

# Q3 Report

January – September 2022

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17 November 2022

**Green**  
landscaping group



# High growth in sales and result

- ▶ Sales grew by 54% to SEK 1 176 (761) million. Organic growth of 12%
- ▶ EBITA amounted to SEK 89 million (69). An improvement of 31%
- ▶ EBITA margin was 7.6% (9.0)
- ▶ EBITA margin LTM was 7.9% (6.3)
- ▶ Earnings per share 0.89 SEK (0.57), +56%
- ▶ Cash flow from operating activities SEK 53 (-13) million
- ▶ Leverage 2.7X (2.4X). Net debt / EBITDA pro-forma LTM
- ▶ During the period, Sorex Entreprenad AB and Braathen Landskapsentreprenør AS were acquired
- ▶ Extended credit facility by 1 year to 2025

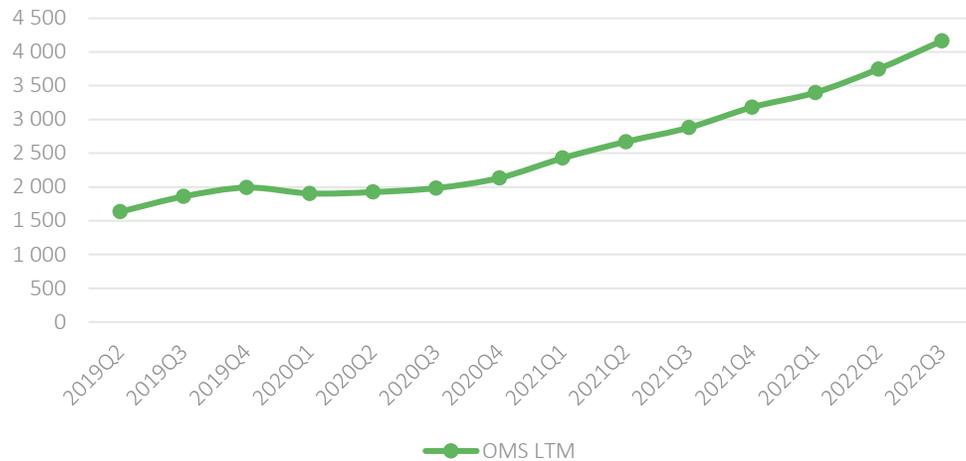
## Key financials Q3 2022

SEK million	Q3 2022	Q3 2021	LTM 2022
SALES	1 176	766	4 121
EBITA	89	69	325
EBITA %	7.6	9.0	7.9
CASH FLOW FROM OPERATIONS	53	-13	266
ORDER BACKLOG	7 031	5 160	7 031
ACQUIRED ANNUAL SALES	385	0	1 312
EARNINGS PER SHARE	0.88	0.57	2.59

