



NOT FOR DISTRIBUTION IN THE US. Marketing communication commissioned by Green Landscaping. This research has been commissioned by Green Landscaping. Only for professional investors resident in EEA member states. Reports may not be distributed to the US or other jurisdictions where to do so would be unlawful. Please see the disclaimer tab for any details of investment banking services recently provided by SEB that could be considered relevant to the subject matter of this research.

Company Comment	Services	Sweden	27 November 2024
-----------------	----------	--------	------------------

Our impressions from Green Landscaping's 2024 CMD

Today, Green Landscaping (Green) hosted its first-ever capital markets day. Financial targets were reiterated, while main focus was on the ample growth opportunities Green sees in the market. We got some insights about strategic priorities and geographical focus. Besides continuing to be opportunistic in the Nordics, Green aims to increase its geographical scope and be more forward-leaning in the DACH-region. Green has also expanded to cater to increased M&A activity.

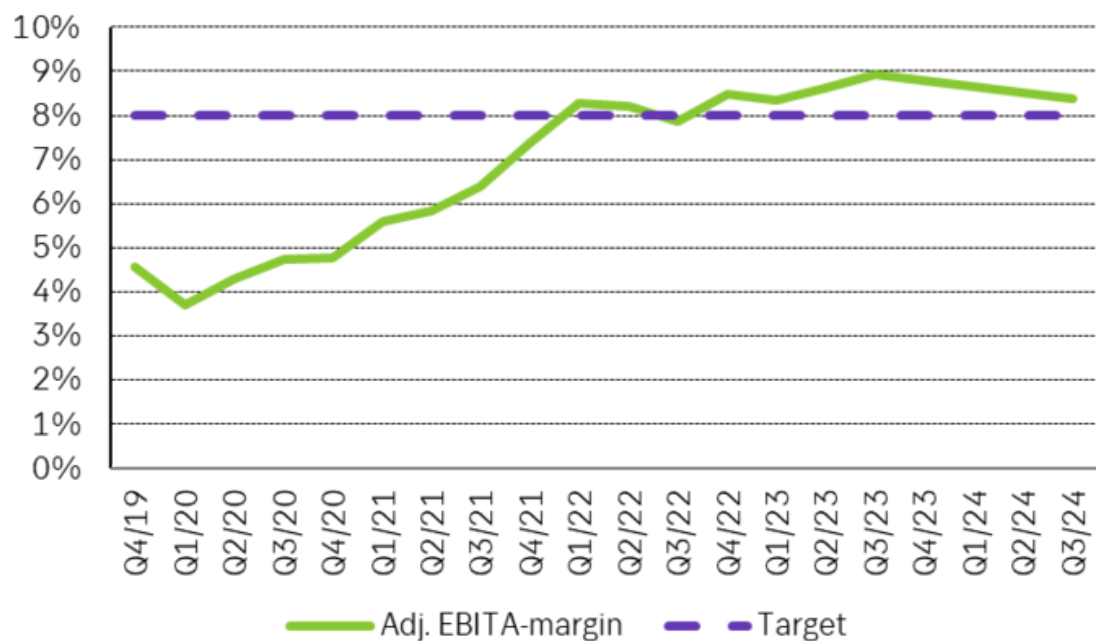
Financial targets reiterated: sustaining and improving margins

At the CMD, Green Landscaping reiterated the financial targets of 10% sales growth on average, with an 8% EBITA-margin. On a rolling twelve month basis, Green is currently at an adj. EBITA margin of 8.4% as of Q3/24. We believe one key message from the CMD is that the current EBITA-margin level is sustainable and that there is more room to improve the margin further going forward (mainly in Norway and Sweden). At the end of the CMD, management commented that there is indeed an active discussion about the design of the financial targets going forward (they have not been changed since the IPO).

