



Green Landscaping Group Third Quarter 2020

11 November 2020



This is Green

- ▶ A leading Nordic landscaping provider
- ▶ 27 subsidiaries – specialized local companies
- ▶ Highly decentralized structure
- ▶ Diversified contract portfolio with long contracts
- ▶ M&A strategy creating additional growth



Key financials – LTM

Net sales, million SEK

1 986

Order backlog, million SEK

3 971

EBITA, million SEK

83

EBITA margin, %

4.2

Number of employees

1 236

Acquired annual sales, million SEK

420

Q3 2020 Highlights

- ▶ Net sales growth by 12.1%
- ▶ Organic growth was 0.5 percent
 - ▶ Organic growth of 3.5% between comparable entities
- ▶ EBITA amounted to SEK 40.0 (28.8) million. An increase of 38.9 percent.
- ▶ The EBITA margin was 7.3 (5.9) percent.
- ▶ Cash flow from operating activities –12.9 million
- ▶ Net debt SEK 707.1 (665.6) million.
- ▶ Two companies were acquired during the quarter; TH Anlegg and Hadeland Maskindrift

Key Financials Q3 2020

Net sales, million SEK

551.5

EBITA, million SEK

40.0

EBITA margin, %

7.3

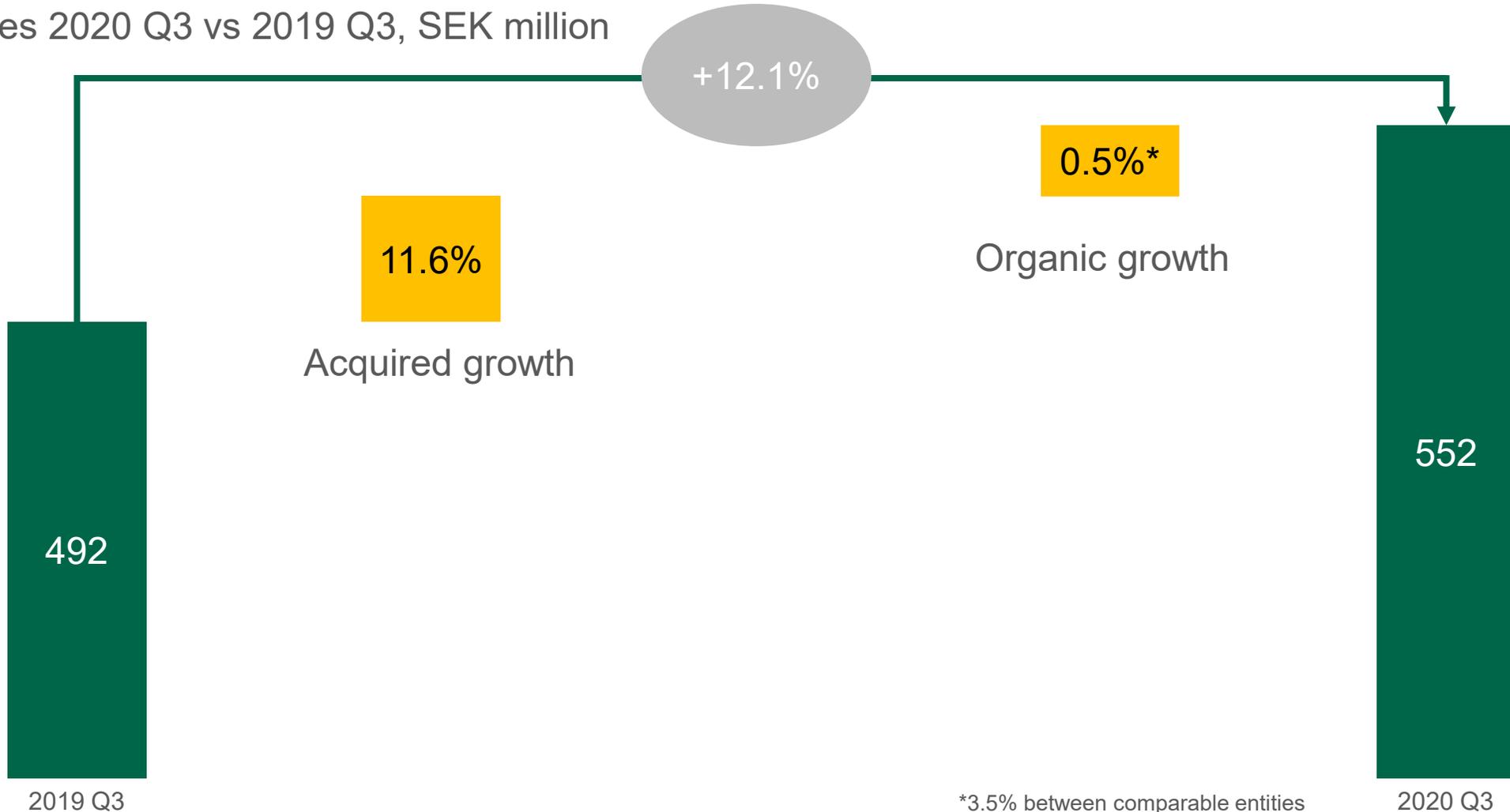
Managing the covid-19 situation

- ▶ We have a minor negative impact on sales and profitability due to the ongoing pandemic
- ▶ Still difficult to assess the future and we maintain a high level of preparedness for action



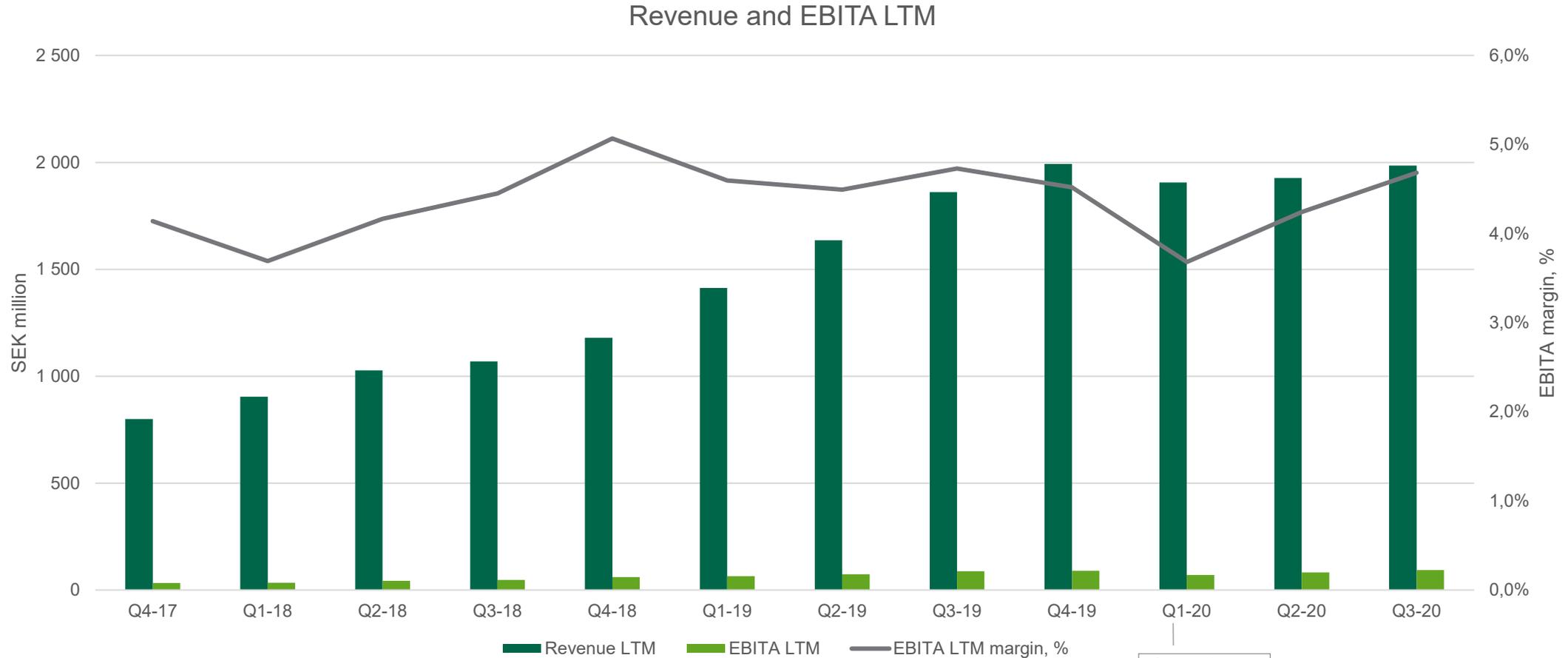
Sales growth of 12.1%, primarily driven by acquisitions

