

Press Release

11 November 2020

Interim Report January-September 2020

"Strong acquisition momentum and positive earnings development"

July-September 2020

- ▶ Sales for the quarter increased by 12.1 percent to SEK 551.5 (492.0) million, of which organic growth of 0.5 percent¹⁾.
- ▶ EBITA amounted to SEK 40.0 (28.8) million, an increase of 38.9 percent.
- ▶ EBITA-margin was 7.3 (5.9) percent.
- ▶ Cash flow from operating activities amounted to SEK –12.9 (9.1) million.
- ▶ Net debt amounted to SEK 707.1 (665.6) million.
- ▶ Earnings per share amounted to SEK 0.41 (0.46). Earnings per share after dilution amounted to SEK 0.41 (0.45).
- ▶ Covid-19 has continued to have some negative impact on operations. In terms of profit, the effect has been handled in a good way.
- ▶ Two acquisitions were made during the quarter, both in Norway; TH Anlegg och Hadeland Maskindrift.

1) Sales growth between comparable units amounted to 3.5 percent, adjusted for discontinued operations within Svensk Markservice.

CEO Johan Nordström comments on the quarter:

Sales in the third quarter increased by 12.1 percent to SEK 551.5 (492.0) million, EBITA amounted to SEK 40.0 (28.8) million and the EBITA margin improved to 7.3 (5.9) percent

Synergies and efficiencies give positive results

Most existing subsidiaries and the companies acquired during the year have developed positively during the past quarter and are delivering as expected. The work of strengthening the profitability of the weak units in terms of profitability continues. In some of the units we now see earning improvements and in other units, the work of improving profitability continues.

Covid-19

Covid-19 has continued to have a somewhat negative impact on operations by having fewer meetings with customers and purchaser, which leads to fewer orders and delays in some projects. The operational part of the business has been adapted to the situation and is working satisfactory.

We pursue an active acquisition agenda which, to some extent, is hampered by fewer physical meetings. Given the situation, we are satisfied that we are able to still manage to establish valuable relationships with both new customers and possible acquisition candidates.

Growth in Norway

In line with our strategy, to consolidate the market for outdoor environments in the Nordics, we made our first entry-level acquisition in Norway in February this year. That acquisition was

followed by two more during the third quarter. On July 1, acquisition of assets and liabilities was made of TH Anlegg with 14 employees and a turnover that in 2019 amounted to NOK 30 million. On September 1, Hadeland Maskindrift was added to the group, a business that employs 95 employees and in 2019 had sales of NOK 209 million. TH Anlegg and Hadeland Maskindrift, like GAST Entreprenør, acquired in February this year, are active in the Oslo region. On October 30, Oveland Utemiljø was acquired with approximately NOK 65 million in sales and operations in Sørlandet. Our current base is a good platform for continued expansion in Norway. In total, we now have sales of more than NOK 400 million in Norway on an annual basis.

Still interesting Swedish acquisition opportunities

Ever since its founding in 2009, Green Landscaping has continuously identified and acquired well-managed Swedish companies operating in the outdoor environment. This year, two acquisitions were made in Sweden, the most recent after the end of the quarter. On October 1, Bengtssons Trädgårdsskötsel in Malmö was incorporated into the group, a company with 30 employees and annual sales of approximately SEK 80 million.

Independent and responsible companies

Green Landscaping's acquisition principle is based on a decentralized organizational structure to uphold the local entrepreneurship and responsibility that exists in the acquired companies. By becoming part of Green Landscaping, the acquired companies gain access to colleagues, skills exchanges, collaboration, and cross-selling opportunities.

In two areas, we prioritize adding competence, Lean business management and sustainability. We support the acquired companies with Lean expertise to achieve better cost control and identify areas for efficiency measures. Competence in environmental and social responsibility is naturally high in companies working outdoors, but when acquired companies become part of Green Landscaping, certain structure and established routines are added, such as programs for employment of people in social exclusion and codes of conduct for suppliers and subcontractors.

Positioned for continued growth

We are now entering a seasonally strong quarter with good conditions in all regions and an order book amounting to approximately SEK 4 billion.

A central part of our strategy is to consolidate the Nordic market in the ground maintenance and landscaping space. As we mentioned in the previous interim report, the rights issue of SEK 150 million was made during the second quarter in order to be able to realize the strategy at a higher pace. It is gratifying that we have added six new companies to the group this year, four in Norway and two in Sweden, with a total turnover of approximately SEK 500 million and a robust profitability margin.

We see that our strategy is yielding results and we are well equipped to continue our successful consolidation of the Nordic market for green space management.

Presentation of the report

Green Landscaping CEO Johan Nordström and CFO Carl-Fredrik Meijer present the report in a telephone conference / audiocast on 11 November at 10.30 am CET. The presentation will be held in English.

Participant dial in: +46 8 56642651

PIN-code: 61911342#

Webcast: <https://edge.media-server.com/mmc/p/jogi8ujg>

An English version of the interim report will be available within short.

The information was submitted, through the below contact persons, for publication on 11 November 2020 at 07:00 am CET.

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Green Landscaping Group is the leading player in ground maintenance and landscaping of outdoor environments in Sweden. Our business concept is to enhance the customer's outdoor environment by offering services focused on high customer value, long-term sustainability, and quality. The Company has approximately 1,300 employees and sales amount to approximately SEK 2 billion. The Company's shares are listed on Nasdaq Stockholm with the ticker GREEN. For more information visit www.greenlandscapinggroup.se.