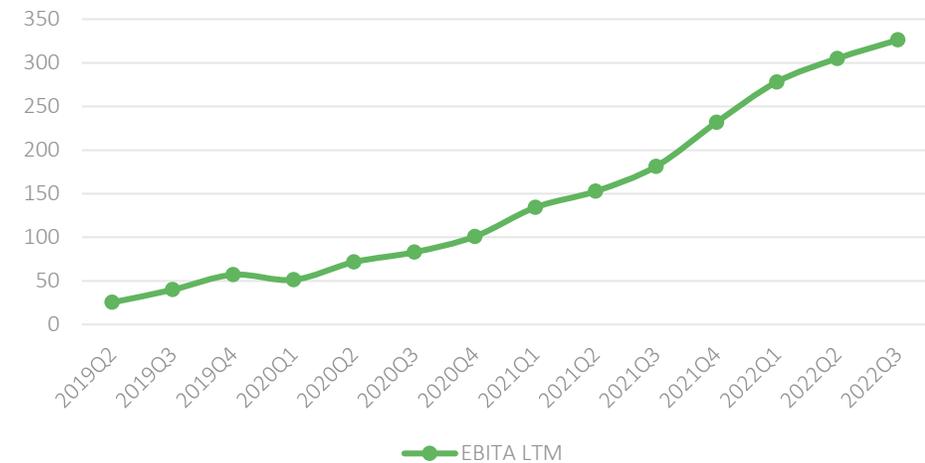
# Financial performance



Revenue, LTM, mkr



EBITA, LTM, mkr

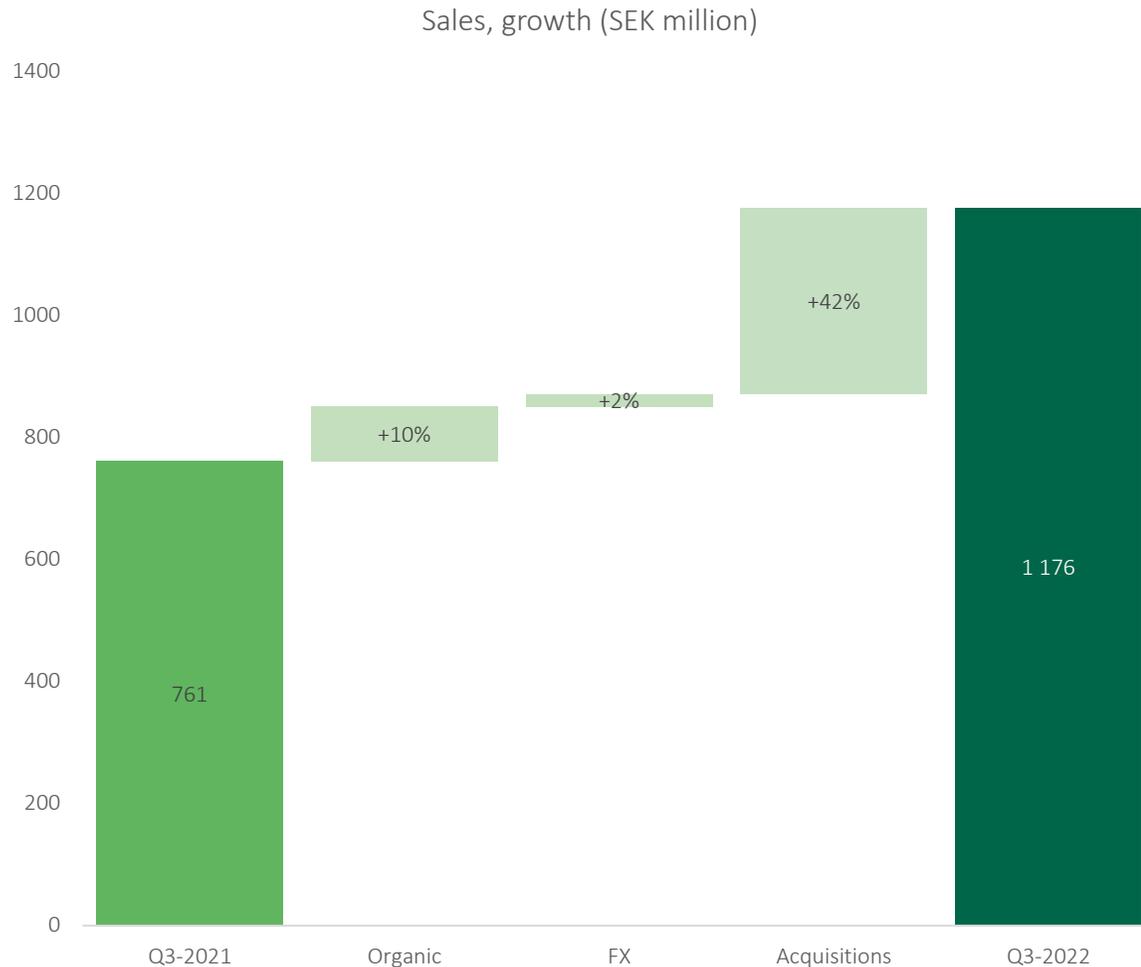


# Financial performance

Revenue and EBITA, LTM, MSEK



# Strong growth mainly driven by acquisitions



- ▶ Organic growth of 12% compared to corresponding quarter last year (10% excluding currency effects).
- ▶ FX effects 2%
- ▶ Acquisition growth 42%

# Acquired companies in Q3 2022



## Braathen Landkapsentreprenør AS

- ▶ Founded in 1968
- ▶ Operates in Oslo region
- ▶ Offers services in landscaping, groundwork, infrastructure and maintenance of outdoor environments
- ▶ Annual sales of NOK 300 million
- ▶ 180 employees



# Acquired companies in Q3 2022



## Sorex Entreprenad AB

- ▶ Founded in 2015
- ▶ Operates in Stockholm region
- ▶ Offers services in groundwork as well as water and sewage projects
- ▶ Annual sales of SEK 70 million



