

A close-up photograph of several green leaves covered in numerous small, clear water droplets. The leaves are vibrant green and have a slightly textured surface. The background is blurred, showing more green foliage.

Green Landscaping Group Third Quarter 2019

November 6, 2019

Today's presenters



Johan Nordström
CEO

- ▶ Started as CEO of Green Landscaping in 2015.
- ▶ Johan has previously been Chairman of the Board and President of Car-O-Liner Production AB and Car-O-Liner Group AB.
- ▶ Studied economics at Lund University and the University of Gothenburg and holds an MBA from Copenhagen Business School.

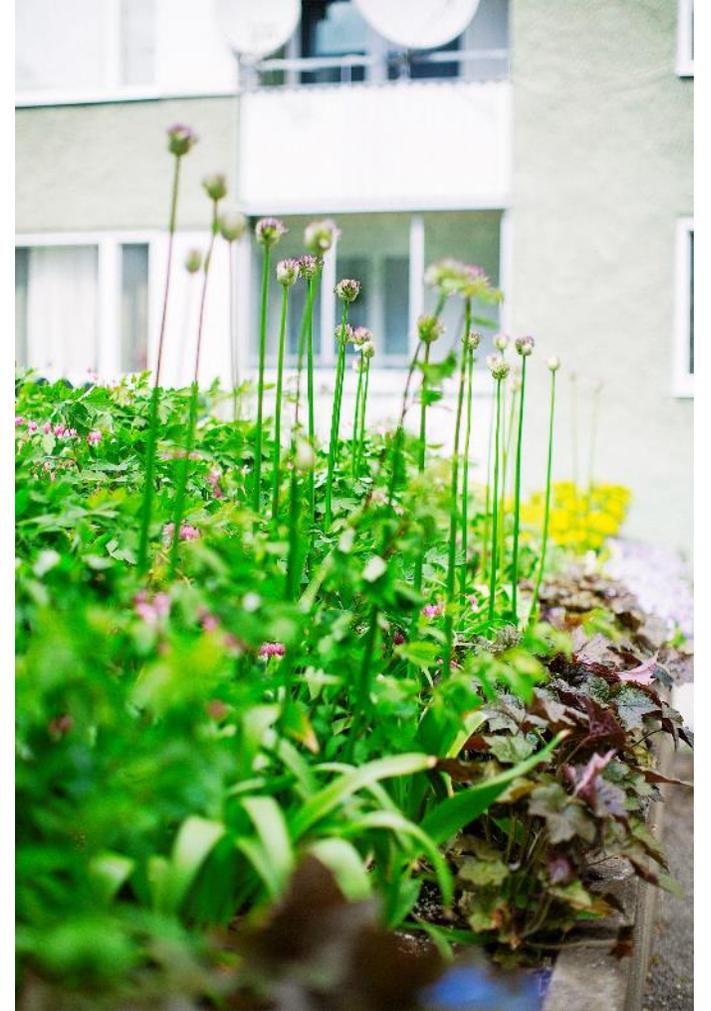


Carl-Fredrik Meijer
CFO

- ▶ Started as CFO of Green Landscaping in 2015.
- ▶ Carl-Fredrik has approximately 13 years of experience from positions within strategy and business development both in Sweden and abroad.
- ▶ Carl-Fredrik has worked at PwC in London and at Coor Service Management.
- ▶ Holds a BA in Corporate Finance from Lund University and an MSc in Technology Management from Lund University of Technology.

Summary third quarter 2019

- ▶ Growth and profitability according to expectation
- ▶ Focus on delivering services with promised quality rather than realizing further synergies
- ▶ The announcement of the acquisition of HD Landscape
- ▶ Intensified focus on mergers and acquisitions
- ▶ Positive cash flow from operating activities
- ▶ Favorable market and long-term contracts give good conditions for sustainable growth





Our vision is to create a green city for all through entrepreneurship, social responsibility and sustainable business



Our vision put into practice

- ▶ A green city for all: Green areas are crucial for the well-being in cities
- ▶ Entrepreneurship: Strong local market leadership with every unit running its own day-to-day operations
- ▶ Social responsibility: A passion for the environment that is visible to the eye, and engagement in a well-functioning society through work integration projects
- ▶ Sustainable business: Long and stable customer relationship and focus on quality throughout our operations

