

Q4 Report

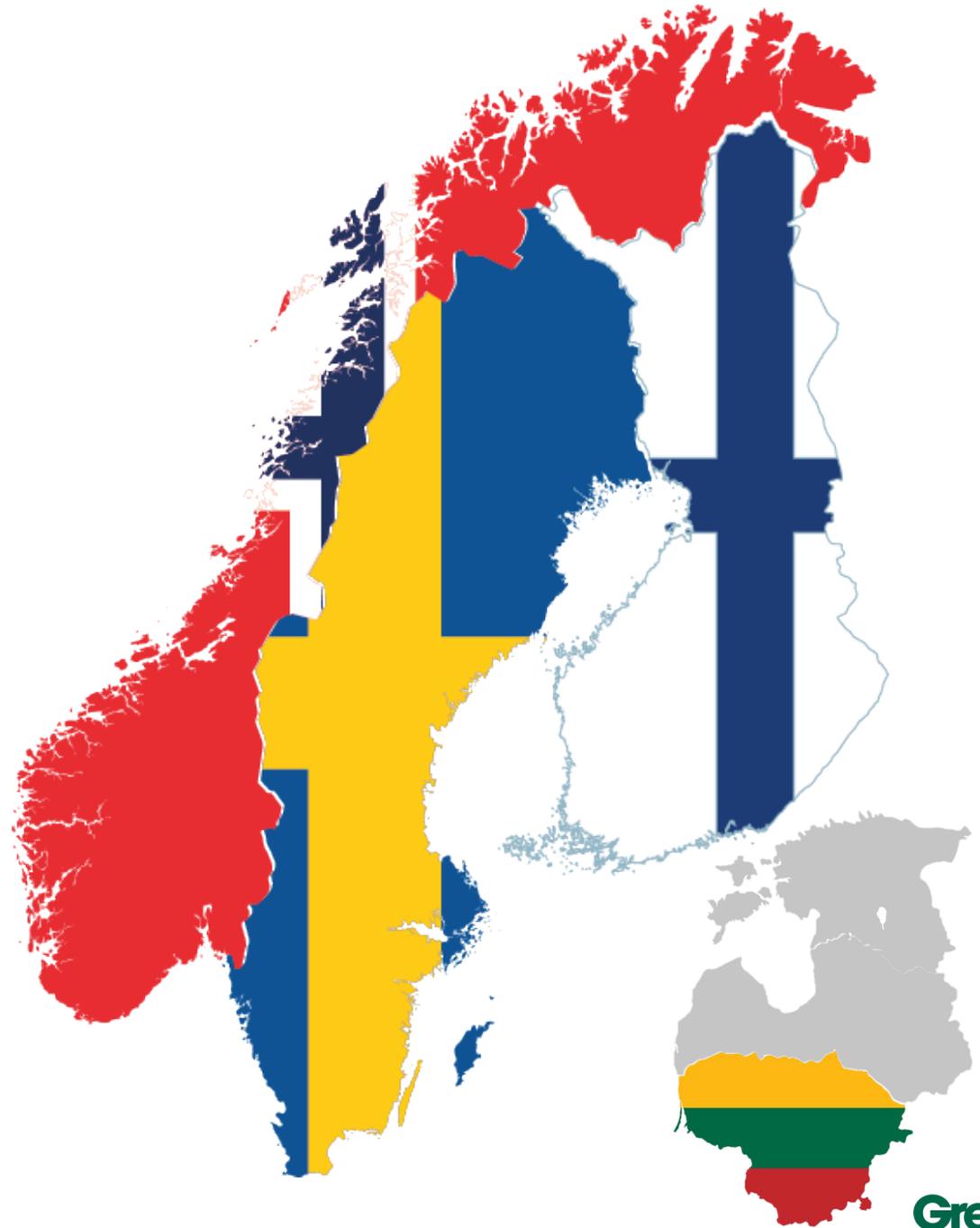
January – December 2022

16 February 2023

Green
landscaping group

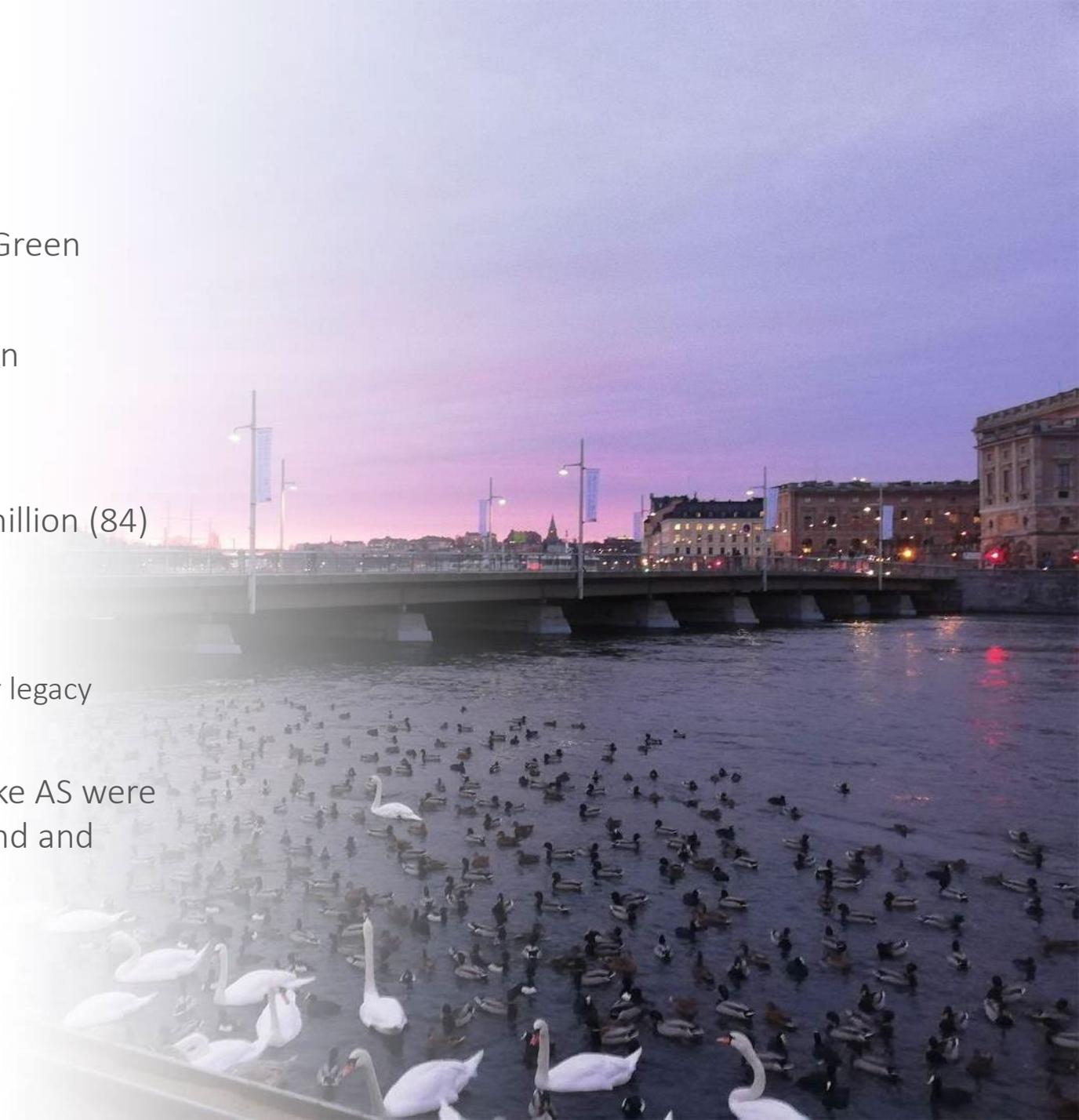
Green Landscaping Group

- ▶ A leading landscaping services group
- ▶ Founded 2009 in Sweden
- ▶ The leading consolidator of the landscaping market in Northern Europe
- ▶ Business model based on trust and local accountability to promote agility
- ▶ Focus on strong local presence and identity
- ▶ Net sales of SEK 4.8 billion through 48 subsidiaries



Summary

- ▶ Turbulent economy, yet solid market conditions for Green Landscaping Group
- ▶ Net sales increased by 74% to SEK 1,625 (935) million
 - ▶ Acquisitions contributed significantly, +59%
 - ▶ Organic growth of 14%
- ▶ EBITA increased by 98% and amounted to SEK 166 million (84)
- ▶ EBITA-margin of 10.2% (8.9) in the quarter.
 - ▶ Positive mix effect from acquired companies
 - ▶ Long-term and methodical improvement work by our legacy companies pays off
- ▶ Four acquisitions in Q4; H&K Sandnes AS and H.T. Vike AS were acquired in Norway, Taimisto Huutokoski Oy in Finland and UAB Stebule in Lithuania