Net Sales 2020 Q3 vs 2019 Q3, SEK million



*3.5% between comparable entities

Strong revenue growth, CAGR 39%



Sales and profitability down Q1 2020 due to mild winter

Order backlog of 4 SEK billion

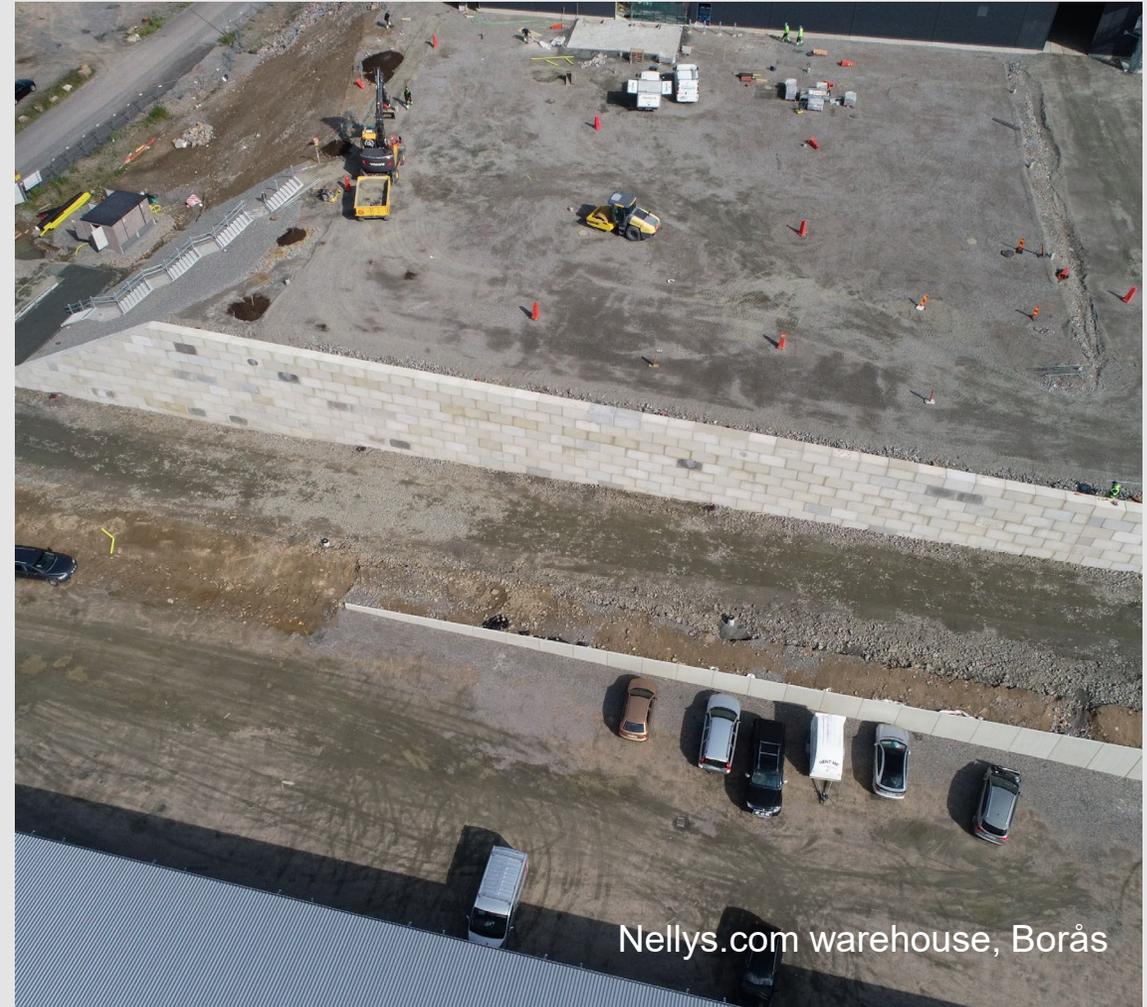
- ▶ Growth of 27.3% compared with Q3 2019
- ▶ Volume increase compared to previous year primarily affected by acquisitions
- ▶ The order book also increases compared to Q2 this year, primarily driven by the acquisition of Hadeland Maskindrift



Example of recent project; a larger construction work

Tranemo Trädgårdstjänst

- ▶ Groundwork and external water and sewerage for new construction of a warehouse for Nelly.com in Borås
- ▶ Along the driveway to the warehouse, a concrete wall is built that is approximately 7 meters high at the highest point
- ▶ Building area approximately 32 000 m²



Example of recent project; wood art (tree conservation)

Jacksons Trädvård - Ravenwood

- ▶ Ravenwood is part of Jacksons Trädvård which specializes in tree and nature conservation
- ▶ Through recycling, we give trees eternal life in the form of furniture, art projects, landmarks, meeting places and much more
- ▶ Trees and branches that needed to be cut down due to infrastructure, disease or other reasons are given new life and live on for many more years in the form of Ravenwood's unique products