The #1 landscaping service provider in Sweden

Green Landscaping in brief

- ▶ 19 units distributed over 5 geographic segments
- ▶ Populous and diversified contract portfolio
- ▶ Marketing leading profitability
- ▶ M&A strategy creating additional growth



Our service offering

Ground Maintenance & Landscaping



- ▶ Maintenance services for parks, gardens and green areas, as well as snow removal and gritting



- ▶ Surface planning, surface design, lighting design, renovation of parks, assembly of playgrounds and other facilities

Sports Landscaping



- ▶ Products and maintenance for outdoor and indoor sports, including golf courses and football fields

Arborist Services



- ▶ Planting, tree removal, tree pruning, wood-chip handling



Who we are

- ▶ Making cities enjoyable and green
- ▶ Long customer relationships
- ▶ An organization based on local business and accountability
- ▶ A culture based on quality
- ▶ Always creating customer benefits



Third Quarter 2019

Highlights third quarter 2019

Development

- ▶ Growth and profitability according to plan
- ▶ YTD growth of 84,5%, whereof 5,4 ppc organic
- ▶ YTD Adj. EBITA of 4,4% (4,5%)
- ▶ Announcement of acquisition of HD Landscapes ground maintenance operation in Skåne (closing planned to Q4 2019)
- ▶ Focus on delivering services with promised quality rather than realizing further synergies

Financials Q3

Net sales	Net sales growth
492.0 SEKm	84.2 %
Adjusted EBITA	Adjusted EBITA margin
28.8 SEKm	5.9 %
Order book	Employees
3 122 SEKm	1 421

Financial development

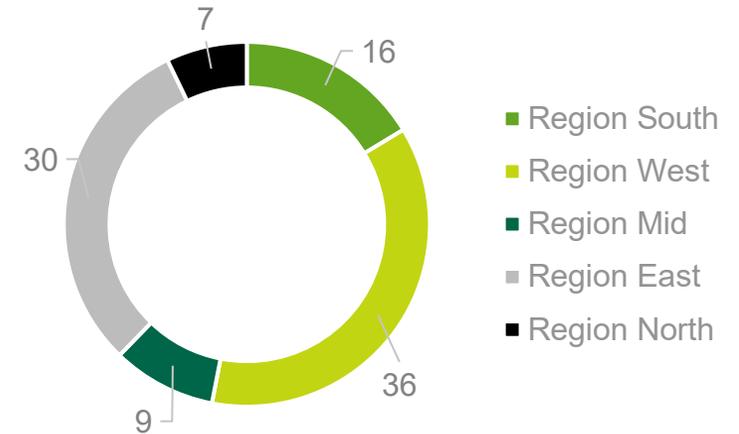
- ▶ Strong growth of 84% YTD, margin intact
- ▶ One major acquisition and several 'sweetspot' ones during last two years
- ▶ Cash flow stronger than last year, + c. 35 mkr

- ▶ Turnaround of region East - strategy reversed (decentralization)
- ▶ Acquisition of HD Landscape (signed). Closing of Mark & Trädgård Skottorp
- ▶ Intensified work around potential acquisitions abroad
- ▶ Decentralization

Segment development

- ▶ Continued high growth in all segments, mainly driven by acquisitions
- ▶ Market conditions remain favorable
- ▶ Overall lower margin within the segments compared to last year due to the acquisition of Svensk Markservice (lower margin compared to Green), full allocation of central costs and a more restrictive revenue accounting
- ▶ New ground maintenance contracts with Stockholms stad and Nynäshamns kommun. A new landscaping contract with Erlandssons Bygg AB.