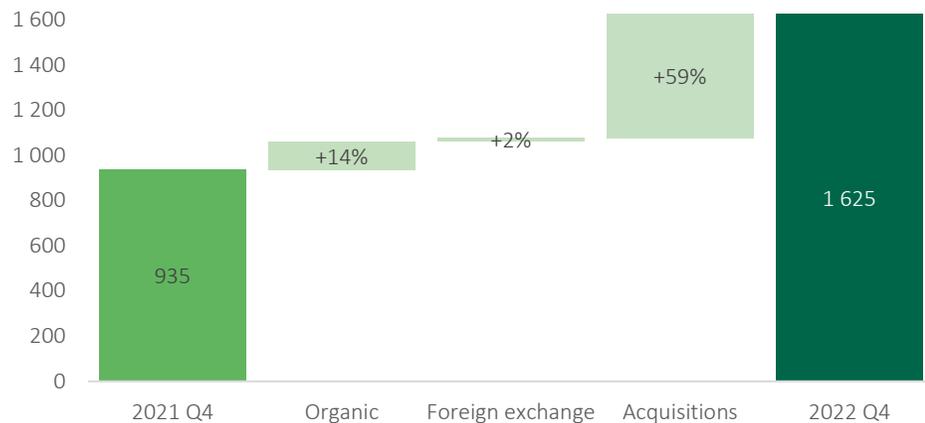


Strong growth in the quarter, in 2022, and over time

Strong growth in the quarter

- ▶ Net sales Q4 74%
- ▶ Organic growth 14%
- ▶ Acquisition growth 59%

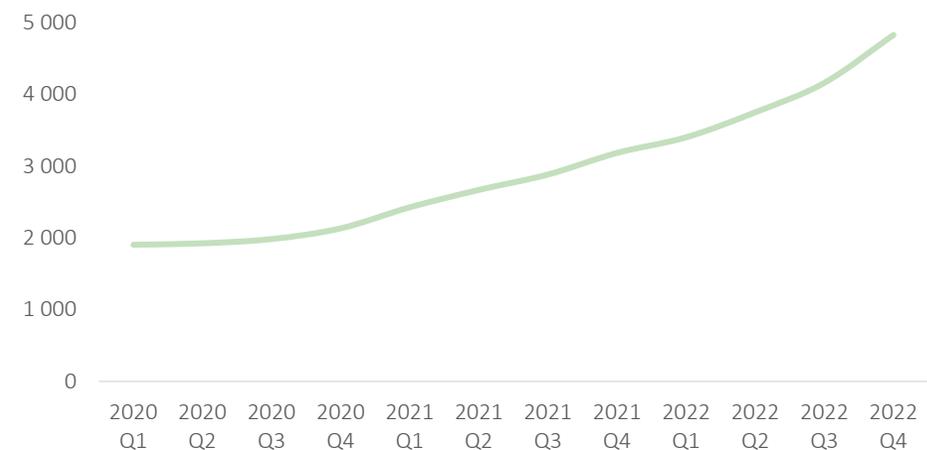
Net sales, SEK million



Steady long-term growth

- ▶ Net sales full year 2022 53%
- ▶ Organic growth 7%
- ▶ Acquisition growth 45%

