

A close-up photograph of several autumn leaves covered in a layer of white frost. The leaves are in various stages of color change, showing shades of green, yellow, orange, and red. The background is a soft, out-of-focus blue and grey.

# Green Landscaping Group Year-end report 2019

21 February 2020

# 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 Group AB and Car-O-Liner Production and held several CEO positions over the years.
- ▶ Studied economics at Lund University and the University of Gothenburg and holds an MBA from Copenhagen Business School.



**Carl-Fredrik Meijer**  
CFO

- ▶ CFO Green Landscaping since 2015. At Green since 2013.
- ▶ Carl-Fredrik's previous experience includes Strategy Consultant at PwC in London and Business Developer at Coor Service Management.
- ▶ Holds a MSc in Technology Management from Lund University of Technology and an BA in Corporate Finance.

A photograph of a green city street. In the foreground, there is a large, well-manicured pine tree with dense green needles. Below the tree, there are some yellow flowers and green plants. In the background, a paved walkway leads to a building with a yellow facade. Two people are walking on the path. The overall scene is bright and green, suggesting a sustainable urban environment.

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

# Our service offering

## Ground maintenance



Renovation and maintenance of land and green areas as well as snow removal and deicing.

Multiyear contracts



## Landscaping



Surface planning and construction of parks and playgrounds. Contracts usually come from maintenance customers.

Projects



## Sports landscaping



Planning, construction and maintenance of sports facilities and golf courses, both outdoors and indoors.

Multiyear contracts



## Arborist services



Tree care, pruning, forestry, nature conservation, bioenergy and recycling services.

Framework agreements



# The #1 landscaping service provider in Sweden

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

## FINANCIAL GOALS

Growth  
**10%**

EBITA margin  
**8%**

Leverage  
**2,5x**

Dividend  
**40%**

## GEOGRAPHY



# 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



Fourth Quarter 2019

# Highlights fourth quarter 2019

## Development

- ▶ Continued growth despite the absence of winter
- ▶ Absence of winter activity impacts organic growth and profitability negatively in the quarter
- ▶ YTD growth of 68,9%, whereof 1,6 ppc organic
- ▶ YTD Adj. EBITA of 4,5% (5,1%)
- ▶ Focus on completion and finalizing the integration with Svensk Markservice, resulting in further non-recurring items in the fourth quarter
- ▶ Announcement of acquisition in Norway after the closing of the fourth quarter 2019. This is Green Landscaping Groups first acquisition outside Sweden
- ▶ Announcement of intention to rights issue in order to finance future expansion

## Financials Q4

Net sales	Net sales growth
<b>507.0</b> SEKm	<b>35.2</b> %
Adjusted EBITA	Adjusted EBITA margin
<b>25.2</b> SEKm	<b>5.0</b> %
Order book	Employees
<b>3 565</b> SEKm	<b>1 245</b>

# Acquisitions



## Park i Syd AB

- ▶ Founded in 2008
- ▶ Based in Helsingborg/Mörarp
- ▶ Main activities are projects within landscaping, design, construction and maintenance of outdoor environments as well as playground inspections
- ▶ Customers: mainly Swedish Church, municipality, real estate companies, property construction companies and housing cooperatives
- ▶ 13 employees
- ▶ Revenue 2019: 30 million SEK



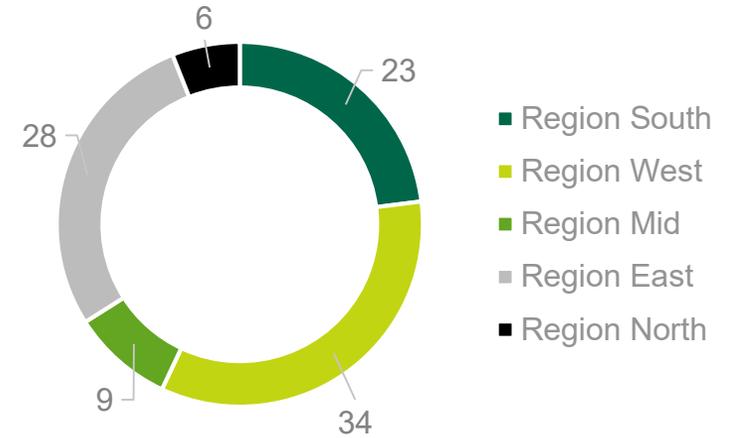
## GAST Entreprenør AS

- ▶ Founded in 2008
- ▶ Headquartered in Gran north of Oslo
- ▶ Main activities are new construction of parks, playgrounds, renovation of outdoor environment and courtyards
- ▶ Customers: mainly property owners, the Church, major construction companies, real estate developers and housing cooperatives
- ▶ 29 employees
- ▶ Revenue 2019: 85 million NOK, margin 20%

# Segment development

- ▶ Continued growth in all segments, mainly driven by acquisitions
- ▶ The absence of winter has had a negative impact on the revenue and profitability
- ▶ Integration of HD Landscape in Region South
- ▶ Market conditions remain favorable. The order book has increased with 430 million SEK in the fourth quarter
- ▶ New ground maintenance contracts with Göteborg Stad, Stockholm Stad, Staffanstorp Kommun and Vellinge Kommun