Financial targets



Source: Green Landscaping

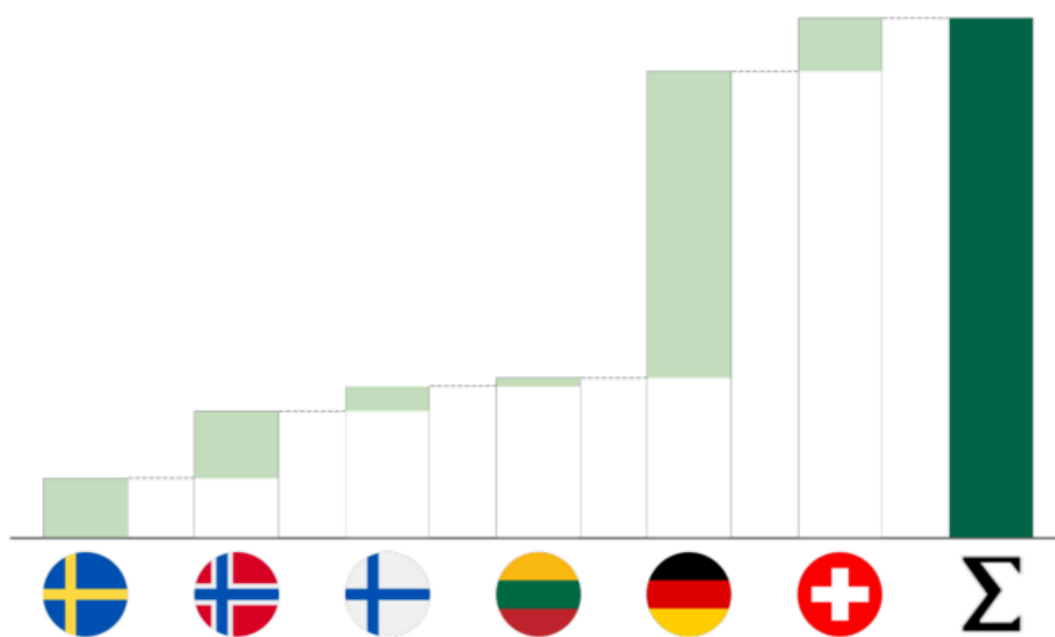
LTM adj. EBITA-margin (%)

Source: Green landscaping, SEB

Green landscaping highlighted that the underlying market for ground maintenance and landscaping is growing healthily around 4-5% annually with relatively low cyclicality. The market is large and highly fragmented, which should bode well for further acquisitions, particularly in the DACH-region.