# Maintenance of green areas

Region Mid – Trädgård & Markmiljö i Väst AB

- ▶ Trädgård & Markmiljö i Väst AB has gained renewed trust and signed new contract with Stena Fastigheter in Gothenburg
- ▶ Scope: Work includes maintenance of green areas in residential areas and commercial properties as well as winter road maintenance, service work and landscaping work on a project basis.
- ▶ Contract value: SEK 75 million
- ▶ End customer: Stena Fastigheter Göteborg AB
- ▶ Project start: November 2022
- ▶ Duration: 4 year



# Operation and maintenance of nature reserve

Region Stockholm – Grön Stad Mark och Anläggning AB

- ▶ Grön Stad has signed contract with Stockholm city traffic office
- ▶ Scope: Work includes operation and maintenance of the park and natural land of the Järva nature area, consisting of two nature reserves – Hansta and Igelbäcken
  - ▶ 500 hectare of land and consists for the most part of natural land, forest, meadows, ditches, waterways, wetlands etc.
  - ▶ 45 hectare of the land must be kept open with the help of grazing sheep and cows
  - ▶ nature conservation to ensure compliance with reserve regulations
- ▶ The assignment also includes a commitment to fulfill a social community function by contributing to employing and supervising up to approximately 10 long-term unemployed young adults
- ▶ End customer: Stockholm Stad Trafikkontor
- ▶ Project start: September 2022
- ▶ Duration: 2 + (1+1) year

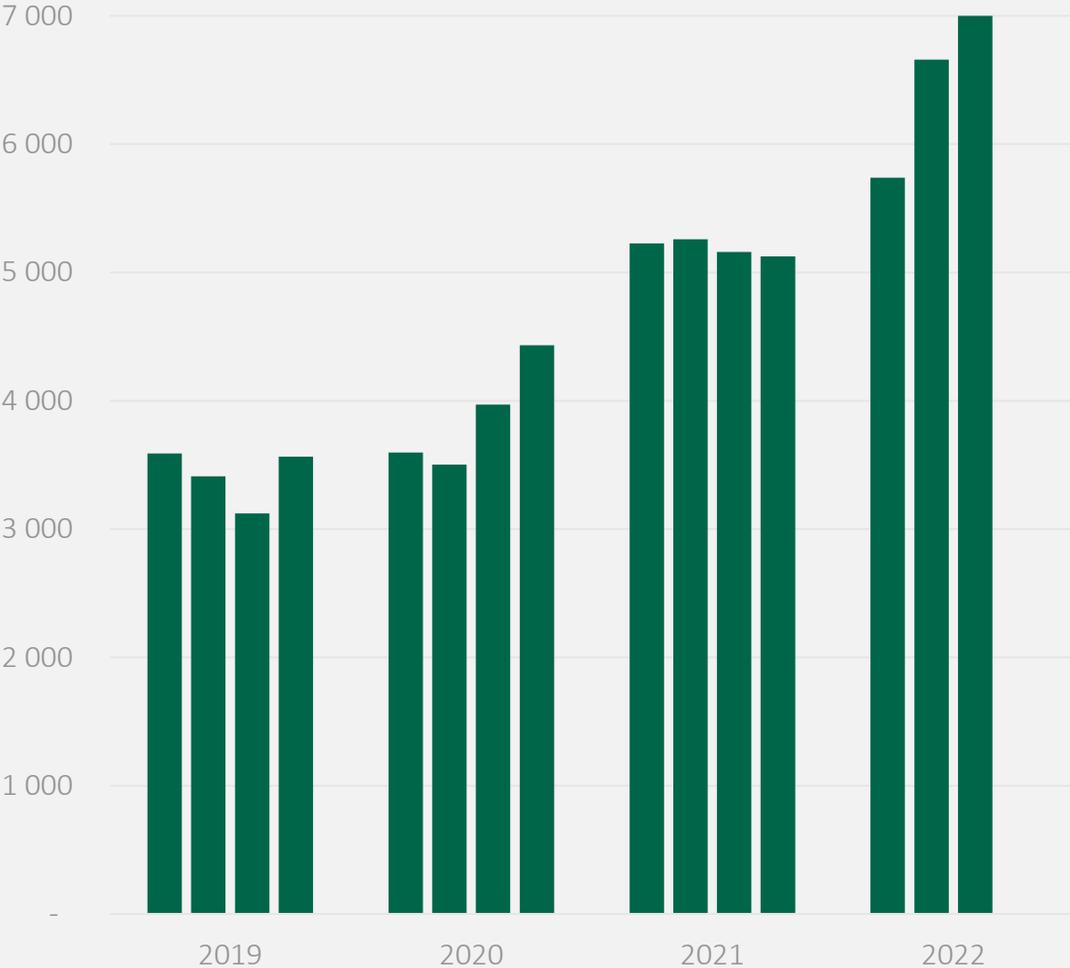


# Order backlog increased by 36% to SEK 7.0 billions

The order backlog is substantial and all-time high.

