



Green Landscaping Group First Quarter 2020

6 May 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. Started as Head of M&A 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 and walkable urban environment.

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

Our service offering

Ground Maintenance



Maintenance and services for all outdoor areas

Multiyear contracts



Landscaping



Design and construction of all outdoor green areas

Projects & Framework agreements



Winter Services



Snow plowing/removal, deicing and gritting.

Multiyear contracts



Sports Landscaping



Services and products for Green Sports turf

Online, projects & multiyear contracts



Arborist services



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

Framework agreements



The #1 landscaping service provider in Sweden

- ▶ 24 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



A close-up photograph of several purple crocuses in bloom. The flowers are vibrant purple with some showing orange stamens. They are set against a soft, out-of-focus green background. The text "First Quarter 2020" is overlaid in the center in a white, sans-serif font.

First Quarter 2020

Highlights first quarter 2020

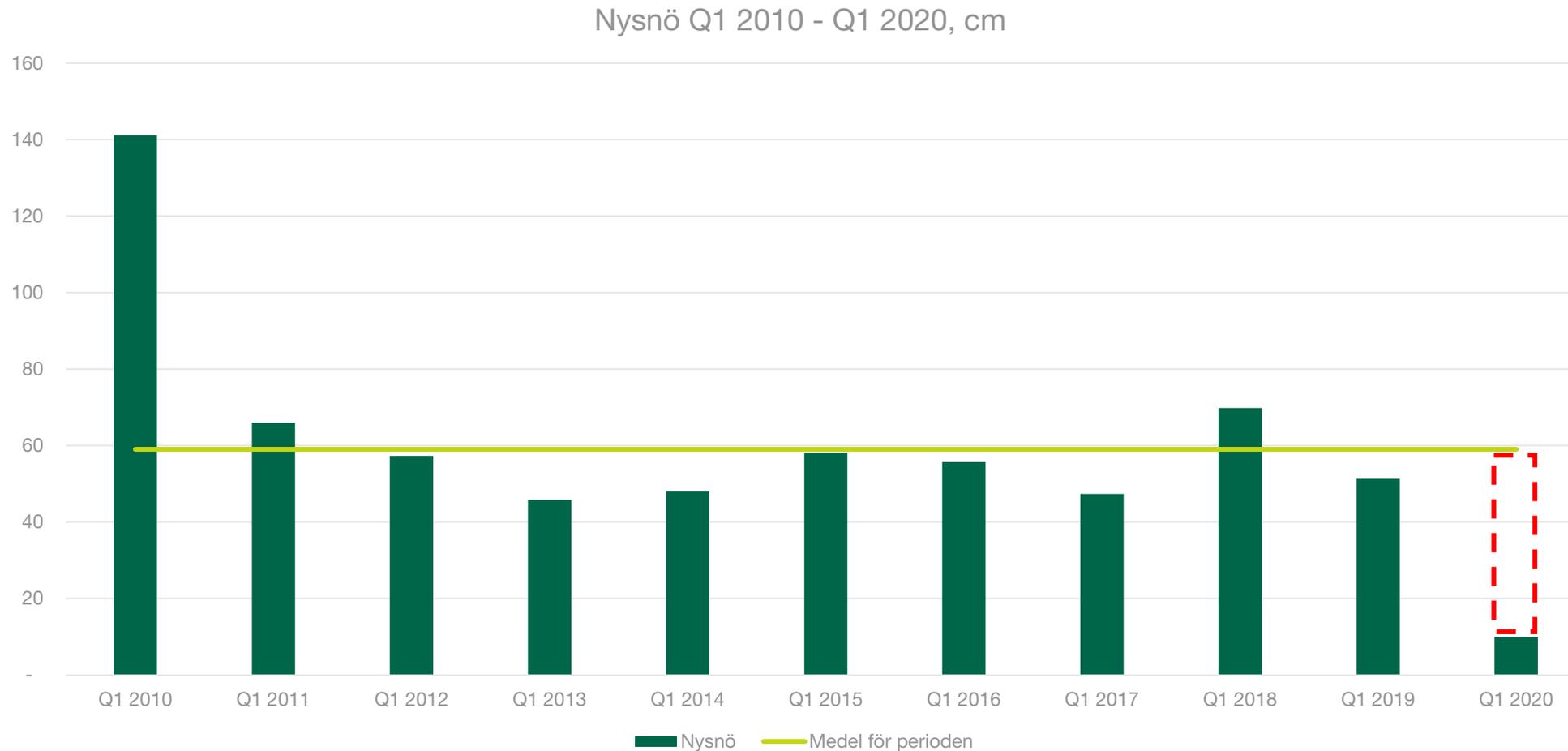
Development

- ▶ Absence of winter activity impacts organic growth and profitability negatively in the quarter
- ▶ YTD growth of -18.7%, whereof -20.7 ppc organic
- ▶ YTD Adj. EBITA of -5.0% (0,3%)
- ▶ Two acquisitions closed in the quarter; GAST Entreprenør AS (“GAST”) and Park i Syd. GAST is Green Landscaping Groups first acquisition outside Sweden.
- ▶ The Board intends to propose a rights issue of c.150 MSEK to finance continued acquisitions
- ▶ Strong pipeline of acquisitions

Financials Q1

Net sales	Net sales growth
375.1 SEKm	-18.7 %
Adjusted EBITA	Adjusted EBITA margin
18.7 SEKm	-5.0 %
Order book	Employees
3 596 SEKm	1 245

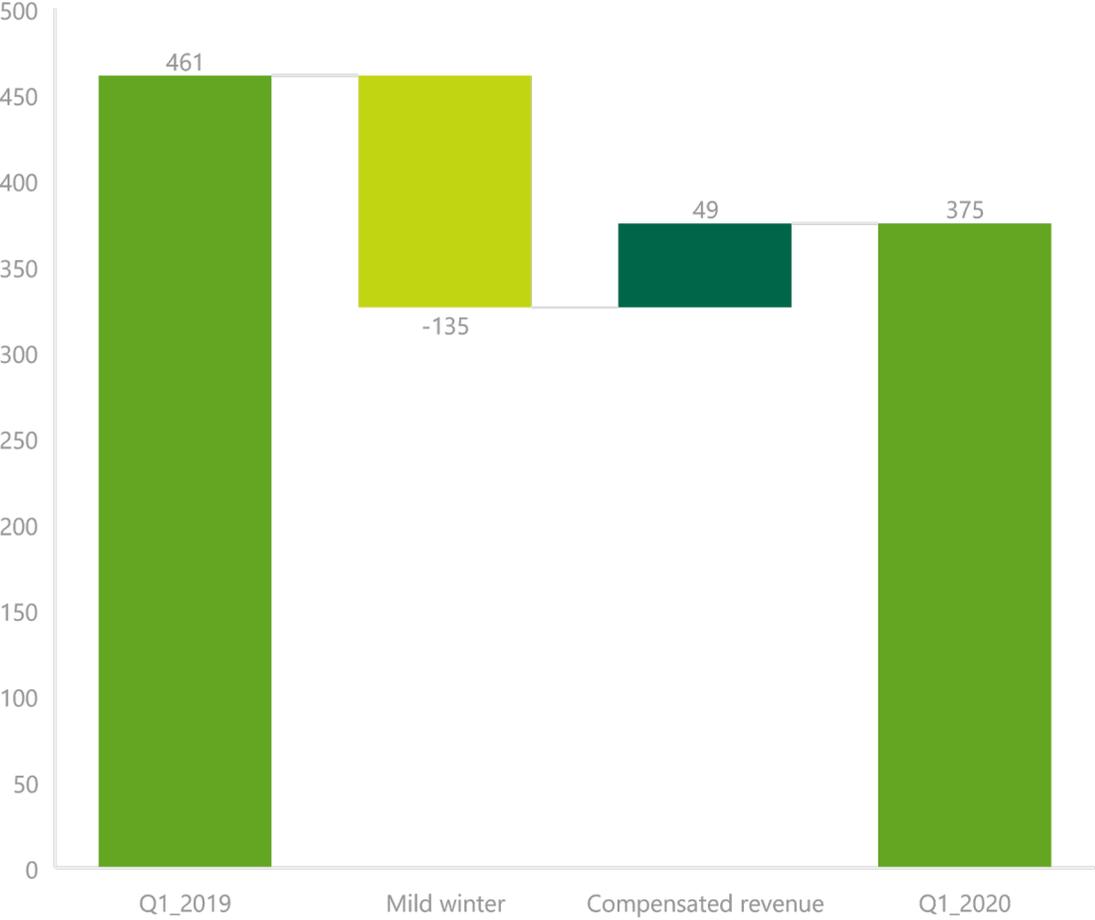
Data from SMHI shows that Q1 2020 was exceptional from a snow perspective; 10 cm vs an average of 59