SALES PER SEGMENT (%)



SEKm	Sales Q3 2019 (2018)	Adj. EBITA Q3 2019 (2018)
Region South	99.2 (50.9)	5.8 (3.7)
Region West	179.2 (122.5)	8.8 (10.4)
Region East	159.0 (86.7)	7.0 (7.6)
Region Mid	42.6 (10.9)	3.0 (0.3)
Region North	37.3 (-)	3.9 (-)
Group	-25.3 (-3.9)	0,3 (-7,7)



Financials

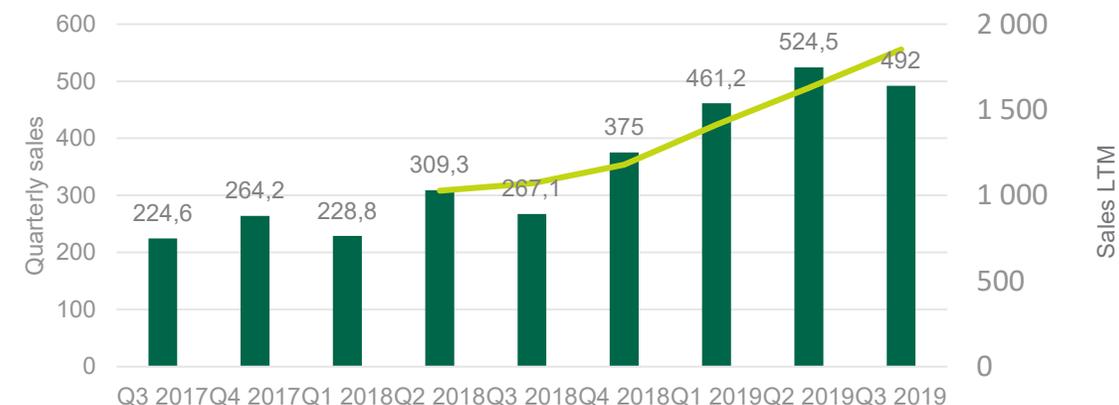
Key P&L items

P&L

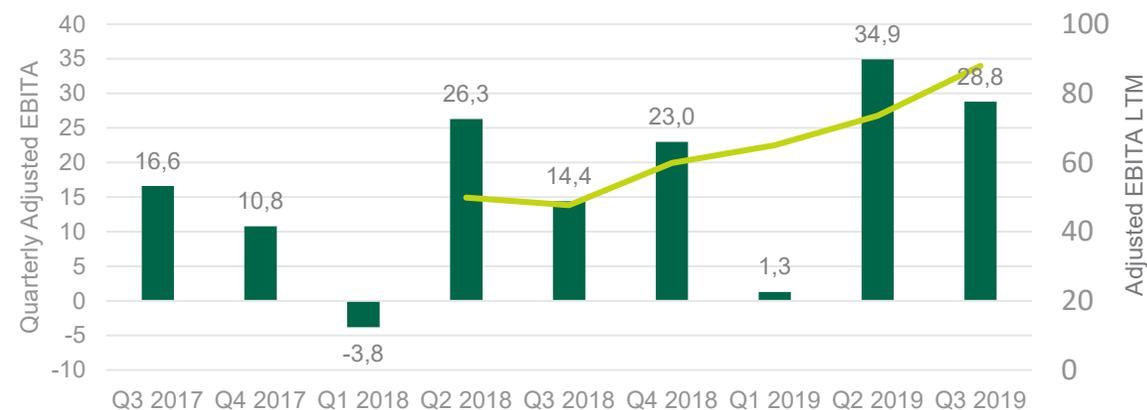
SEKm	Q3 2019	Q3 2018
Net sales	492.0	267.1
Adjusted EBITA	28.8	14.3
Result after financial items	16.2	9.0
Adjusted EBITA margin	5.9%	5.1%
Non-recurring items	0.0	0.0
Earnings per share	0.46	0.47
Adjusted earnings per share*	0.67	0.55
<i>*in the calculation has amortization regarding intangible assets been excluded</i>		

Sales and profitability development

NET SALES (SEKm)



ADJUSTED EBITA (SEKm)



