

Interim report January-June 2020

"Great margin development in the quarter"

April-June 2020

- Sales in the quarter amounted to SEK 552.1 (532.3) million, an increase of 3.7 percent. Organic growth was 1.2 per cent after adjustment for a terminated unit in Svensk Markservice.
- EBITA amounted to SEK 46.5 (26.2) million. An increase of 77.5 percent.
- EBITA margin was 8.4 (4.9) percent.
- Non-recurring items amounted to SEK 0.0 (8.7) million.
- Cash flow from operating activities amounted to SEK 63.0 (45.5) million.
- Net debt amounted to SEK 518.5 (652.9) million
- Earnings per share amounted to SEK 0.82 (0.40). Earnings per share after dilution amounted to SEK 0.82 (0.40).
- Some negative impact on sales and earnings due to covid-19.
- During the quarter, the rights issue announced in the first quarter was carried out. The company received SEK 148.6 million after transaction costs.

CFO Johan Nordström comments on the quarter:

It is gratifying to see the improvement in earnings after the extensive work with the integration of Svensk Markservice, which has resulted in reduced costs and improved efficiency.

Acquiring companies is a central part of our strategy and we have an active acquisition agenda. It is positive to see that the recently acquired companies are contributing with increased sales and margins.

Sales during the quarter amounted to SEK 552.1 (532.3) million, which is an increase of 3.7 percent. EBITA amounted to SEK 46.5 (26.2) million with a margin of 8.4 (4.9) percent, corresponding to an increase of 77.5 percent. Last year, adjusted EBITA amounted to 34.9. Cash flow from operating activities amounted to SEK 63.0 (45.5) million during the quarter.

Positive margin development

The strong margin development is a result of focused integration work to increase profitability. The work of integrating Svensk Markservice began in Q1 2019 and we now see tangible results. The work continues and during the quarter, we, for example, terminated an underperforming unit in Svensk Markservice in the East region.

Segments

We have a positive development in terms of sales and profitability in the South and West regions, driven by both organic and acquired growth. In the process of incorporating profit centers, we established three new independent companies in the South region during the second quarter.

In the East region, we have good results from the measures implemented within the ground maintenance business in Stockholm that shows increased profitability. We have also won new and successfully defended existing customer contracts. For example, the central parks in Stockholm and the ground maintenance of the Hässelby / Vällingby districts. The region's sales are negatively affected by the termination of the underperforming unit in Svensk Markservice.

Region Mid, which normally has a relatively large winter business, is affected by the mild winter also in this quarter. We also have had start-up costs for new customer projects that affect profitability during the quarter.

Covid-19

The outbreak of covid-19 affects our entire society and in the situation that has arisen, we work systematically in our daily operations to ensure the health of our employees and to continue to be able to deliver without interruption to our customers. We are impressed by the willingness of our employees to support each other and customers with secure and innovative solutions. We have a negative impact of the ongoing pandemic regarding sales and earnings.

A fully subscribed new issue enables continued acquisitions

A central part of our strategy is to consolidate the Nordic market in the ground maintenance and landscaping business. In June, the previously announced rights issue was completed and fully subscribed. The rights issue gave a cash contribution of SEK 148.6 million after transaction costs. Through the addition of capital, we are able to realize the acquisition strategy at a higher pace.

During the summer, the acquisition of TH Anlegg AS's operations in landscaping in Norway was completed. We are in dialogue with several interesting entrepreneurs in the Nordic region who, like us, are passionate about creating green cities through entrepreneurship, social responsibility and sustainable entrepreneurship.

The information was submitted, through the below contact persons, for publication on August 26, 2020 at 08:00 am CET.

Presentation of the report

Green Landscaping CEO Johan Nordström and CFO Carl-Fredrik Meijer present the report in a telephone conference / audiocast on August 26 at 10.30 am CET (in Swedish).

Participants call in on +46-8-505 583 53

Webcast: <https://tv.streamfabriken.com/green-landscaping-group-q2-2020>

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

For more information

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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.