Net sales, last 12 months, SEK million

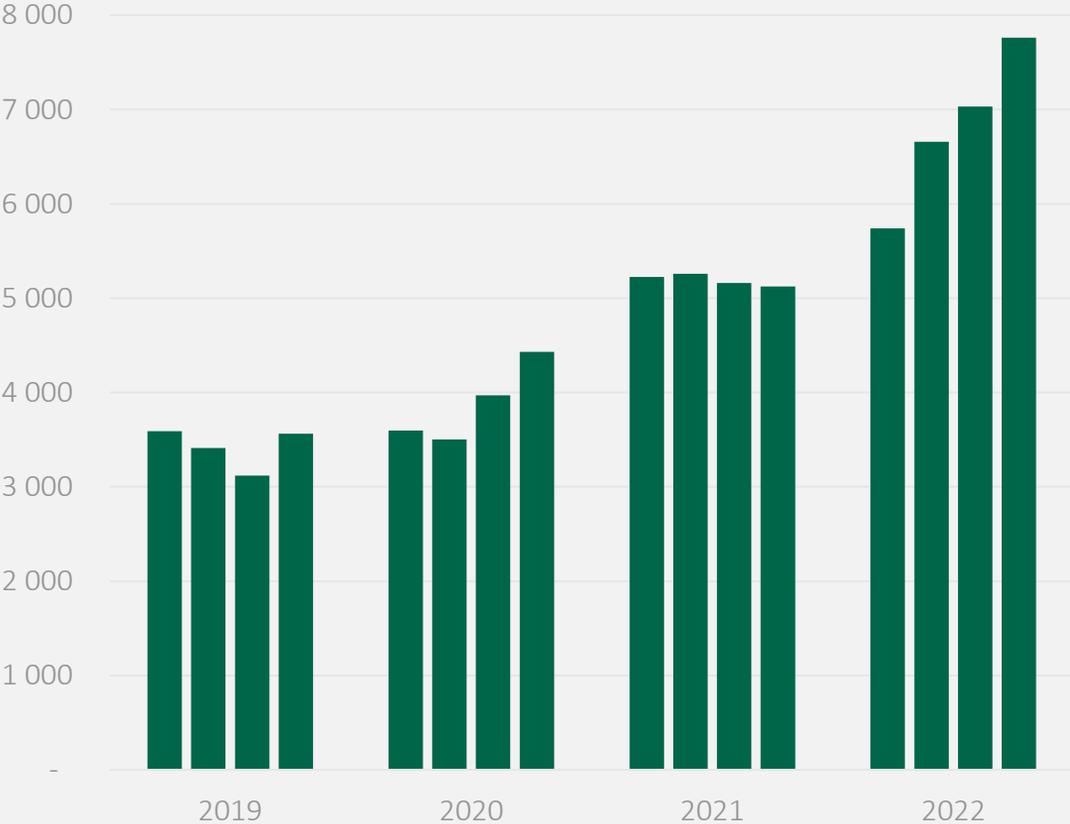


Order backlog increased to SEK 7.8 billion

Growth of 51% compared with Q4 2021

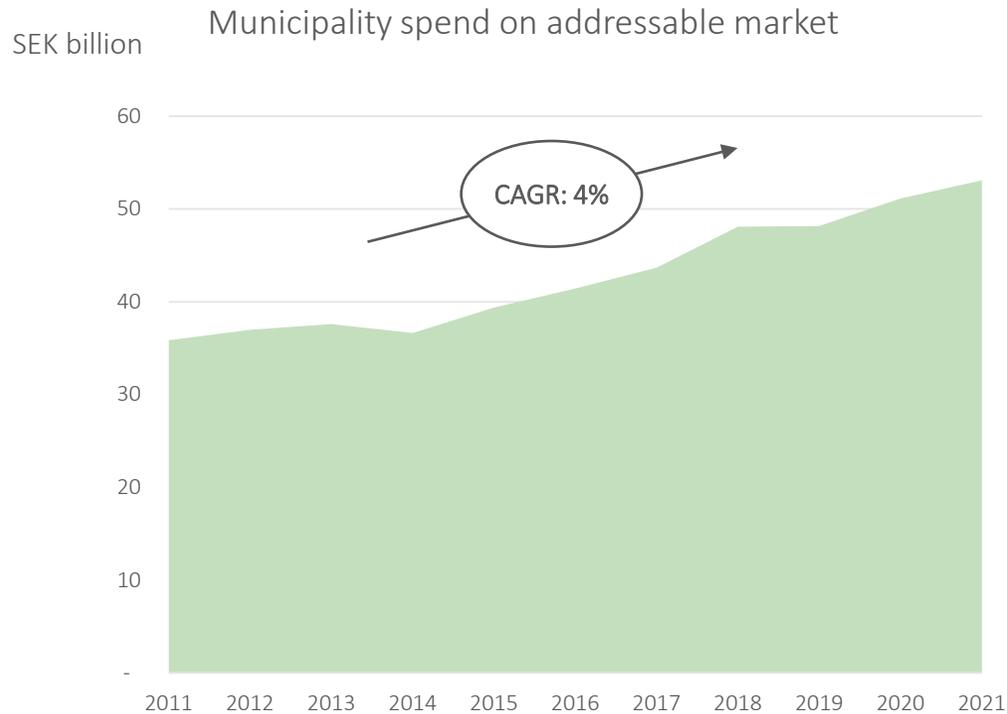
Increase attributable to acquisitions and new contracts. High retention rate.