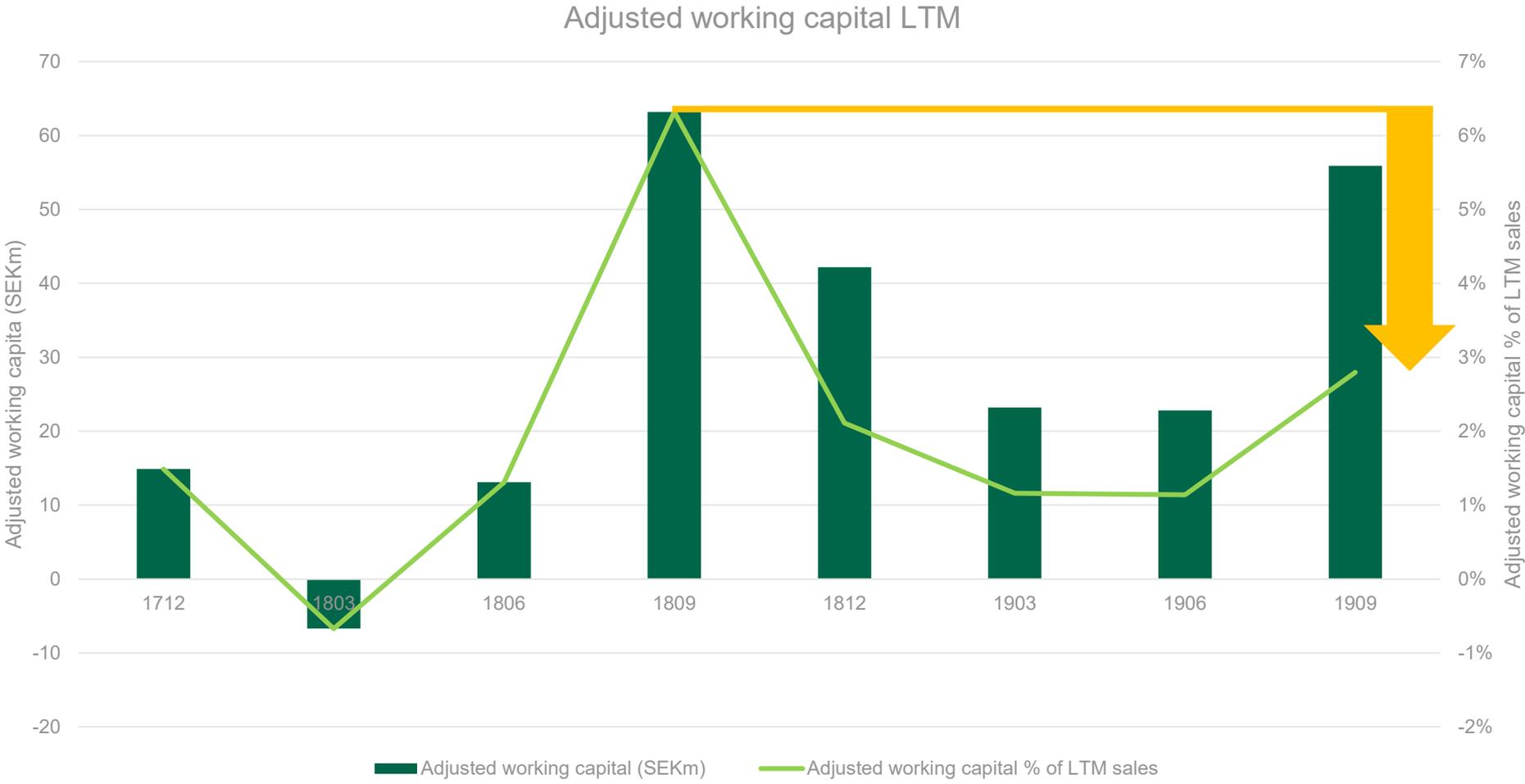
Balance sheet

Balance sheet

SEKm	30 Sep 2019	30 Sep 2018
Total non-current assets	867.8	285.6
Total current assets	479.8	308.5
Total assets	1347.6	594.1
Total equity	220.2	207.6
Total non-current liabilities	628.2	111.6
Total current liabilities	499.2	274.9
Total equity and liabilities	1347.6	594.1

- ▶ Net debt SEK 665.6 million
(of which 109.5 million due to IFRS 16)
- ▶ Cash and available facility of SEK 97.5 million
- ▶ Working Cap SEK 55,9 million, c. 3%