Annual addressable market

Annual adressable market of 350 BSEK

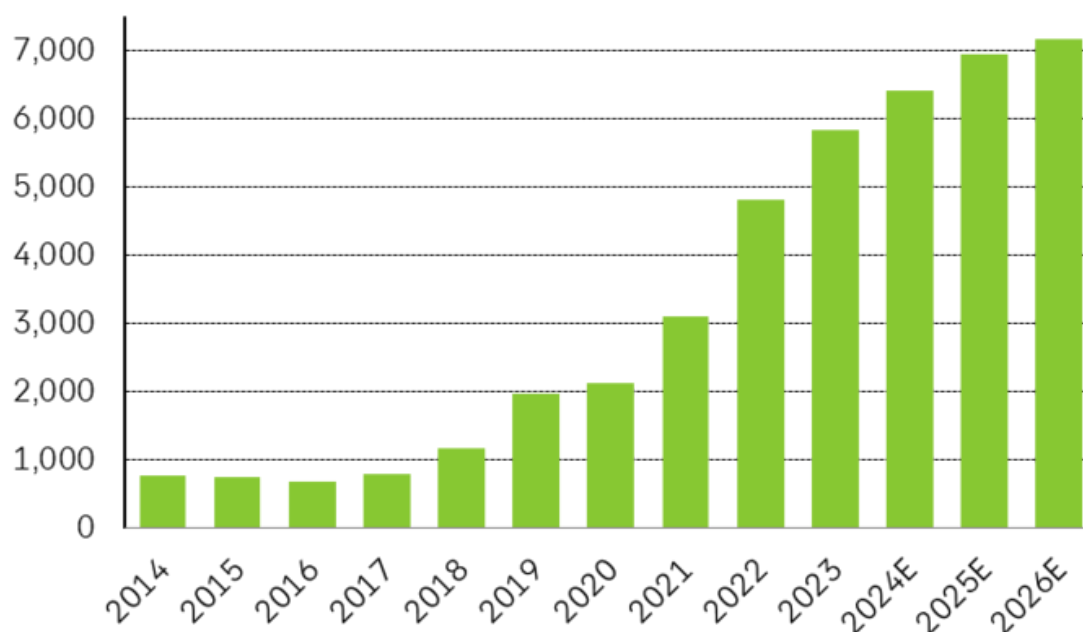


Source: Green Landscaping

DACH-region in focus for M&A

M&A continues to be a central part of the growth strategy. Historically, Green has made roughly 50 acquisitions with a proven track-record, producing an ROI of approximately 20%, according to management. Going forward, Green expects an M&A pace of 8-10 acquisitions annually. In its selection criteria, Green searches for companies with an historically stable track-record, annual turnover of SEK 50-300m and an EBITA-margin >10%. While ND/EBITDA is currently at 2.7x LTM, above its financial target of 2.5x, management seems confident about the financial situation, given the asset-light business model and stable markets that it operates in.

Net sales development (SEKm)

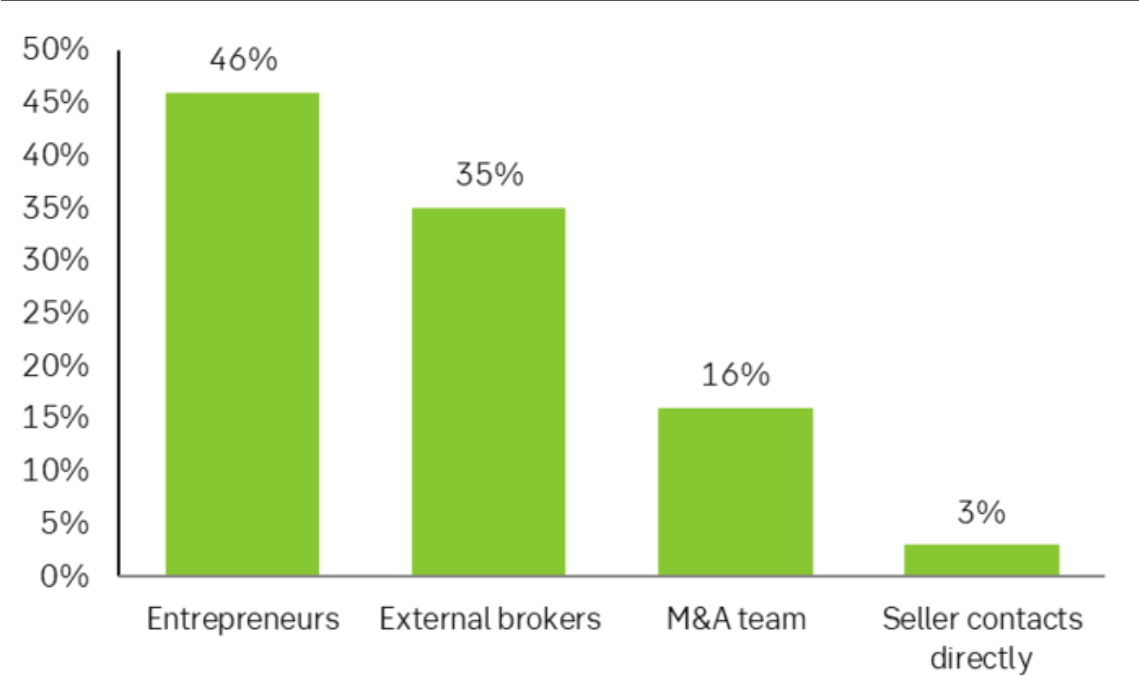


Source: SEB, Green Landscaping

On the M&A agenda going forward, Green aims to diversify its current geographical scope. Besides remaining opportunistic in the Nordics, Green communicated that the plan is to remain forward-leaning in the DACH-region, i.e., Germany, Switzerland and Austria. The potential in Germany is large and the market opportunity is estimated to be 8-10 times larger than in Sweden. Green intends to make Germany a home market and believes that it will become the group's largest market over time. Also, within the coming years Green intends to accelerate the group M&A pace. In conjunction with the German and general DACH-expansion, Green now has the opportunity to transform from a Nordic to a European leader within its niche.