Majority of order book consists of contracts with public sector customers

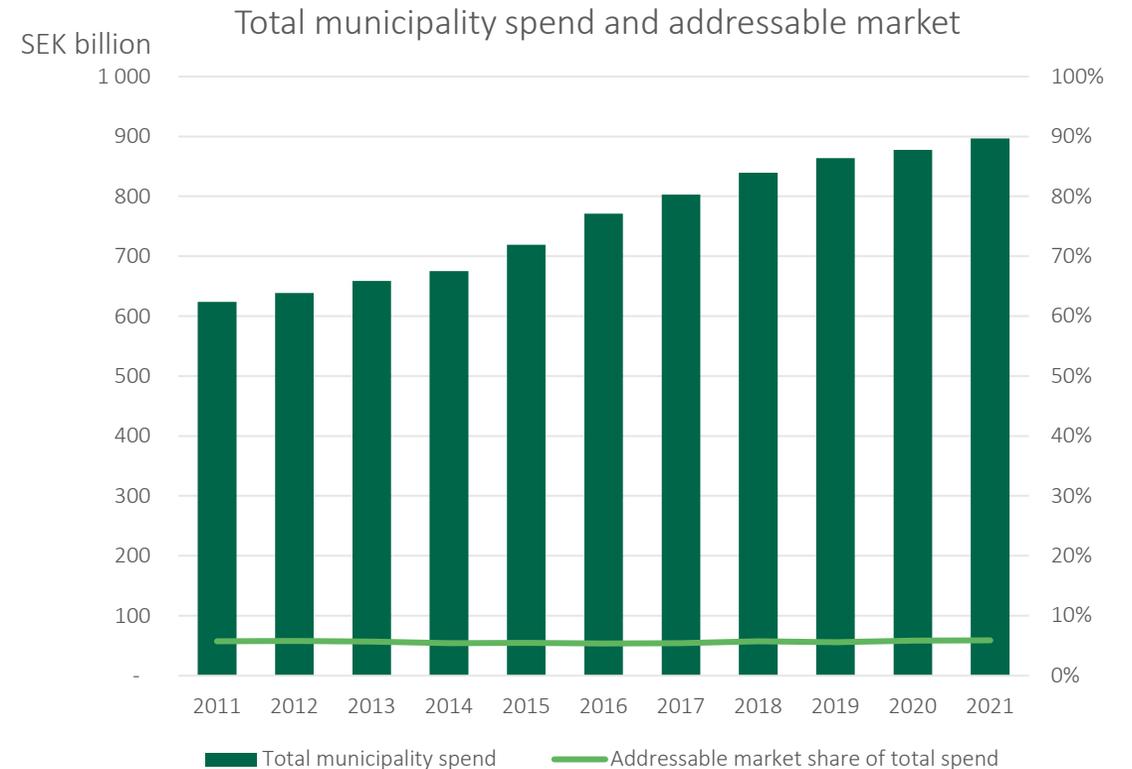


Resilient customer base

Stable market and sustainable growth



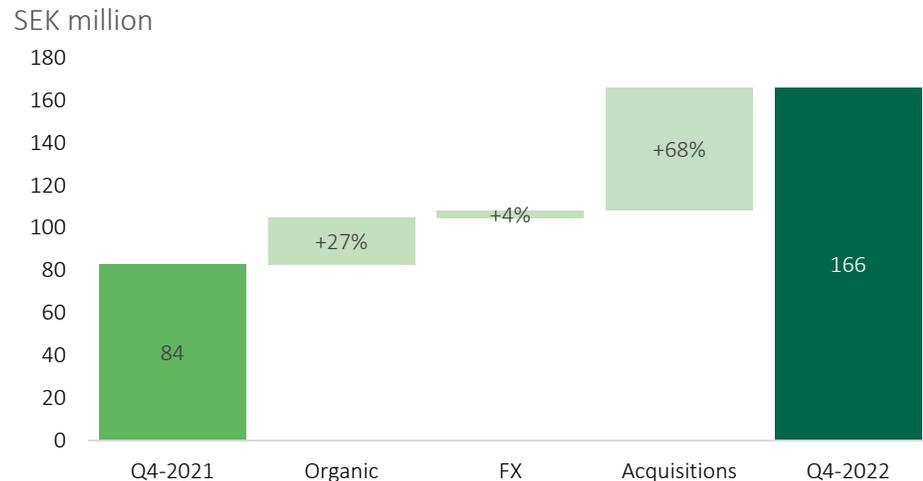
Addressable market ranging between 5-6% of total municipality spend since 2011



Steady increase of EBITA and EBITA-margin

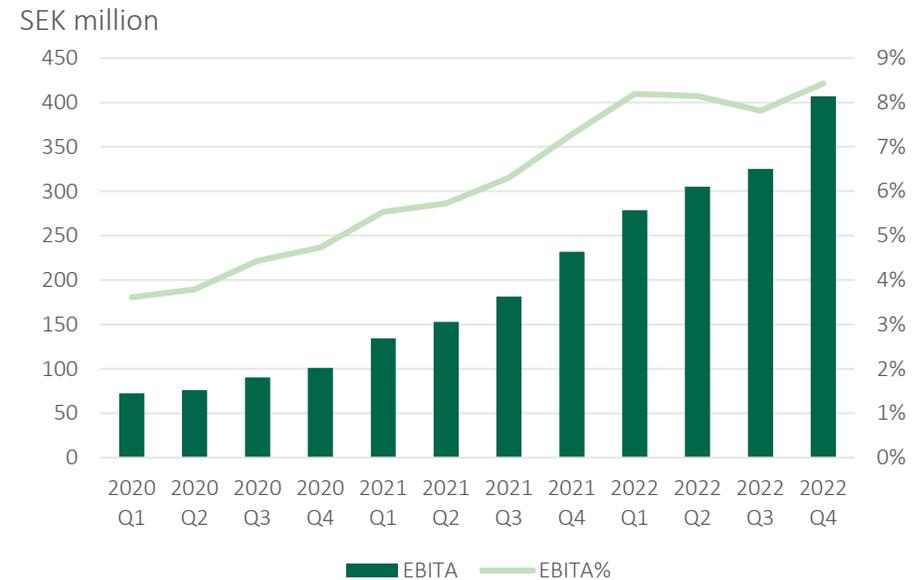
Strong growth in the quarter, +98%

- ▶ Existing businesses increased EBITA by 27% and improved margins
- ▶ Acquired companies contributed significantly, +68%



Steady growth over time

- ▶ EBITA increased eleven consecutive quarters
- ▶ EBITA margin at record-high level, 8.5% for 2022



Performance by segment Q4

(1/2)

■ Region Norway

Net sales SEK 740 (320) million. Significant contribution from acquisitions. Good organic growth. EBITA-margin 13.4% (20.1). Negative mix effect as companies joining during the year have lower margins.

■ Region Mid

Net sales SEK 349 (230) million. Significant contribution from acquisition in Q1. EBITA-margin 7.2% (-0.7). Positive mix effect through the acquisition and operational improvements contributed to the result.

■ Region South

Net sales SEK 191 (161) million. Several new contracts contributed. EBITA-margin 13.1% (7.8). Operational improvements and more conservative profit recognition.



Net sales per segment

- Region Norway, 36%
- Region Mid, 29%
- Region South, 12%
- Region Stockholm, 11%
- Region North, 7%
- Region Finland and other, 4%

Performance by segment Q4

(2/2)

■ Region Stockholm

Net sales SEK 201 (159) million. Organic growth and acquisition of Sorex Entreprenad during Q3 contributed positively.
EBITA-margin 8.7% (6.6). Good project execution, several larger alterations and additional works contributed positively.

■ Region North

Net sales SEK 91 (94) million. Some of the winter-related contracts did not turn out well which impacted net sales and EBITA.
EBITA-margin 6.2% (12.3). Improvement measures have been initiated, which increase cost temporarily, but will strengthen earnings in time.

■ Region Finland & other

Net sales SEK 102 (35) million. Growth primarily resulting from acquisitions.
EBITA-margin 14.4% (12.8). Earnings and margin expansion attributable to acquisitions.