Growth of 36% compared with Q3 2021

Volume increase driven by acquisitions and new contracts. High retention rate.



# Income Statement & Balance Sheet

SEK m	Note	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Net sales	1.2	1,176	766	3,186	2,204	3,139
Other operating income		5	-5	25	20	42
<b>Total revenue</b>		<b>1,181</b>	<b>761</b>	<b>3,211</b>	<b>2,224</b>	<b>3,182</b>
Operating costs						
Cost of goods and services sold		-565	-321	-1,472	-960	-1,394
Other external costs		-155	-75	-446	-207	-295
Costs for remuneration to employees		-329	-235	-938	-735	-999
Other operating expenses		-5	-34	-14	-89	-147
Depreciation of PPE		-39	-28	-99	-85	-113
Amortization of intangible assets		-25	-21	-70	-54	-77
<b>Operating profit (loss)</b>		<b>64</b>	<b>48</b>	<b>172</b>	<b>95</b>	<b>155</b>
Profit (loss) from financial items						
Financial income		12	-1	13	0	1
Financial expenses		-14	-8	-39	-23	-34
<b>Total income from financial items</b>		<b>-2</b>	<b>-9</b>	<b>-26</b>	<b>-23</b>	<b>-33</b>
<b>Earnings before tax</b>		<b>62</b>	<b>39</b>	<b>145</b>	<b>71</b>	<b>122</b>
<b>Tax</b>		<b>-13</b>	<b>-9</b>	<b>-39</b>	<b>-12</b>	<b>-30</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>48</b>	<b>30</b>	<b>106</b>	<b>60</b>	<b>92</b>

SEK m	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>Assets</b>				
Intangible assets	3	2,037	1,316	1,494
Property, plant and equipment		260	287	178
Right-of-use assets		452	149	321
Financial assets		27	21	27
<b>Total non-current assets</b>		<b>2,775</b>	<b>1,772</b>	<b>2,020</b>
Inventories		73	32	39
Contract assets		79	80	39
Current receivables		906	510	722
Cash and cash equivalents		320	215	352
<b>Total current assets</b>		<b>1,378</b>	<b>837.3</b>	<b>1,152</b>
<b>TOTAL ASSETS</b>		<b>4,153</b>	<b>2,610</b>	<b>3,171</b>
<b>Equity and liabilities</b>				
Equity		1,137	794	896
Non-current liabilities		1,650	907	1,192
Non-current lease liabilities		280	179	206
Contract liabilities		30	36	25
Current lease liabilities		83	59	60
Current liabilities		973	636	793
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,153</b>	<b>2,610</b>	<b>3,171</b>

# Performance per segment

- ▶ Growth in most segments driven by both organic growth and acquisitions
- ▶ Strong EBITA growth but to a lower margin.
- ▶ Lag in price adjustments since indexation is done annually according to our contracts. Expect margins to rebound gradually over time when indexation occurs.
- ▶ Strong margins in Norway, Finland, Region North and South
- ▶ Too low margins in Region Mid and Stockholm. Expect a stronger finish this year vs last year. Positive trend in Stockholm
- ▶ Operations in Lithuania will be reported as part of Finland in year end report
- ▶ Segment reporting will change starting 2023