At the CMD, we also got some more insights about the M&A process. The most common channel for acquisitions is via Green Landscaping's own entrepreneurs, which we find interesting. Moreover, Green commented that the companies that are recommended by its own entrepreneurs tend to perform better. We believe this showcases the strength of the network that Green Landscaping is building throughout its decentralised model.

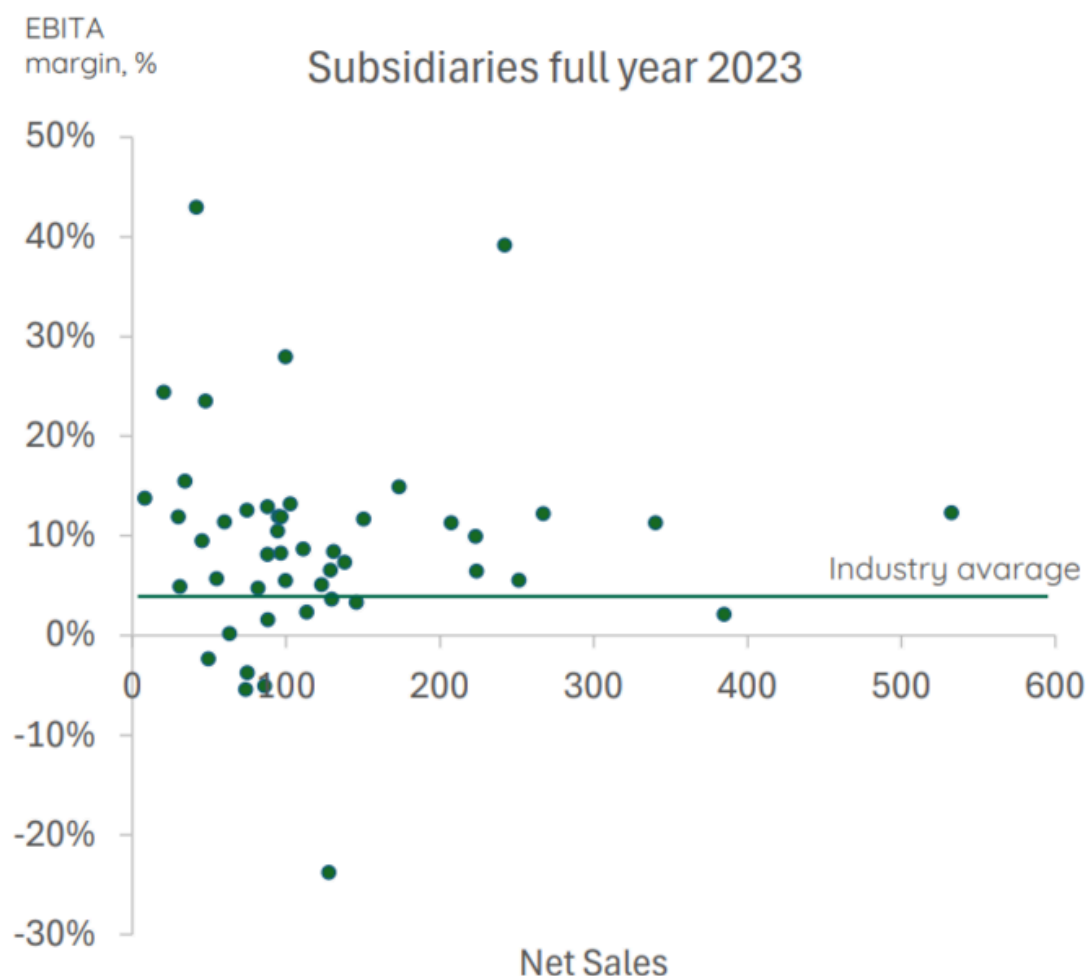
The four routes for M&A



Source: Green Landscaping, SEB

In the vast majority of acquired companies, revenue tends to grow faster than Green's initial expectations, while profitability remains healthy. However, when acquisitions do not perform according to initial expectations, the common denominator is typically that these companies have large fluctuations in their historical financial performance. Therefore, Green primarily targets companies with a stable financial track-record.