Net sales per segment

- Region Norway, 36%
- Region Mid, 29%
- Region South, 12%
- Region Stockholm, 11%
- Region North, 7%
- Region Finland and other, 4%

Acquired companies in Q4



H&K Sandnes AS

- ▶ Founded in 1972 in Norway
- ▶ Offers complete groundwork services within infrastructure. Through subsidiary the company specializes in horizontal drilling in loose mass for water and sewage lines
- ▶ Annual sales of NOK 140 million, with 50 employees



Stebule UAB

- ▶ Founded in 1993 in Lithuania
- ▶ Leading landscaping service company in Lithuania. Provides services and maintenance of urban road and streets, green spaces, forest parks and cemeteries
- ▶ Annual sales of EUR 13 million, with 330 employees

Acquired companies in Q4



Taimisto Huutokoski Oy

- ▶ Founded in 1952 in Finland
- ▶ Plant nursery of trees and shrubs. Provides high-quality plants and a high service level. Constitutes a perfect match to the existing Group companies in Finland.
- ▶ Annual sales of EUR 3.5 million with 30 employees



H.T. Vike AS

- ▶ Founded in 2012 in Norway
- ▶ Provides groundwork mainly to fuel companies in Norway and has a central role in a market segment undergoing structural changes through the transition from fossil fuels to electrification
- ▶ Annual sales of NOK 60 million

Financials



Strong development across the line

- ▶ Net sales increased significantly
- ▶ EBITA almost doubled
- ▶ EBITA-margin increased to new record-high level
- ▶ Strong cash flow
- ▶ Solid order backlog
- ▶ Earnings per share increased significantly
- ▶ Financial leverage in line with target
- ▶ Extended credit facility by one year to 2025

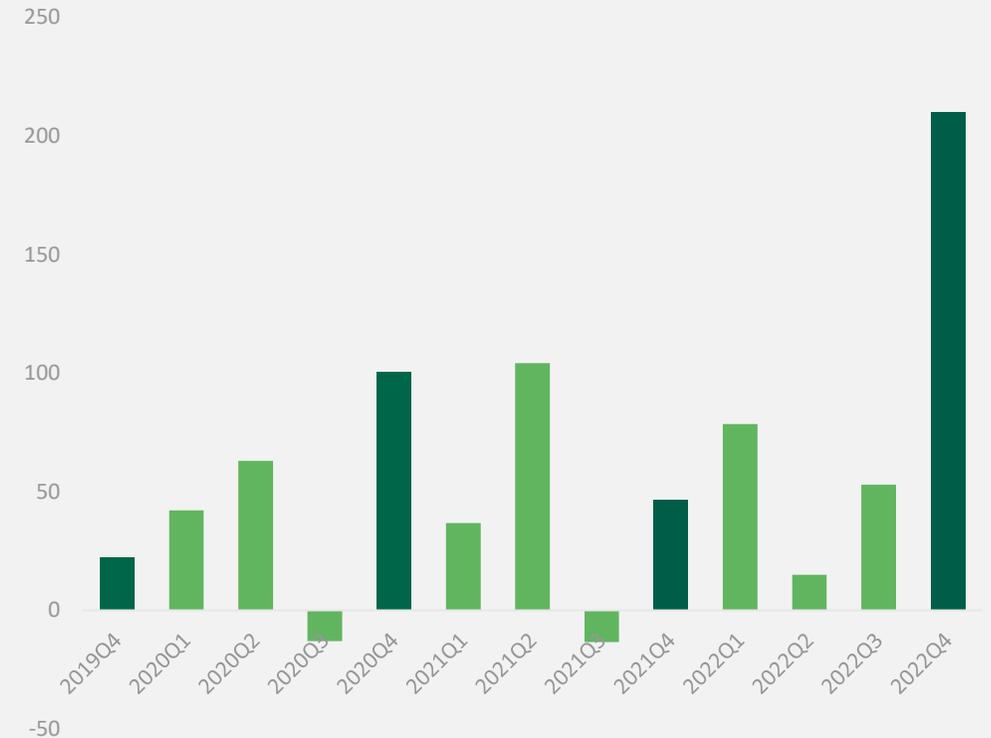
Key financials Q4 and full year 2022

SEK million	Q4 2022	Q4 2021	FULL YEAR 2022
NET SALES	1,625	935	4,810
EBITA	166	84	407
EBITA-MARGIN, %	10.2	8.9	8.5
CASH FLOW FROM OPER. ACTIVITIES	215	47	426
ORDER BACKLOG	7,762	5,125	7,762
ACQUIRED ANNUAL SALES	451	301	1,411
EARNINGS PER SHARE	1.40	0.60	3.39
FINANCIAL LEVERAGE	2.4x	2.4x	2.4x

Cash flow

- ▶ Record-strong cash flow from operating activities, amounting to SEK 215 (47) million
- ▶ EBITA contributed significantly
- ▶ Working capital had a limited effect as increases in inventory and accounts receivable were more than offset by increased accounts payables
- ▶ Cash and cash equivalents at the end of the period amounted to SEK 476 (352) million