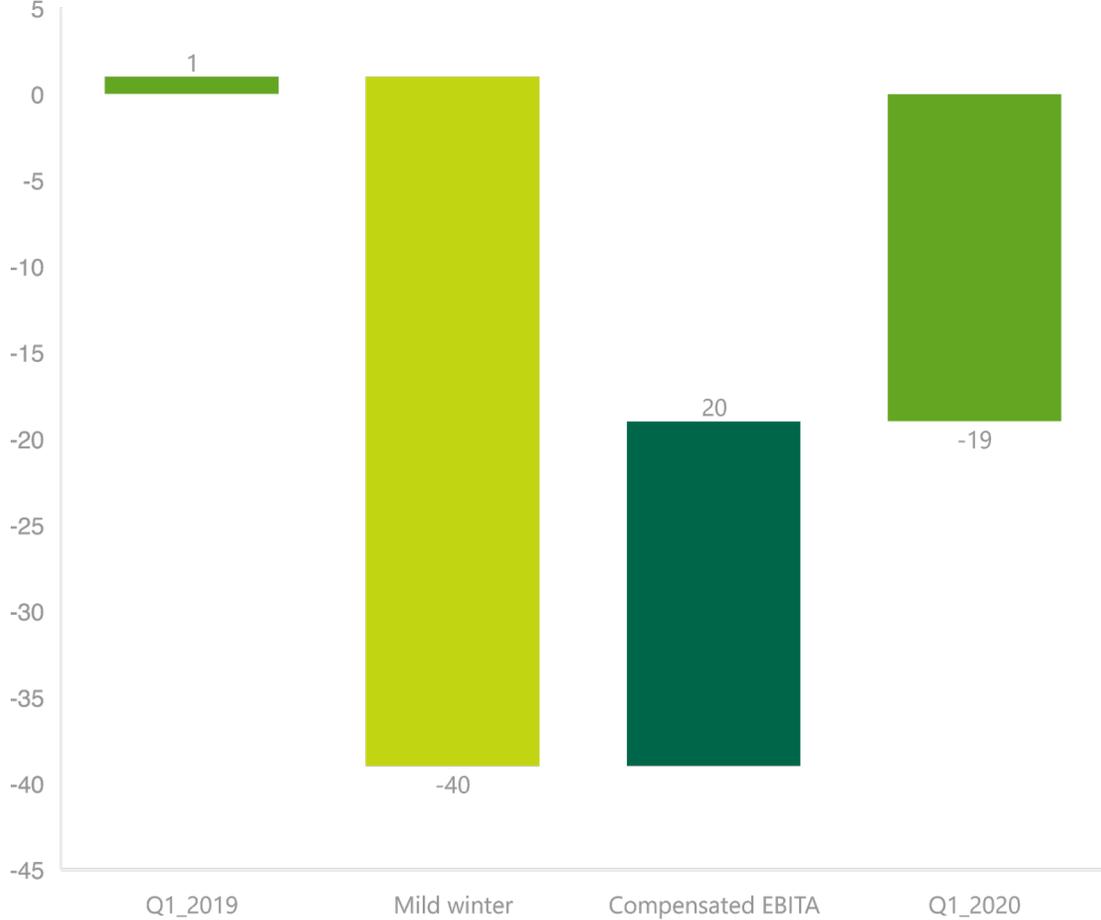
Centimeter of snow in Stockholm, Göteborg, Malmö, Norrtälje, Borås-Tranemo-Ulricehamn & Linköping
Source: SMHI, Green analysis

