million
- ▶ EBITA increased by 26% and amounted to SEK 512 million (407)
- ▶ EBITA-margin of 8.8% (8.5)

Q4

- ▶ Net sales increased by 2% to SEK 1,656 million
- ▶ EBITA decreased by 4% and amounted to SEK 159 million
- ▶ EBITA-margin of 9.6% (10.2)

Green

landscaping group