Green Landscaping, Subsidiary performance post investment



Source: Green Landscaping

Steady progress, one step at the time

While there was no major news at the CMD, we believe Green Landscaping provided more color around its strategic focus and M&A agenda ahead. For us, it became even more clear that expansion in the DACH-region is highly prioritised, alongside strengthening the Baltic business and remaining opportunistic in the Nordic region. We believe there should be ample room for Green to continue to grow and consolidate its market in the journey to become a European champion within its niche.

Key figures

(SEKm)	2023	2024E	2025E	2026E
Revenues (m)	5,885	6,406	6,941	7,175
Adj. EBIT	394	414	487	513
PTP (m)	293	276	356	389
EPS	3.93	3.65	4.73	5.16
EPS (adjusted)	5.57	5.35	6.57	7.06
DPS	0.00	0.00	0.00	0.00
Revenue growth (%)	21.2	9.9	8.3	3.4
EPS growth (%)	16.2	(4.1)	n.a.	n.a.
Operating margin (%)	6.8	6.5	7.0	7.2
Adj. EBIT margin (%)	6.7	6.5	7.0	7.2
ROCE (%)	12.2	9.9	10.8	10.9
Net Debt/EBITDA (x)	2.7	2.9	2.3	1.9
PER (adjusted)	12.6	13.3	10.8	10.1
Dividend yield (%)	0.0	0.0	0.0	0.0
Free Cash Flow Yield (%)	0.5	2.1	6.2	8.4
P/BV (x)	2.6	2.4	2.0	1.8
EV/EBIT (x)	15.1	15.2	12.5	11.2
EV/Sales (x)	1.02	0.98	0.87	0.80

Source: SEB

About this publication

This report is a marketing communication commissioned by Green Landscaping and prepared by Skandinaviska Enskilda Banken AB (publ). It does not constitute investment research; as such, it has not been prepared in accordance with the legal requirements to promote the independence of investment research, nor is it subject to any prohibition on dealing ahead of the dissemination of investment research.

Company specific disclosures and potential conflicts of interest

A member of, or an entity associated with, SEB or its affiliates, officers, directors, employees or shareholders of such members (a) is not, and has never been, represented on the board of directors or similar supervisory entity of Green Landscaping, (b) has from time to time bought or sold the securities issued by the company or options relating to the company, and (c) SEB does not hold any short / long position exceeding 0.5% of the total issued share capital of Green Landscaping as of 31 Oct 2024.

The analyst(s) responsible for this research (jointly with their closely related persons) hold(s) 0 shares in Green Landscaping and do(es) not have holdings in other instruments related to the company.

This statement affects your rights

This report is confidential and may not be reproduced, redistributed or republished by any recipient for any purpose or to any person. Redistributing this report to third parties may invoke legal requirements on the person engaging in such activities.

Producers and Recipients

SEB Research is approved and issued by Skandinaviska Enskilda Banken AB (publ) ("SEB"), a bank organized under the laws of the Kingdom of Sweden, on behalf of itself and its affiliates for institutional investors. When SEB Research is issued by an SEB subsidiary, the subsidiary itself is subject to this disclaimer.

Use

This material has been prepared by SEB for information purposes only. It does not constitute investment advice and is being provided to you without regard to your investment objectives or circumstances. The document does not constitute an invitation or solicitation of an offer to subscribe for or purchase any securities and neither this document nor anything contained herein shall form the basis for any contract or commitment whatsoever. Opinions contained in the report represent the authors' present opinion only and may be subject to change. In the event that the authors' opinion should change, we shall endeavour (but do not undertake) to disseminate any such change, within the constraints of any regulations, applicable laws, internal procedures within SEB, or other circumstances.

Good faith and limitations

All information, including statements of fact, contained in this research report have been obtained and compiled in good faith from sources believed to be reliable. However, no representation or warranty, express or implied, is made by SEB with respect to the completeness or accuracy of its contents, and it is not to be relied upon as authoritative and should not be taken in substitution for the exercise of reasoned, independent judgement by you. Recipients are urged to base their investment decisions upon such investigations as they deem necessary. To the extent permitted by applicable law, no liability

whatsoever is accepted by SEB for any direct or consequential loss arising from the use of this document or its contents.