The exceptionally mild winter had a huge negative impact on revenue and EBITA during the first quarter

Revenue development Q1 2020 vs 2019



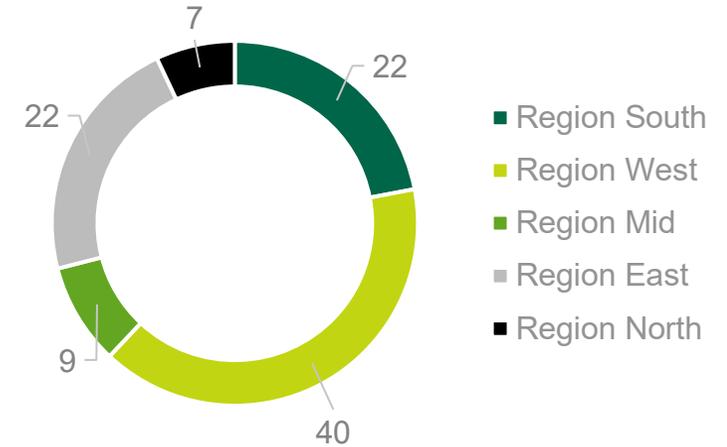
EBITA development Q1 2020 vs 2019



Segment development

- ▶ The absence of winter has had a negative impact on the revenue and profitability
 - ▶ South, West and North has managed the quarter relatively well
 - ▶ East and Mid has been impact severely due to the mild winter
- ▶ GAST part of Region West from 1st march
- ▶ Market conditions remain favorable. The order book has increased with app. 30 MSEK in the first quarter

SALES PER SEGMENT (%)



SEKm	Sales 2020 (2019)	Adj. EBITA 2020 (2019)	Adj. EBITA- margin 2020 (2019)
Region South	86.1 (60.5)	-1.9 (-0.5)	-2.2% (-0.8%)
Region West	159.4 (164.9)	0.2 (2.2)	0.1% (1.3%)
Region East	85.7 (151.4)	-14.7 (-2.3)	-17.2% (-1.5%)
Region Mid	34.1 (49.5)	-3.2 (-1.3)	-9.4% (-2.6%)
Region North	26.0 (33.9)	3.0 (4.7)	11.5% (13.9%)

Actions to reduce winter dependency

- ▶ Proactively build-up orderbook of landscaping projects to create flexibility if winter is mild
- ▶ Reduce fixed costs
- ▶ Discuss risk sharing between customers and suppliers. E.g. cost of personnel on-call, revenue model etc.
- ▶ Encourage customers to improve procurement process so that it better mirrors the actual amount of winter activity in order to reduce the level of strategic pricing. (the winter is often given underweight in the evaluation models)

A close-up photograph of several purple crocus flowers in bloom, set against a soft, out-of-focus green background. The flowers are the central focus, with their vibrant purple petals and bright orange centers clearly visible. The lighting is natural, highlighting the texture of the petals.