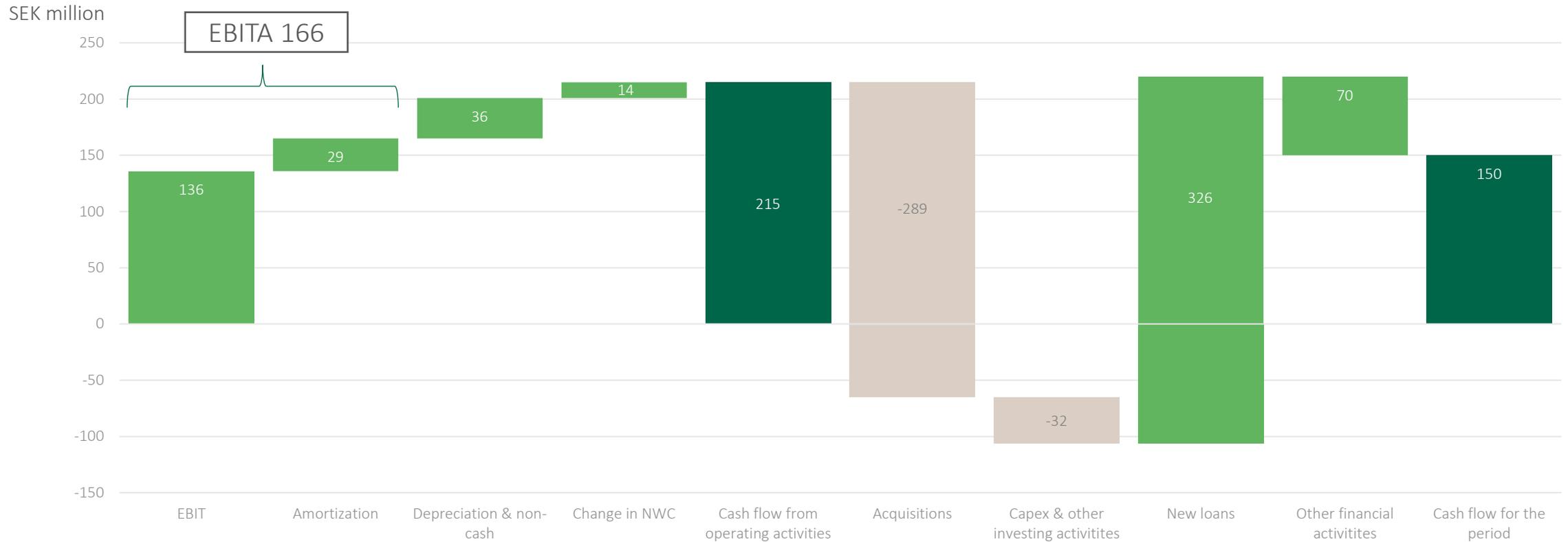
SEK million



Cash Flow Bridge

Strong EBIT contribution

Acquisitions largely met by new loans



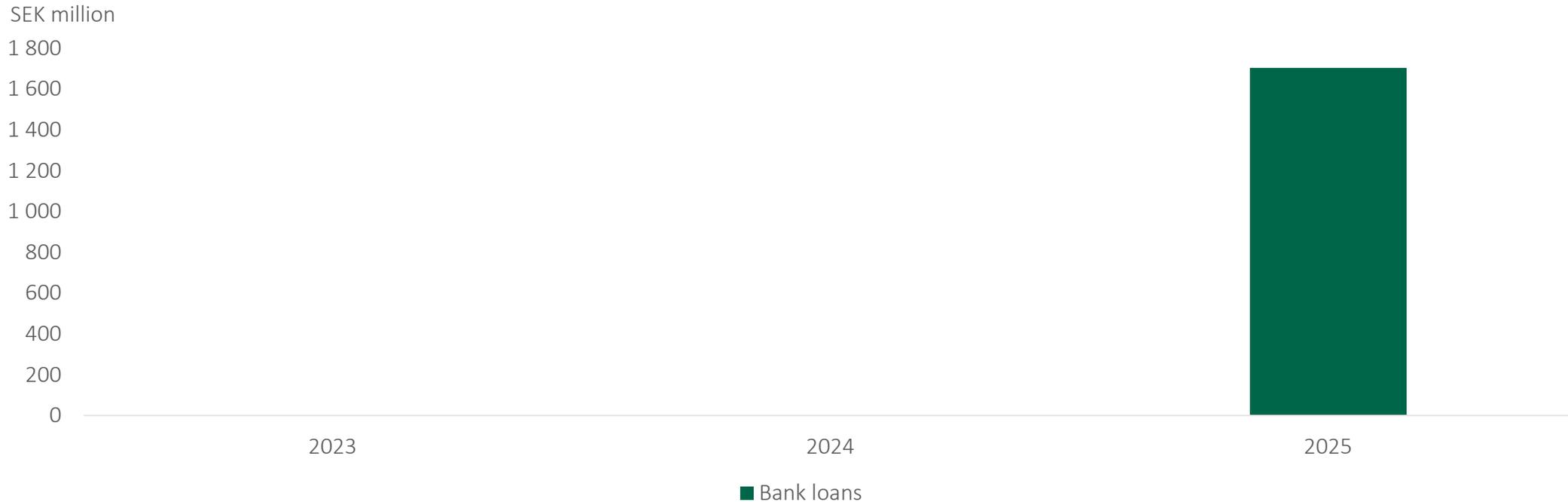
Financial leverage

- ▶ Financial leverage amounted to 2.4X (2.4X)
- ▶ Level below financial target
- ▶ Strong generation of cash flow from operating activities