SALES PER SEGMENT (%)



SEKm	Sales 2019 (2018)	Adj. EBITA 2019 (2018)	Adj. EBITA- margin 2019 (2018)
Region South	371.1 (195.0)	25.6 (8.6)	6.9% (4.4%)
Region West	752.9 (548.3)	39.9 (24.9)	5.3% (4.5%)
Region East	593.9 (372.6)	-0.5 (12.4)	-0,1% (3.3%)
Region Mid	189.4 (71.6)	10.1 (7.0)	5.3% (9.8%)
Region North	134.8 (10.3)	14.6 (1.8)	10.8% (n/a)



# Financials

# Key P&L items

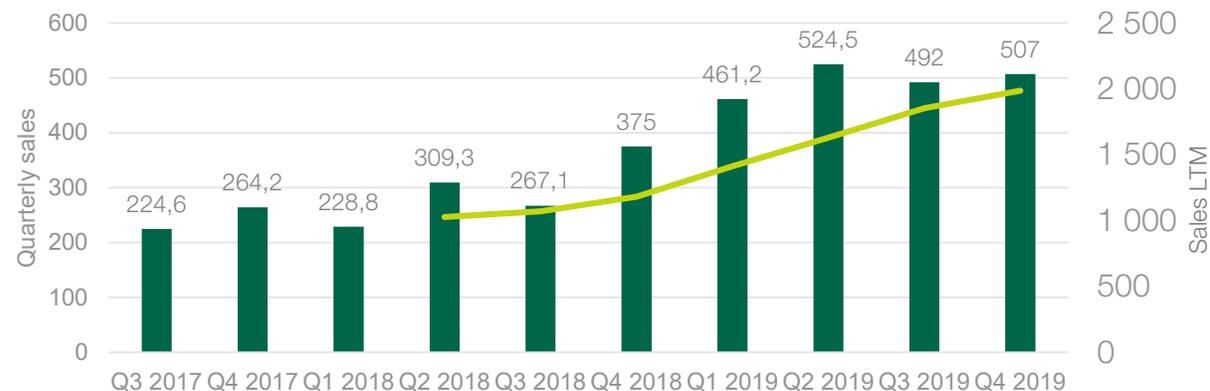
## P&L

SEKm	Q4 2019	Q4 2018	2019	2018
Net sales	507.0	375.0	1 993	1 180
Adjusted EBITA	25.2	23.0	90.1	59.8
Result after financial items	2.5	-13.3	9.4	-12.0
Adjusted EBITA margin	5.0%	6.1%	4.5%	5.1%
Non-recurring items	10.1	25.2	32.9	41.9
Earnings per share	0.05	-0.42	0.20	-0.19
Adjusted earnings per share*	0.33	0.29	1.12	1.23

