



## PRESS RELEASE

24 August 2023, 07:00 CEST

### Green Landscaping Group (publ) Interim report January-June 2023

April-June 2023

- Net sales amounted to SEK 1,495 (1,134) million.
- Growth was 32 percent, of which organic growth amounted to 4 percent.
- EBITA increased by 51 percent to SEK 138 (92) million.
- EBITA margin amounted to SEK 9.2 (8.1) percent.
- Cash flow from operating activities amounted to SEK 80 (15) million.
- Basic earnings per share were SEK 0.70 (0.81).
- Diluted earnings per share were SEK 0.70 (0.81).

#### CEO comments

When closing the books on the second quarter of the year, I was able to conclude that the Group continues to move in a positive direction. Net sales increased by 32 percent and profitability, expressed as EBITA marginal, reached 9.2 percent. Cash flow also remained strong and we took our first steps into the German market with the acquisition of Schmitt & Scalzo.

#### Good progress

The start of spring coincides with high season for most of our subsidiaries. Growth accelerates and with that, so too does the need for lawn mowing and hedge clipping, maintenance of flower beds, tree pruning and similar tasks. And, as with winter snow and ice removal, our ground maintenance activities are essentially recession-proof. Demand is further boosted by strong macro trends like urbanization, population growth, and a general increase in demand for better, more sustainable outdoor environments. We see this reflected in our customer relationships as well, where many of our subsidiaries have customers they have been working with for decades and contracts that frequently stretch over five to six years.

It is also high season for landscaping and construction, where most of our companies are at high capacity utilization now and through the fall. The market for housing construction has been hit particularly hard by the rapid escalation of interest rates and the uncertain economic situation. Our direct exposure to the housing market is limited, but because of this situation, many large construction companies have looked for opportunities in adjacent markets. We have thus noticed their presence in some tendering procedures, but that is all. Our order backlog is strong and is being replenished at a good pace.

Green Landscaping Group delivered strong growth once again in the second quarter. Net sales increased by 32 percent to SEK 1,495 million. Organic growth amounted to 4 percent, which is in line



with the historic growth rate for our market and taking into consideration the fact that the immediately preceding quarters have been greatly impacted by indexation adjustments in our customer agreements due to the high rate of inflation. Acquisitions contributed with 27 percent and the impact from changed exchange rates was negligible.

EBITA amounted to SEK 138 (92) million and the EBITA margin was 9.2 (8.1) percent. The trend of a higher profit margin has thus continued. Some of our newly acquired subsidiaries have a more pronounced seasonal variation and their contribution was strong. This was particularly noticeable in segment Finland and rest of Europe, where the Lithuanian company, Stebule, once again reported impressive figures in what is seasonally the strongest quarter of the year. The Group's EBITA margin for the most recent 12 months amounted to 8.6 percent, once again exceeding our financial goal of 8 percent.

Cash flow from operating activities amounted to SEK 80 (15) million, which is attributable to the higher earnings. Our ability to continuously generate profit and cash flow is a prerequisite for being able to, over time, grow via acquisitions. Indebtedness, expressed as net debt in relation to EBITDA pro-forma RTM amounted to 2.4 (2.4) times, which is below our financial target of it not exceeding 2.5 times and we achieved that despite having made an acquisition during the quarter.

#### **An acquisition for the future**

We've spent two years analyzing and gaining an understanding of the German market, putting much effort into finding the best entrepreneurs to collaborate with. Our choice was Schmitt & Scalzo and in June, we welcomed Francesco Scalzo and his team to the Group. The company serves the Rhein/Main area in Hessen, Germany, delivering high quality services with a strong customer focus and impressive profitability. For me, Schmitt & Scalzo offers the ideal platform for further expansion in Germany. The German market is more than twice as large as the Nordic market, while bearing great similarities. The German market is fragmented, with long-term relationships where local companies perform work for local customers. Business is done in established ways and the market is professionalized with many certification requirements, which creates barriers to entry. To a large extent, it thus functions much like our other markets and is a good fit with our decentralized model.

*This report contains information that Green Landscaping Group AB (publ) is required to disclose in accordance with the EU Market Abuse Regulation. The information was made available for publication by the contact person set out below on 24 August 2023 at 07:00 CEST.*

#### **Presentation of the report:**

Green Landscaping Group's CEO Johan Nordström and CFO Carl-Fredrik Meijer will present the report in a teleconference/audiocast on 24 August 2023 at 09:00 CEST. The presentation will be held in English.

If you would like to participate in the webcast, please visit the link below.

<https://ir.financialhearings.com/green-landscaping-group-q2-2023>



If you would like to participate in the teleconference, you will need to register via the link below. Once you have registered, you will receive the phone number and a conference ID for logging in. There are opportunities for asking questions via the teleconference.

<https://conference.financialhearings.com/teleconference/?id=200939>

**For more information:**

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Green Landscaping Group AB (publ) is a home for entrepreneurs. The service areas it is involved in are landscaping and construction, ground maintenance and snow & ice removal. The Group has more than 2 000 employees and net sales amounted to SEK 4.8 billion. The shares are listed on Nasdaq Stockholm with the ticker GREEN. For more information visit [www.glgroup.se](http://www.glgroup.se).