Healthy performance in four out of five segments

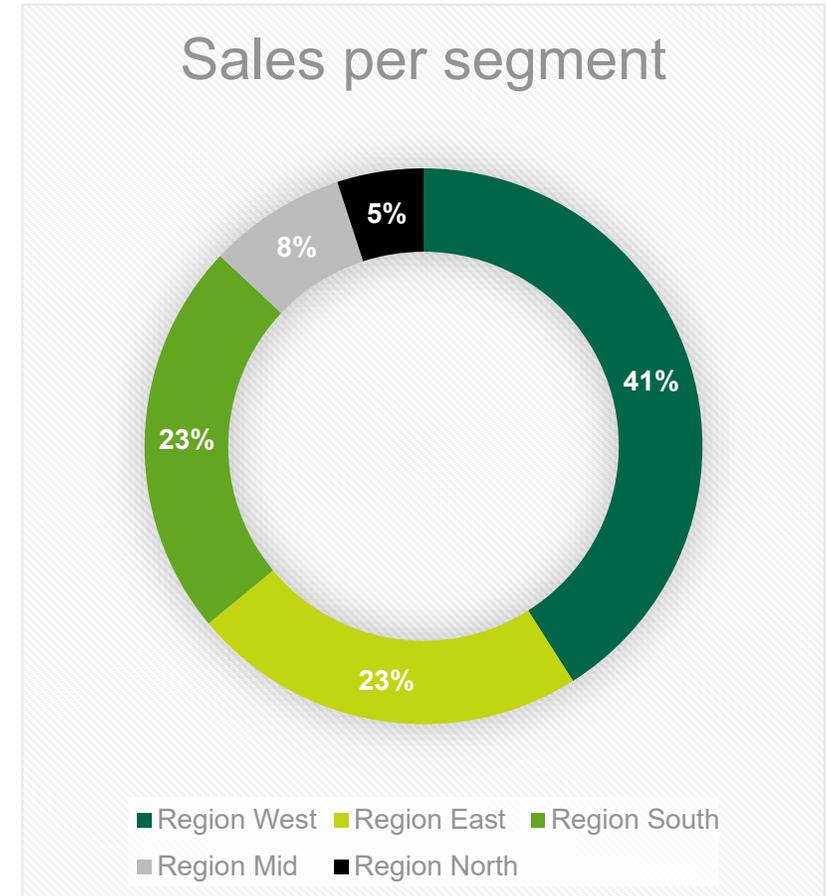
Q3

SEKm	Sales	EBITA	EBITA Margin, %
Region South	128	10.2	8.0%
Region West	228	24.0	10.5%
Region East	134	1.1	0.8%
Region Mid	48	5.2	10.9%
Region North	30	2.9	9.6%

YTD

Sales	EBITA	EBITA Margin, %
334	20.3	6.1%
632	57.1	9.0%
357	-12.3	-3.5%
126	1.3	1.0%
83	7.5	9.0%

Sales per segment



Financial position

- ▶ Net Debt / EBITDA PF 2.9X.
 - ▶ Room for continued acquisitions
- ▶ Cash flow from operations, SEK - 12.9 (9) million in quarter. Positive SEK 76 million YTD
- ▶ Big swing in net working capital in quarter, SEK -72 (-56) million, as expected due to seasonal pattern
- ▶ Rights issue of SEK ~150 million in second quarter to be used for acquisitions
- ▶ SEK 202 million used for acquisitions YTD