Sales per segment

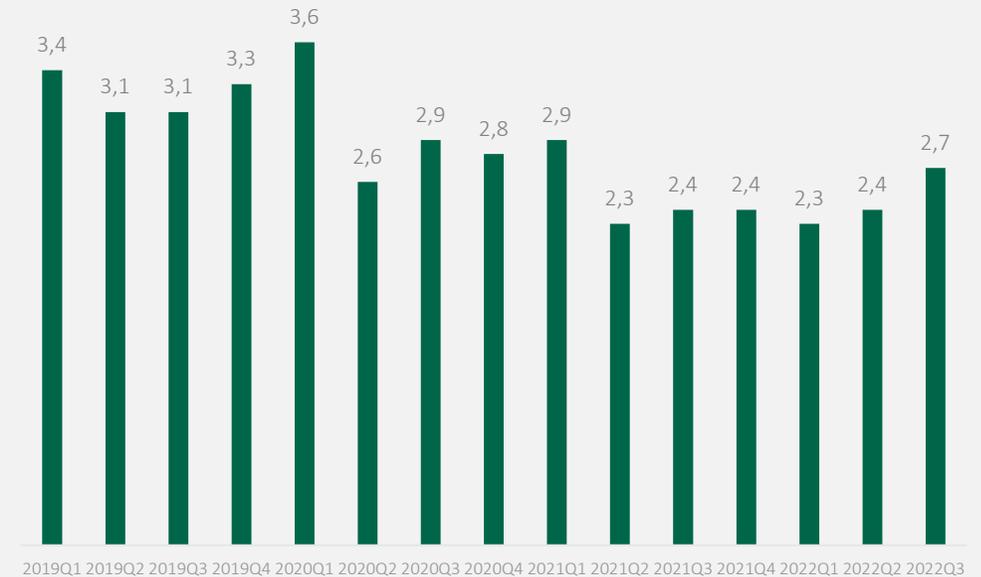
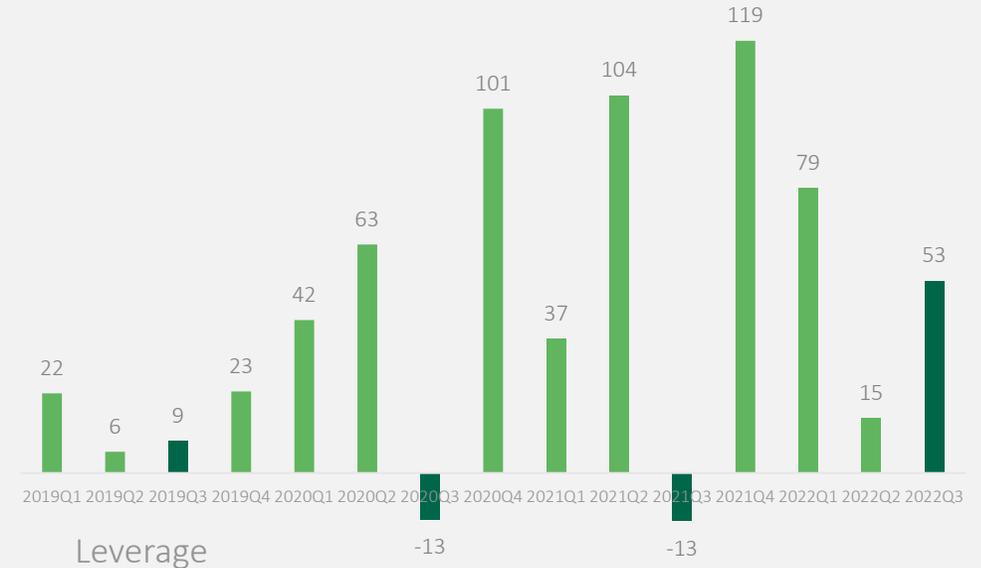
- Region Norway, 36%
- Region Mid, 27%
- Region South, 13%
- Region Stockholm, 12%
- Region North, 9%
- Region Finland, 4%

SEK million	Q3 2022			Q3 2021			Q3 2022 LTM		
	Sales	EBITA	EBITA margin %	Sales	EBITA	EBITA margin %	Sales	EBITA	EBITA margin %
Sweden	651	29	4.5	572	40	7.0	2 654	140	5.3
Region South	148	14	9.2	125	15	12.0	595	46	7.8
Region Mid	283	4	1.5	232	10	4.4	1 127	37	3.3
Region Stockholm	136	3	2.5	141	6	4.0	543	17	3.2
Region North	84	8	9.6	75	9	12.2	389	40	10.2
Region Norway	505	59	11.7	217	26	12.1	1 530	211	13.8
Region Finland	58	7	12.7	30	5	17.6	163	13	7.7
Other	-39	-7	-	-54	-3	-	-226	-38	-
<b>TOTAL</b>	<b>1 176</b>	<b>89</b>	<b>7.6</b>	<b>766</b>	<b>69</b>	<b>9.0</b>	<b>4 121</b>	<b>326</b>	<b>7.9</b>