Financials

Key P&L items

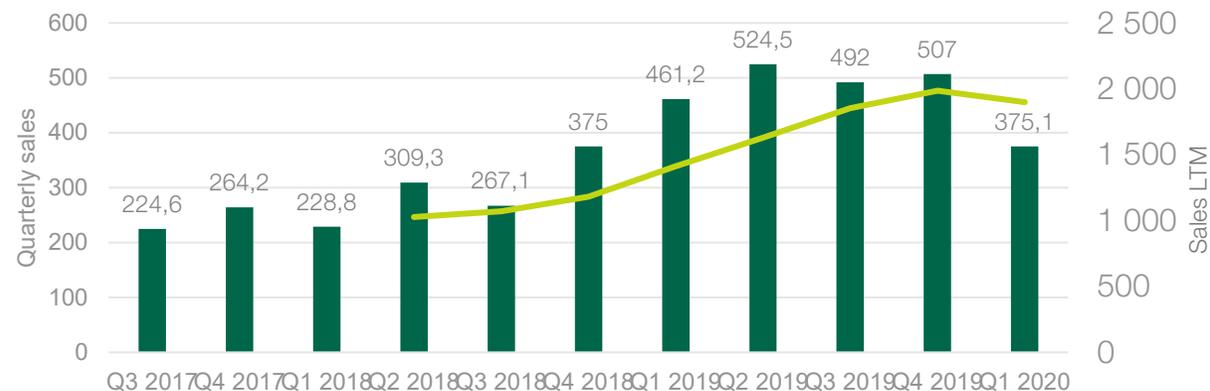
P&L

SEKm	Q1 2020	Q1 2019	2020	2019
Net sales	375.1	461.3	375.1	461.3
Adjusted EBITA	-18.7	1.3	-18.7	1.3
Result after financial items	-32.5	-24.9	-32.5	-24.9
Adjusted EBITA margin	-5.0%	0.3%	-5.0%	0.3%
Non-recurring items	0.0	14.1	0.0	14.1
Earnings per share	-0,86	-0.71	-0,86	-0.71
Adjusted earnings per share*	-0.63	-0.50	-0.63	-0.50

*in the calculation has amortization regarding intangible assets been excluded

Sales and profitability development

NET SALES (SEKm)



ADJUSTED EBITA (SEKm)