Cash Flow Statement

mkr	juli-sept 2020	juli-sept 2019	jan-sept 2020	jan-sept 2019	jan-dec 2019
Rörelseresultat	30,0	21,2	39,5	21,4	28,7
Återläggning avskrivningar	34,7	35,5	101,9	100,9	136,3
Rearesultat	0,8	-1,0	-1,9	-2,8	-5,0
Erhållna räntor	0,0	0,0	0,1	0,1	0,2
Betalda räntor	-6,4	-5,0	-17,4	-14,5	-19,4
Betald inkomstskatt	-0,4	14,4	-4,0	4,4	-11,2
Kassaflödet från den löpande verksamheten före förändringar av rörelsekapital	58,7	65,1	118,2	109,5	129,6
Förändring av varulager	2,0	4,1	-0,8	-5,5	-2,6
Förändring av fordringar	-28,2	-18,0	-25,7	15,6	15,5
Förändring av kortfristiga skulder	-45,4	-42,1	0,6	-43,2	-44,2
Kassaflöde från den löpande verksamheten	-12,9	9,1	92,3	76,4	98,3
Rörelseförvärv	-121,9	-15,2	-202,5	-15,2	-15,2
Förvärv av materiella anläggningstillgångar	-7,1	-3,2	-14,8	-13,9	-24,6
Förvärv av immateriella anläggningstillgångar	-4,0	-1,7	-5,9	-1,6	-6,8
Försäljning av anläggningstillgångar	0,8	1,7	3,6	5,5	8,6
Kassaflöde från investeringsverksamheten	-132,2	-18,6	-219,6	-25,2	-38,0
Nyemission	0,2	-	148,6	-	-
Upptagna lån	135,9	20,4	224,5	20,5	27,8
Nettoförändring checkräkningskredit	-	1,5	-19,3	-16,1	1,7
Amortering av lån	-17,5	-13,3	-133,5	-40,9	-55,0
Amortering av leasingsskuld	-18,9	-21,4	-58,4	-64,8	-87,0
Återköp av egna aktier	-	-	-1,0	-	-2,5
Optioner	0,3	2,6	1,6	3,0	2,9
Kassaflöde från finansieringsverksamheten	100,0	-10,2	162,5	-98,5	-112,1
Periodens kassaflöde	-45,1	-19,7	35,2	-47,3	-51,8
Likvida medel vid periodens början	124,8	68,7	44,5	96,3	96,3
Likvida medel vid periodens slut	79,7	49,0	79,7	49,0	44,5

We have made six acquisitions totaling c. SEK 500 million in revenue (annual sales) this year

Acquisition	Segment	Estimated yearly sales (SEKm)	Acquired
GAST Entreprenør AS	Norway	85	Q1
Park i Syd AB	Sweden, region south	30	Q1
TH Anlegg AS	Norway	30	Q2
Hadeland Maskindrift AS	Norway	210	Q3
Bengtssons Trädgårdsanläggningar AB	Sweden, region south	80	Q4
Oveland Utemiljø AS	Norway	65	Q4
TOTAL		c. 500	

Acquired companies in 2020, no. 1



Park i Syd

- ▶ Founded in 2008
- ▶ Consultancy company with focus on design and construction of green areas
- ▶ Offers a wide range of services in landscape architecture, design, landscaping, management plans, inspection and project management
- ▶ Annual sales SEK 30 million
- ▶ 13 employees

Acquired companies in 2020, no. 2



GAST Entreprenør AS

- ▶ Founded in 2008
- ▶ Reputable and solid construction company with long traditions and skilled employees
- ▶ Niche company in the construction industry and is engaged in foundation and construction work, steel and concrete work, epoxy and surface treatment
- ▶ Customers are mainly real estate developers, large private companies and project developers
- ▶ Annual sales MSEK 85
- ▶ 29 employees

Acquired companies in 2020, no. 3



TH Anlegg

- ▶ Founded in 2001
- ▶ Stable growth and good profit margin
- ▶ Long business relationship with GAST Entreprenør.
- ▶ Employees and customers integrated into GAST Entreprenør
- ▶ Annual sales SEK 30 million
- ▶ 14 employees

Acquired companies in 2020, no. 4

Hadeland Maskindrift AS

- ▶ Founded in 2004
- ▶ Company with long history in the industry and well established in the attractive market in Oslo
- ▶ Provider of several services related to seasonally varying outdoor needs
- ▶ Long maintenance contracts with customer such as the Municipality of Oslo and the Norwegian Public Road Administration
- ▶ Annual sales SEK 209 million
- ▶ 95 employees



Financial targets

Growth

10%

Sales growth on average by 10% per year, including both organic and acquisitions

Q3 2020 LTM

6.7%

EBIT margin

8%

Achieving an EBITA margin of 8%

Q3 2020 LTM

4.7%

Leverage (ND/EBITDA)

2.5x

Net debt in relation to EBITDA shall not exceed a multiple of 2.5 in the long-term

Status Q3 2020

2.9X

Dividend (% of NI)

40%

Approximately 40% of the years results to be distributed as dividends, taking into account Greens long-term development potential, financial position and investment needs

Status Q3 2020

0%

Summary

- ▶ A quarter with strong growth, significant margin improvement and two more acquisitions
- ▶ Revenue growth of 12.1%
- ▶ EBITA-margin improved by 1.4 ppc, to 7.3%
- ▶ Six acquisitions completed year-to-date



Green



landscaping group