Loan maturity profile

- ▶ No maturities until 2025, one year extension optional
- ▶ Total maturities amounting to SEK 1,700 million
- ▶ Bank loans only
- ▶ Only covenant being Net debt / EBITDA pro forma. Current level of 2.4 leaves plenty of headroom

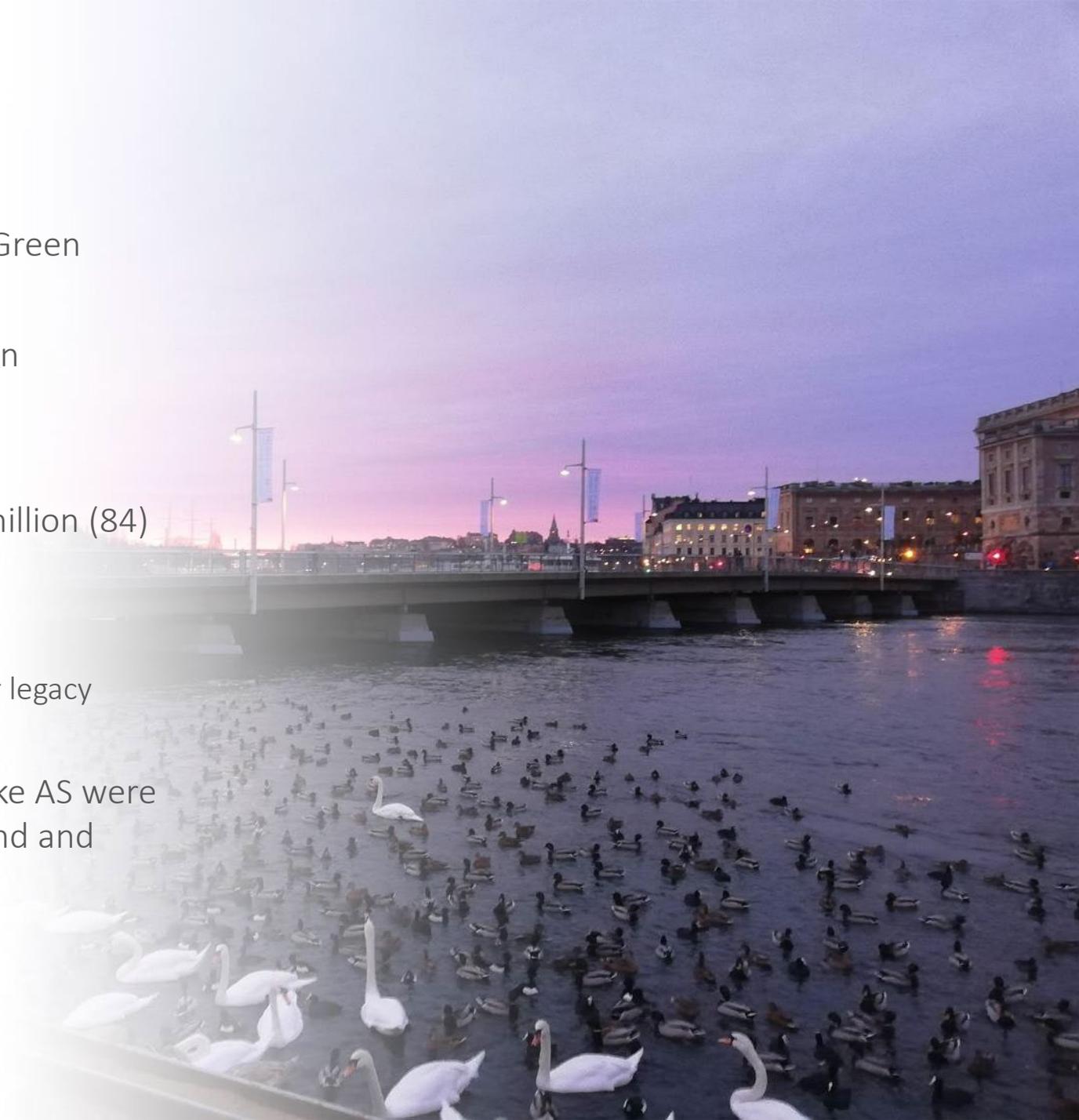


Financial targets

<p>Growth</p> <p>10%</p> <p>Sales shall, on average, grow by 10 percent per year (organically and via acquisitions)</p>	<p>EBITA margin</p> <p>8%</p> <p>EBITA margin shall amount to 8 percent</p>	<p>Leverage (ND/EBITDA)</p> <p>2.5x</p> <p>Net debt in relation to EBITDA shall over the long term, not exceed 2.5 times</p>	<p>Dividend (% of NI)</p> <p>40%</p> <p>Approximately 40% of profit for the year shall be distributed as dividends to shareholders. The dividend proposal shall take into account Green Landscaping Group's long-term growth potential, financial position and investment requirements.</p>
<p>2022</p> <p>53%</p>	<p>2022</p> <p>8.5%</p>	<p>Status Q4 2022</p> <p>2.4X</p>	<p>2022</p> <p>0%</p>

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