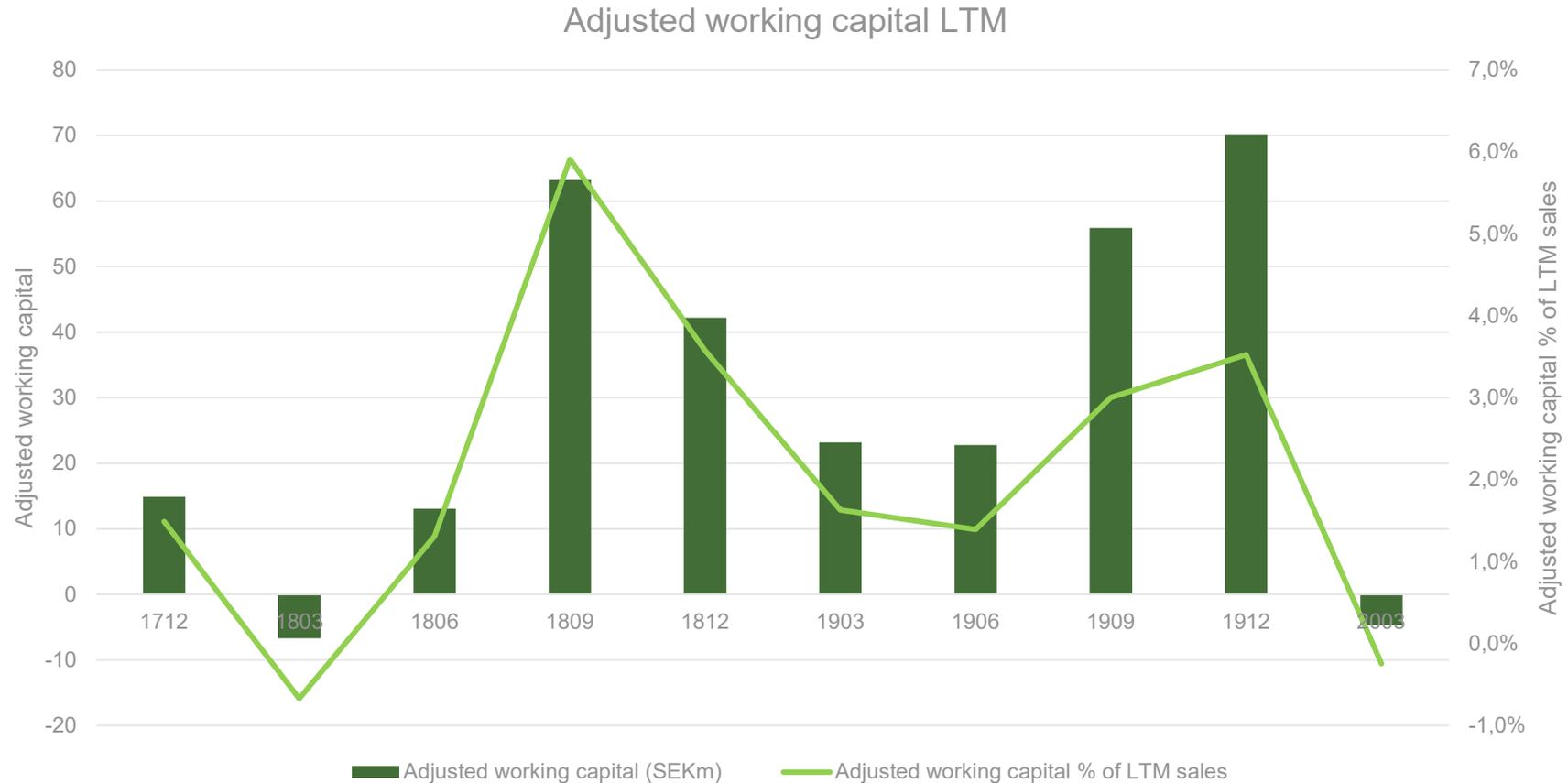


Balance sheet

SEKm	31 Mars 2020	31 Mars 2019
Total non-current assets	979.7	862.0
Total current assets	428.2	525.5
Total assets	1407.9	1387.5
Total equity	210.4	180.9
Total non-current liabilities	683.2	639.1
Total current liabilities	514.3	567.5
Total equity and liabilities	1407.9	1387.5

- ▶ Net debt SEK 719.7 million
- ▶ Cash and available facility of SEK 88.1 million
- ▶ Working Cap SEK -4.7million, c. -0.2%*
(*working capital % of LTM sales)

Negative working capital in the first quarter



Cash flow

SEKm	Q1 2020	Q1 2019
Cash flow from operating activities before changes in working capital	0.4	-1.0
Cash flow from operating activities	42.2	21.8
Cash flow from investing	-83.2	-3.1
Cash flow from financing	37.0	-22.3
Cash flow for the period	-4.0	-3.6
Cash and cash equivalents at the end of the period	40.5	92.7

- ▶ Improved cash flow from operating activities. This is in all essential explained by the reduction in working capital since Q4 2019. Per Q1 2020 working capital amounts to -4.7 million.
- ▶ Cash flow from investing relates to the acquisition of GAST and Park i Syd.

Financial targets

Growth

10%

- ▶ **Target:** Sales growth on average by 10% per year (including both organic and acquisitions).
- ▶ **Status:** -18.7% concerning Q1 2020.

EBITA margin

8%

- ▶ **Target:** Achieving an EBITA margin of 8%.
- ▶ **Status:** Adjusted EBITA margin -5% (0.3%) concerning Q1 2020.

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 3,6X 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.

A close-up photograph of several purple crocus flowers in full bloom, set against a soft, out-of-focus green background. The flowers are vibrant purple with some showing bright orange centers. The word "Summary" is written in a clean, white, sans-serif font, centered over the middle of the image.

Summary

Summary first quarter 2020

- ▶ 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
- ▶ Two acquisitions completed in the quarter; GAST Entreprenør AS (“GAST”) and Park i Syd. GAST is Green Landscaping Groups first acquisition outside Sweden.
- ▶ The Board intends to propose a rights issue of c.150 MSEK to finance recent and future acquisitions
- ▶ Strong pipeline of acquisitions



Green



landscaping group