Working capital 3,5 ppc lower than last year



Cash flow

Cash flow

SEKm	Q3 2019	Q3 2018	YTD 2019	YTD 2018
Cash flow from operating activities before changes in working capital	65.1	14.3	109.5	27.5
Cash flow from operating activities	9.1	-31.5	76.4	-21.8
Cash flow from investing	-18.6	-21.3	-25.2	-34.7
Cash flow from financing	-10.2	50.3	-98.5	51.5
Cash flow for the period	-19.7	-2.5	-47.3	-5.0
Cash and cash equivalents at the end of the period	49.0	28.7	49.0	28.7

- ▶ Change in Group structure compared to the same period last year
 - ▶ IFRS 16 impact of SEK 35.3 million (YTD)
 - ▶ IFRS 16 has a positive effect on the operating cashflow (increase of depreciation) and a negative effect on the cash flow from financing (increased amortization)

- ▶ Positive and increased cashflow from operating activities of c. 35 million compared to last year(YTD)

- ▶ Positive cash flow from operating activities due to
 - a) EBITA 42.2 million (20.2 million) YTD
 - b) WC -33.1 million (-49.3 million) YTD
 - c) Decrease in number of facilities
 - d) Decrease in investments of equipment due to effectiveness in use

Financial targets

Financial targets

Growth
10%

- ▶ **Target:** Sales growth on average by 10% per year (including both organic and acquisitions).
- ▶ **Status:** 84.5% YTD. Exceeding target per YTD.

EBITA margin
8%

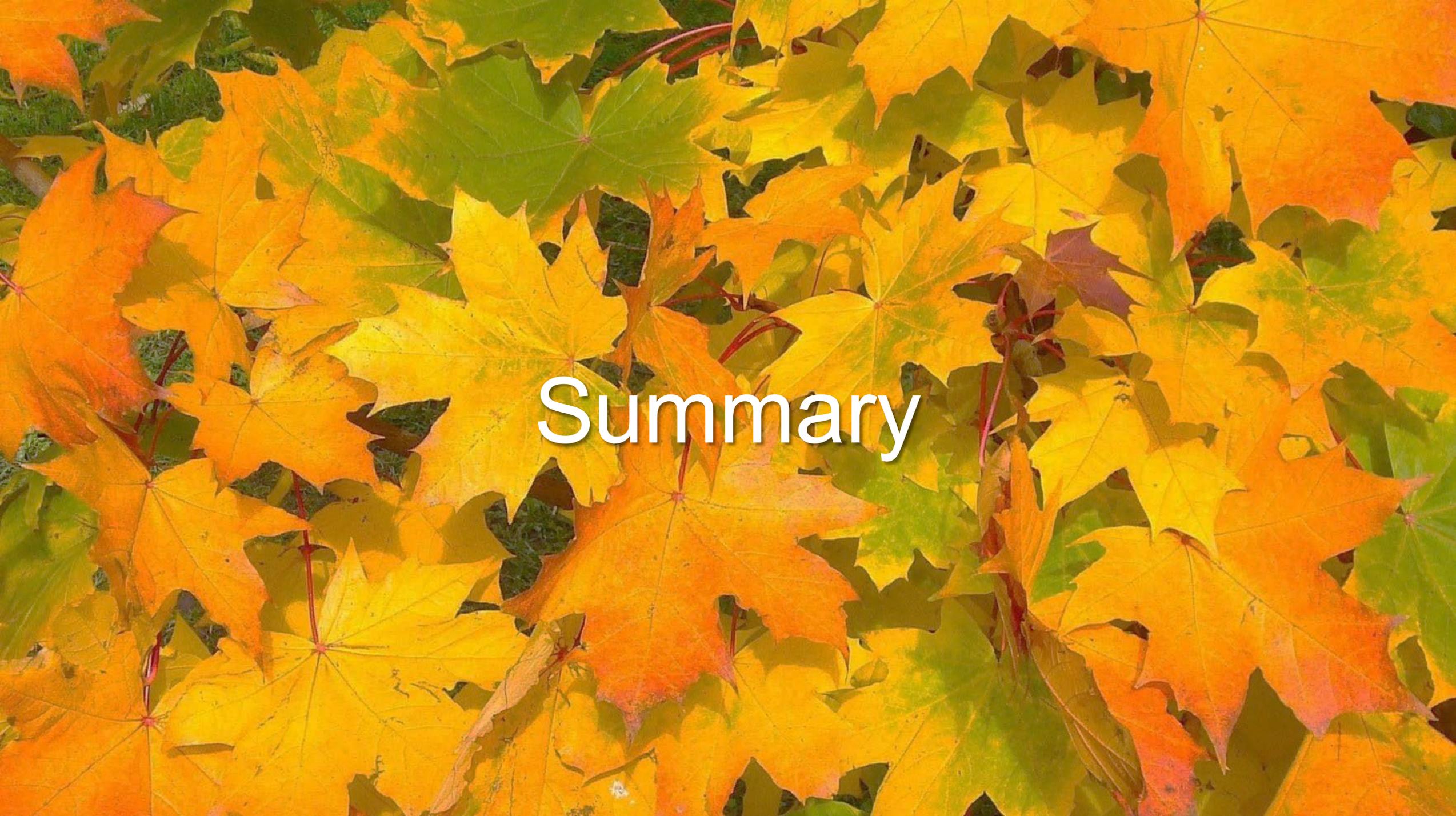
- ▶ **Target:** Achieving an EBITA margin of 8%.
- ▶ **Status:** Adjusted EBITA margin 5.9% (5.1%) in the quarter which is an increase of 0,8%. Flat rate YTD

