

Press release

6 May 2020

Quarterly report January – March 2020

”The extremely mild and snowless winter had a negative impact on the quarter”

January – March 2020

- ▶ Sales in the first quarter amounted to SEK 375.1 (461.3) million, a decrease of 18.7 percent, of which 20.7 percent were organic.
- ▶ EBITA amounted to SEK –18.7 (–12.8) million. A decrease of SEK 5.9 million.
- ▶ EBITA margin was –5.0 (–2.8) percent.
- ▶ Non-recurring items amounted to SEK 0.0 (14.1) million.
- ▶ Cash flow from operating activities amounted to SEK 42.2 (21.8) million.
- ▶ Earnings per share amounted to SEK –0.86 (–0.71). Earnings per share after dilution amounted to SEK –0.86 (–0.71).
- ▶ During the period, GAST Entreprenør AS was acquired in Norway, which is the first acquisition outside Sweden, as well as PARK i Syd AB in Sweden.
- ▶ During the quarter, covid-19 broke out in Sweden. So far, we see a limited impact on the business and are closely following developments.

CEO Johan Nordström comments on the quarter:

The first quarter of the year was marked by the extremely mild and snowless winter where we switched operations from snow and deicing to maintenance and planning. In addition, measures were taken to deal with the ongoing covid-19 pandemic.

Sales during the quarter amounted to SEK 375.1 (461.3) million, which is a decrease of 18.7 percent. Adjusted EBITA amounted to SEK –18.7 (1.3) million with a margin of –5.0 (0.3) percent. The mild winter has had a negative impact on turnover and earnings in the quarter, as snow and anti-slip control accounts for a large part of our operations during the beginning of the year. The ongoing pandemic has had a limited financial impact on operations during the quarter. We have a high level of preparedness for a possible deteriorating situation and now we look forward to starting up the summer season.

Warm and snow-poor winter

The first quarter of 2020 has been exceptionally mild and snowless, as data from SMHI shows. Over the past 10 years, an average of 59 cm of snow has fallen in Green's main cities, while the outcome during the first quarter was 10 cm. The snow-poor winter has had a negative impact on the financial outcome; In terms of sales, we were affected by approximately SEK 135 million in the quarter compared to a normal year. By restructuring the business, we have replaced about SEK 50 million of the winter activities with additional sales and early planning of contract and landscaping work. In terms of profit, we lose about SEK 40 million, which we compensated with about SEK 20 million by partly restructuring the business and partly by improvement measures that have resulted in a lower cost-base.

We are used to handling variations in operations, not least weather-related ones, but the winter season 2019/2020 has been exceptional. In the eastern and central parts of Sweden, we see a need to better prepare ourselves and our customers for upcoming winters so that we do not suffer as badly in the future. For example, by preparing for projects that can be carried out during mild conditions. We will also discuss the risk distribution of winter operations with our customers and suppliers. In southern and western Sweden, we already have a greater habit of handling mild winters, which both we and our customers benefit from.

Segments

In terms of turnover, all regions were affected by the mild winter, but the East and Central regions have a relatively large impact as there is usually more snow and deicing in these areas. In terms of results, the mild winter has affected the East region to a large extent, while the remaining regions have managed to better compensate for the loss. We can also note that the companies that have a large element of landscaping had a favorable situation in the quarter.

So far limited impact from the pandemic

The outbreak of covid-19 has affected our entire society and in the current situation we work systematically to ensure the health of our employees and to continue to be able to deliver without interruption to our customers. We are in dialogue with our customers to best assist in a difficult situation. Our focus on sustainability and initiatives such as Green Steps become even more relevant when society comes under pressure. We have not had any serious disruptions of deliveries linked to high sick leave. The pandemic has so far had limited financial impact on our operations. However, it is difficult to assess the future, and we maintain high readiness for action in the event of a deteriorating situation.

Upcoming acquisitions and new share issues

An important part of our strategy is to continue to associate successful companies with the group. We are in talks with several interesting companies in both Sweden and the Nordic countries that fit well into our entrepreneurial culture. To implement the acquisition strategy, we have a need to strengthen our balance sheet and have communicated the intention to propose a rights issue of approximately SEK 150 million.

The start of 2020 has been shocking in many ways, but we have a basically stable business with a solid customer-base. Winter was exceptional but handled well given the circumstances, and now that we are entering the summer half-year, we look forward to starting the season. We perform essential work with our outdoor environments throughout Sweden, which play an important role in people's lives - which will continue to contribute to growth over time.

Presentation of the report

Green Landscaping CEO Johan Nordström and CFO Carl-Fredrik Meijer presents the report in a telephone conference / audiocast on May 6 at 10.30 am CET (in Swedish).

Participants call in on SE: +46850558356 UK: +443333009263 US: 18335268347

Webcast: <https://tv.streamfabriken.com/green-landscaping-group-q1-2020>

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The quarterly report will be available in English within short.

This information is such information Green Landscaping Group AB (publ) is required to disclose according to the EU Market Abuse Regulation. The information was submitted, through the above contact persons, for publication on May 6, 2020 at 08:00 am CET.

Green Landscaping Group is the #1 landscaping service provider in Sweden. Our business idea is to refine our customers' outdoor environments by offering services focused on high customer value, long-term sustainability and quality. The group has approximately 1,200 employees and sales amount to approx. SEK 2 billion. The company's shares are listed on Nasdaq Stockholm with ticker GREEN. For more information, please visit www.greenlandscapinggroup.se.