



PRESS RELEASE

16 November 2023, 07:00 CET

Green Landscaping Group (publ) Interim report January-September 2023

July-September 2023

- Net sales amounted to SEK 1,430 (1,176) million.
- Growth was 22 percent, of which organic growth amounted to 0 percent.
- EBITA increased by 45 percent to SEK 128 (89) million.
- EBITA margin amounted to SEK 9.0 (7.6) percent.
- Cash flow from operating activities amounted to SEK –2 (53) million.
- Basic earnings per share were SEK 0.84 (0.89).
- Diluted earnings per share were SEK 0.84 (0.88).

CEO comments

The third quarter was yet another success for Green Landscaping Group. Net sales increased by 22 percent and profitability, expressed as EBITA marginal, increased and amounted to 9.0 percent. We have established a platform in Germany and are thus ready for further expansion in this large, important market.

We strengthened the profit margin during the quarter

Growth was once again high in the third quarter, with net sales increasing by 22 percent to SEK 1,430 (1,176) million. For the first nine months of the year, organic growth was 5 percent. Acquisitions contributed with 23 percent and the impact from exchange rate fluctuations was –1 percent. A large portion of the demand comes from the public sector, where we have many municipalities as our customers. The business conditions for public entities are somewhat different than what applies for private companies. In the public sector, business decisions and activities are based on budgeted funds that are usually allocated per calendar year, which thus gives us a high degree of stability. We had a good increase in sales during the first and second quarters of the year. Although the third quarter started out on a more cautious note, the trend had normalized by the middle of the quarter.

EBITA amounted to SEK 128 (89) million and the EBITA margin increased to 9.0 (7.6) percent. We continued the trend of strengthening our profit margin and exceeded our financial target of 8 percent for the fourth quarter in a row. Over the last 12-month period, the Group's EBITA margin is 8.9 percent. The profitability declined somewhat in Sweden. Still, many of our Swedish companies that previously struggled with low profitability, continue to make progress on improving the profit margin. I am delighted with this. Our two latest acquisitions have also begun their journeys with us in an impressive way, with both Stebule (Lithuania) and Schmitt & Scalzo (Germany) making significant contributions.



Cash flow from operating activities has amounted to SEK 299 (216) million so far this year. In the third quarter of the year, we are preparing for the fall projects. This involves a natural build-up of working capital in line with normal seasonality, which was reinforced by a calendar effect where payments were received after the end of the quarter. Indebtedness, expressed as net debt in relation to EBITDA pro forma RTM amounted to 2.5 (2.7) times, which is in line with our financial target of 2.5 times.

A strong balance sheet

Interest rates are higher today than they were at the beginning of the year and from a historical perspective, we conclude that the current rates are neither unreasonable nor unusual. For many years, we've exercised caution with our level of indebtedness and have strived to maintain a strong balance sheet. Those efforts are paying off today. We have good control over our finances, proper distance to our bank covenant and good relationships with our banks. Company acquisitions have been, and will continue to be, a core element of our strategy. We will however, always make sure to maintain a healthy level of indebtedness. We also operate in a market that has historically exhibited relative stability and predictability. That is because we offer essential services that must be performed regardless of the overall state of the economy.

Developing our platform for expansion

During the fall, we continued developing our platform for further expansion in Germany, Austria and Switzerland. We established and filled the position of Regional Manager for Germany and in October, we opened up an office in downtown Munich to serve as the hub for further expansion. We also made our second acquisition in Germany in October by welcoming Rainer Gartengestaltung & Landschaftsbau to Green Landscaping Group.

We have a well formulated strategy and sound company culture. It is thus gratifying to see the progress that the company is making.

This report contains information that Green Landscaping Group AB (publ) is required to disclose in accordance with the EU Market Abuse Regulation. The information was made available for publication by the contact person set out below on 16 November 2023 at 07:00 CET.

Presentation of the report:

Green Landscaping Group's CEO Johan Nordström and CFO Carl-Fredrik Meijer will present the report in a teleconference/audiocast on 16 November 2023 at 09:00 CET. The presentation will be held in English.

If you would like to participate in the webcast, please visit the link below.

<https://ir.financialhearings.com/green-landscaping-group-q3-report-2023>

If you would like to participate in the teleconference, you will need to register via the link below. Once you have registered, you will receive the phone number and a conference ID for logging in. There are opportunities for asking questions via the teleconference.

<https://conference.financialhearings.com/teleconference/?id=5005026>



For more information:

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Green Landscaping Group AB (publ) is a home for entrepreneurs. The service areas it is involved in are landscaping and construction, ground maintenance and snow & ice removal. The Group has more than 2 000 employees and net sales amounted to SEK 4.8 billion. The shares are listed on Nasdaq Stockholm with the ticker GREEN. For more information visit www.glgroup.se.