Leverage (ND/EBITDA)
2.5x

- ▶ **Target:** Net debt in relation to EBITDA shall not exceed a multiple of 2.5 in the long-term.
- ▶ **Status:** Current leverage 3,1X due to acquisition of Svensk Markservice, deleverage over time

Dividend (% of NI)
40%

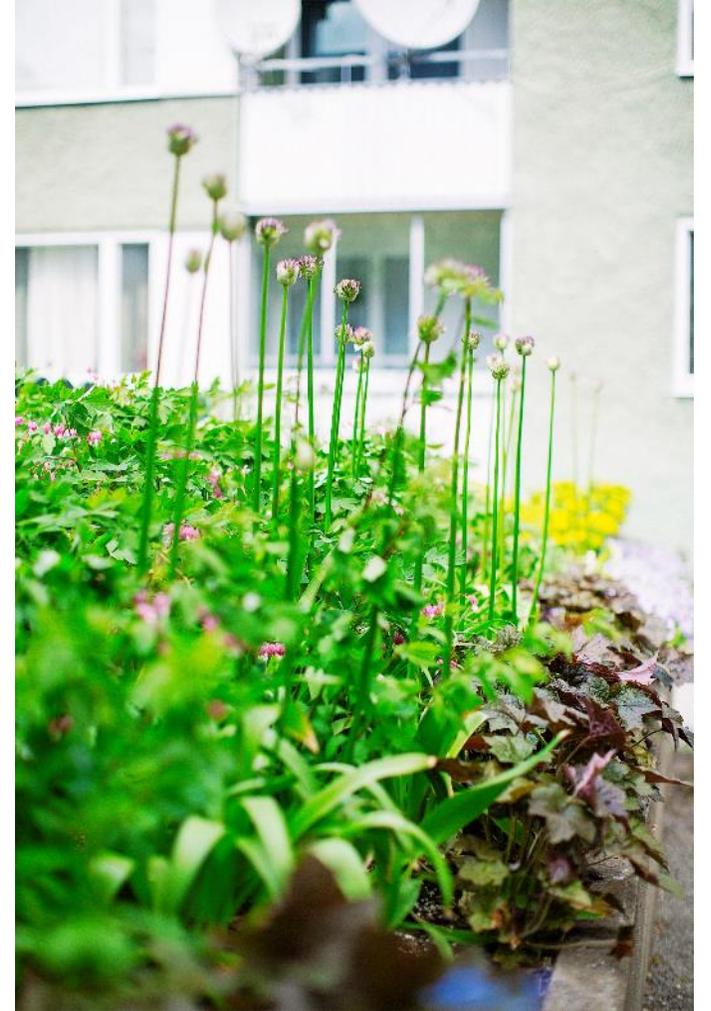
- ▶ Approx. 40% of the year's results to be distributed as dividends, taking into account Green's long-term development potential, financial position and investment needs.



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Green



landscaping group