

Green Landscaping acquires Svensk Markservice – a nationwide ground maintenance & landscaping service provider in Sweden

Green Landscaping Holding AB (publ) (“Green Landscaping”) has today signed an agreement to acquire all outstanding shares in Svensk Markservice Holding AB (“Svensk Markservice”) from Nalka Strukturfond AB (“Nalka”) and certain other minority sellers, including members of the management team of Svensk Markservice.

Highlights

- Green Landscaping has signed an agreement to acquire all outstanding shares in Svensk Markservice from Nalka and certain other minority sellers, including members of the management team of Svensk Markservice
- Svensk Markservice is a nationwide ground maintenance and landscaping service provider in Sweden
- The consideration amounts to SEK 398 million on a cash- and debt free basis (EV) and is fully financed through new credit facilities
- Svensk Markservice reported adjusted total revenue of approximately SEK 879 million, adjusted EBITDA of approximately SEK 53 million and adjusted EBITA of approximately SEK 27 million for the last twelve months as of August 2018¹
- The acquisition strengthens Green Landscaping’s position in Sweden within the Ground Maintenance & Landscaping segment
- Significant customer value is created by the acquisition through cost synergies, increased productivity and a stronger local presence. Run rate cost synergies of approximately SEK 25 million are expected
- The acquisition is conditional upon the Swedish Competition Authority’s approval and is expected to be completed during the fourth quarter 2018

Transaction overview

Svensk Markservice was founded in 1991 and is a Swedish provider of grounds maintenance services active across Sweden. The company develops and manages outdoor environments and offers year-round services to both private and public property owners. Services include gardening, cleaning, wood cutting, asphaltting, drainage, snow clearance, among others. Svensk Markservice reported adjusted total revenue of approximately SEK 879 million, adjusted EBITDA of approximately SEK 53 million and adjusted EBITA of approximately SEK 27 million for the last twelve months as of August 2018¹.

¹ Total revenue, EBITDA and EBITA adjusted for acquisitions, discontinued operations and non-recurring items

The acquisition will enable Green Landscaping to strengthen its market position within ground maintenance and landscaping services. A larger group brings benefits to the customers in terms of increased local presence, increased productivity and broader service offering. Going forward, the acquisition leaves further room for consolidation within a fragmented market.

The consideration amounts to SEK 398m on a cash and debt free basis and is fully financed through new credit facilities. The acquisition is expected to be EPS accretive from 2019. Total annual run rate cost synergies are estimated to be approximately SEK 25 million through improved sourcing, better utilisation and increased efficiency. The synergies are expected to be fully realised by the end of 2020. Integration costs of approximately SEK 20 million are expected to have non-recurring EBITDA impact, with the main part of the non-recurring costs impacting 2019.

Johan Nordström, CEO of Green Landscaping commented: “We are impressed with the quality of Svensk Markservice and have followed the company for some time. The combination of Green Landscaping and Svensk Markservice creates a nationwide ground maintenance and landscaping service provider and is a perfect match. The acquisition enables us to improve initiatives like Green Steps and deliver even greater value to our customers and society in large.”

Per Sjöstrand, Chairman of the Board of Green Landscaping continued: “It is great to see that Green Landscaping continues to deliver on its acquisition strategy after the successful IPO earlier this year. This acquisition has a clear industrial rationale, and Svensk Markservice is a great company that will contribute significantly to the development of Green Landscaping and strengthen our delivery to customers.”

Johan Hesser, CEO of Nalka Invest commented: “We are both happy and proud of the development we have created for Svensk Markservice together with the management and employees. Together, Svensk Markservice and Green Landscaping will have a strong geographical presence in Sweden, in which the companies’ current businesses strategically complement each other well. We are convinced that the business has great potential to continue to develop in a positive way together with Green Landscaping.”

Regulatory process

The acquisition is conditional upon the Swedish Competition Authority’s approval and is expected to be completed during the fourth quarter 2018.

Advisers

SEB Corporate Finance has acted as sole financial adviser and Advokatfirman Cederquist has acted as legal adviser to Green Landscaping.

For further information:

Johan Nordström, CEO, Green Landscaping, +46 708 38 58 12
johan.nordstrom@greenlandscaping.se

Carl-Fredrik Meijer, CFO, Green Landscaping, +46 701 08 70 19
carl-fredrik.meijer@greenlandscaping.se

This is information that Green Landscaping Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 17:45 CET on 15 October 2018.

Green Landscaping Group is a leading landscaping service provider in Sweden. Our business idea is to refine our customers' outdoor environments by offering services focused on high customer value, long-term sustainability and quality. The group has approximately 650 employees and sales amount to around SEK 1 billion. The company's shares are listed on Nasdaq First North with ticker GREEN. Pareto Securities AB acts as Certified Adviser. For more information, please visit www.greenlandscapinggroup.se.

Important information

The figures reported in this press release have been rounded as appropriate. This implies that some figures and tables may not sum up correctly.

Forward-looking information

Statements in this press release relating to future status and circumstances, including statements regarding future performance, growth and other projections as well as benefits of the acquisition, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as "expects", or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Actual results may differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Green Landscaping. Such factors may include Green Landscaping's ability to successfully complete the acquisition, integrate the Svensk Markservice into its operations and implement its acquisition strategy. You should not place undue reliance on forward-looking statements. They speak only as at the date of this press release and Green Landscaping undertakes no obligation to update these forward-looking statements.