\*in the calculation has amortization regarding intangible assets been excluded

## Sales and profitability development

### NET SALES (SEKm)



### ADJUSTED EBITA (SEKm)

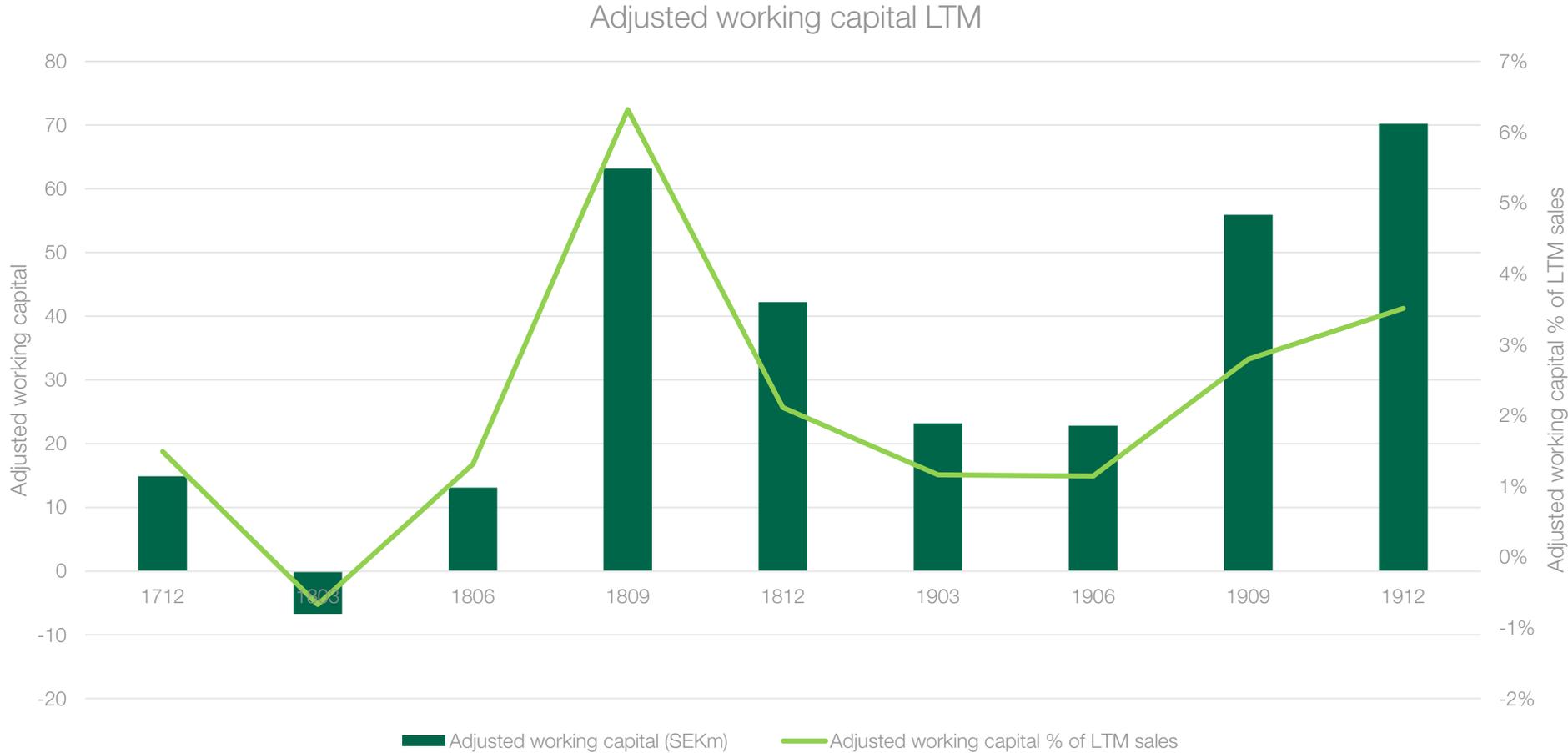


# Balance sheet

SEKm	31 Dec 2019	31 Dec 2018
Total non-current assets	876.1	744.4
Total current assets	488.5	533.7
<b>Total assets</b>	<b>1364.6</b>	<b>1278.1</b>
Total equity	219.3	202.8
Total non-current liabilities	647.4	605.7
Total current liabilities	497.9	469.6
<b>Total equity and liabilities</b>	<b>1364.6</b>	<b>1278.1</b>

- ▶ Net debt SEK 690.3 million  
(of which 114.3 million due to IFRS 16)
- ▶ Cash and available facility of SEK 75.2 million
- ▶ Working Cap SEK 70.2 million, c. 3.5%\*  
(\*working capital % of LTM sales)

# Working capital higher than last year



# Cash flow is stronger than last year

SEKm	Q4 2019	Q4 2018	2019	2018
Cash flow from operating activities before changes in working capital	20.1	1.5	129.6	29.2
<b>Cash flow from operating activities</b>	<b>21.9</b>	<b>25.1</b>	<b>98.3</b>	<b>3.5</b>
Cash flow from investing	-12.9	-225.9	-38.0	-260.7
Cash flow from financing	-13.5	268.4	-112.1	319.8
<b>Cash flow for the period</b>	<b>-4.5</b>	<b>67.6</b>	<b>-51.8</b>	<b>62.6</b>
Cash and cash equivalents at the end of the period	44.5	96.3	44.5	96.3

- ▶ Change in Group structure compared to the same period last year
  - ▶ Svensk Markservice was acquired in Q4 2018, explaining the high outcome regarding cash flow from investing and financing the same period
  - ▶ 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)
    - ▶ Impact +35.3 mkr 2019 cash flow from operating activities
    - ▶ Impact -35.3 mkr 2019 cash flow from financing
- ▶ Positive and increased cashflow from operating activities of c. 94.8 million compared to last year
- ▶ Positive cash flow from operating activities due to
  - a) EBITA 57.2 million (17.9 million) FY 2019
  - b) IFRS 16 impact of 35.3 million FY 2019
  - c) Full year effect of depreciation from acquired entities of c. 8 Million
  - d) Decrease in number of facilities
  - e) Decrease in investments of equipment due to effectivization in use

# Financial targets

Growth

10%

- ▶ **Target:** Sales growth on average by 10% per year (including both organic and acquisitions).
- ▶ **Status:** 68.9% concerning full year 2019. Exceeding target.

EBITA margin

8%

- ▶ **Target:** Achieving an EBITA margin of 8%.
- ▶ **Status:** Adjusted EBITA margin 4.5% (5.1%).

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 3,3X 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.



# Summary

# Summary fourth quarter 2019

- ▶ Continued growth despite the absence of winter
- ▶ Absence of winter activity impacts organic growth and profitability negatively in the quarter
- ▶ Favorable market and long-term contracts give good conditions for sustainable growth
- ▶ Focus on completion and finalizing the integration with Svensk Markservice, resulting in further non-recurring items in the fourth quarter. The Group has now a solid foundation when entering 2020
- ▶ Important events after the end of the quarter include the acquisition of GAST in Norway, which is the first outside Sweden, and Park i Syd in Skåne
- ▶ The Board intends to propose a rights issue of 150 mkr to finance continued acquisitions



**Green**



landscaping group