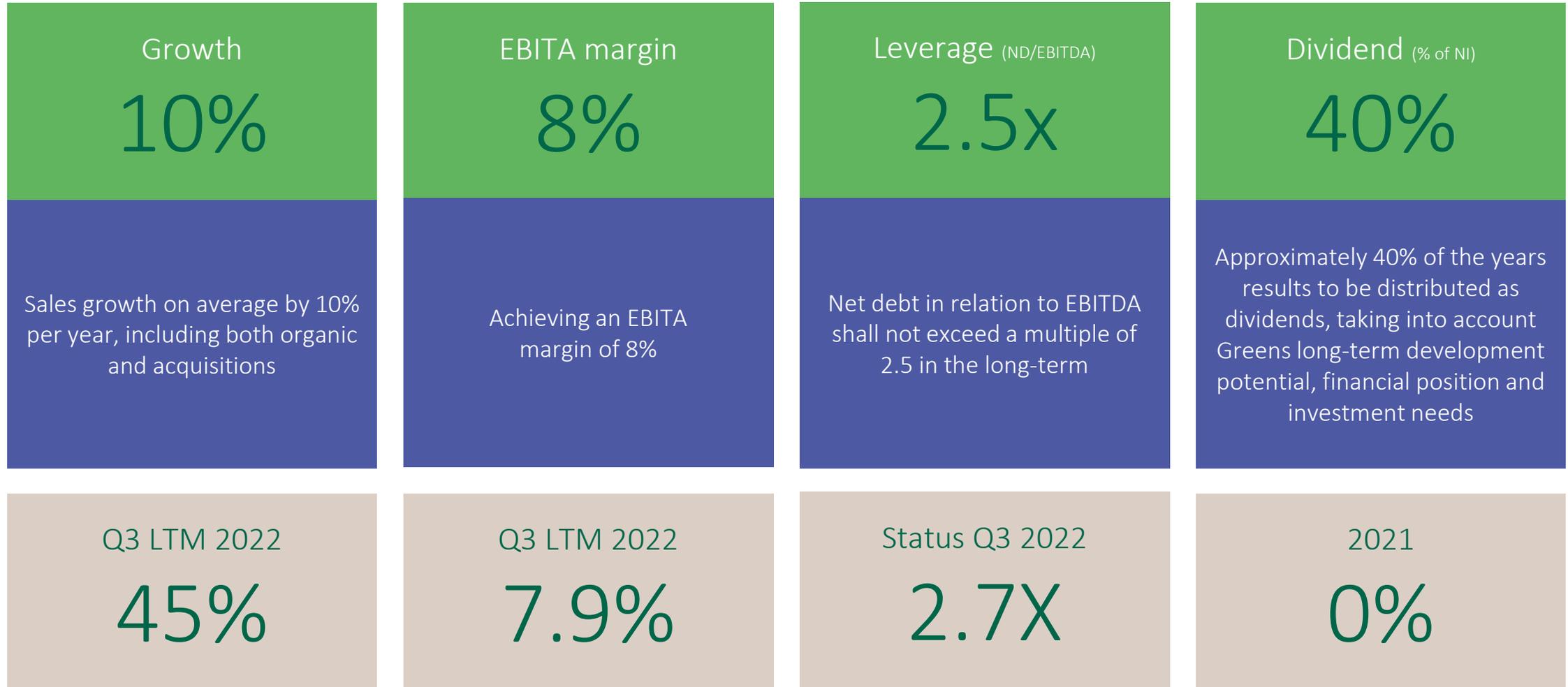
# Financial position

- ▶ Strong cash flow of SEK 53 (-13) million from operations vs last year.
  - ▶ WC impact -68 (-80) million SEK driven by increased outstanding accounts receivables
- ▶ Leverage of 2.7X (2.4X). Leverage increase driven by acquisitions and increased working capital. Expected to de-leverage from cash flow in coming quarters.
- ▶ Cash and cash equivalents at the end of the period were SEK 320 (215) million

Cash Flow from Operations, SEK m



# Financial targets



# Summary Q3 2022

- ▶ Strong growth 54%, EBITA growth 31%
- ▶ Sales CAGR of 31%, EBITA CAGR of 101% (3y)
- ▶ EBITA margin at 7.6% (9.0)
- ▶ LTM EBITA margin 7.9% (6.3%)
- ▶ EPS growth +56%
- ▶ Two acquisitions with annual sales of SEK 385 million closed during period



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