Distribution

This research report has been prepared by SEB or its affiliates and is being distributed by SEB offices in Stockholm, Copenhagen, Oslo, Helsinki, Frankfurt, London, Tallinn, Vilnius, Riga and Hong Kong. Research reports are prepared and distributed in Lithuania by AB SEB bankas and in Estonia by AS SEB Pank in accordance with the requirements of the local laws and Financial Supervision Authority's conduct of business rules. This document may not be distributed in the United States, Canada, Japan or Australia or in any other jurisdiction where to do so would be unlawful. Addresses and Phone numbers for each office can be found at the end of the report.

The SEB Group: members, memberships and regulators

SEB is a member of, inter alia, Nasdaq OMX Nordic, Oslo Stock Exchange, the London Stock Exchange, NYSE Euronext, SIX Swiss Exchange, Frankfurt Stock Exchange, Tallinn Stock Exchange as well as certain European MTF's such as BATS-Chi-X, Turquoise and Burgundy. SEB is regulated by Finansinspektionen in Sweden and, for the conduct of investment services business, in (i) Denmark by Finanstilsynet, (ii) Norway by Finanstilsynet, (iii) Finland by Finanssivalvonta, (iv) Germany by Bundesanstalt für Finanzdienstleistungsaufsicht, (v) the UK authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request, (vi) Estonia by the Estonian Financial Supervision Authority, (vii) Lithuania by the Bank of Lithuania, (viii) Latvia by the Financial and Capital Markets Commission and (ix) Hong Kong by Securities and Futures Commission.

SEB's research reports are prepared in accordance with the industry standards and codes of conduct applicable to financial analysts in the countries where they are based. In Denmark, Finland, Norway and Sweden, analysts act in accordance with the rules of ethics of each country's Society of Financial Analysts. Analysts comply with the recommendations and industry standards of the Danish, Norwegian and the Swedish Securities Dealers Associations and with those of the Federation of Finnish Financial Services. Analysts certified by the CFA Institute also comply with the Code of Ethics of the CFA Institute.

Prevention and avoidance of conflicts of interest

The remuneration of staff within the Research department is determined exclusively by research management and senior management and may include discretionary awards based on the firm's total earnings, including investment banking and markets (sales and trading businesses) income; however, no such staff receive remuneration based upon specific investment banking or markets transactions. SEB's Compliance department monitors the production of research and the observance of the group's procedures designed to prevent any potential conflicts of interest from affecting the content of research; the latter are described in greater detail in the "Statement of Policies for dealing with potential conflicts of interest surrounding our Research activities" which is available on our SEB Research website.

Your attention is also drawn to the fact that:

The current market price of the securities shown in published research reports is the price prevailing at the close of the business day preceding the date of publication, save where such price was more than 5% different from the price prevailing as at the time of publication, in which case it is the latter.

Unless explicitly stated otherwise, SEB expects (but does not undertake) to issue updates to its research following the publication of new figures or forecasts by the company covered, or upon the occurrence of other events that could have a material effect on it.

The securities discussed in SEB research may not be eligible for sale in all countries, and such securities may not be suitable for all types of investors. Offers and sales of securities discussed in SEB research, and the distribution of SEB research, may be made only in countries where such securities are exempt from registration or qualification or have been so registered or qualified for offer and sale, and in accordance with applicable broker-dealer and agent/salesman registration or licensing requirements.

A full list of disclosures for companies mentioned in SEB research in which we have research coverage can be found on our research website

Methodology

Final consideration as to any valuations, projections and forecasts contained in this report are based on a number of assumptions and estimates and are subject to contingencies and uncertainties, and their inclusion in this report should not be regarded as a representation or warranty by or on behalf of the Group or any person or entity within the Group that they or their underlying assumptions and estimates will be met or realized. Different assumptions could result in materially different results. Past performance is not a reliable indicator of future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in this report. In addition, investors in securities, such as ADRs, whose values are influenced by the currency of the underlying security, effectively assume currency risk.