

A man with short dark hair and a beard, wearing a dark blue t-shirt with a small logo and the word "COOR" on it, is sitting on a light-colored sofa. He is smiling and looking to his right. He is holding a white pillow. The background is a modern office lounge with a bar counter, a person working behind the bar, and large decorative plants. The lighting is warm and ambient.

Q2 Report  
April – June 2022

AnnaCarin Grandin, President and CEO  
Klas Elmberg, CFO and IR Director

July 15, 2022



## **Introduction and Coor's triple bottom line**

Business and market update

Financial performance

Sum-up and Q&A

# AGENDA

# Coor is the Nordic market leader in Integrated facility management...

... with a clear ambition of becoming truly sustainable

- Customer centric business model and decentralized organization
- Broad service offering within workplace services, property services and strategic advisory services
- Leading innovation capability and position – **SERVICE** *with IQ*
- Truly Sustainable from a triple-bottom-line perspective:



Business



Social



Environmental



# A well balanced portfolio

TOTAL **11.3** bnSEK

### Turnover by country



- Sweden 52%
- Norway 21%
- Denmark 21%
- Finland 6%

### Turnover by contract type



- IFM 59%
- Single services 41%

### Turnover by service









- Cleaning 37%
- Property 31%
- Workplace 18%
- Food & Beverage 10%
- Other 4%

### Turnover by customer segment



- Public 29%
- Manufacturing 24%
- Energy 17%
- IT & Telecom 10%
- Real estate & Construction 8%
- Other 12%

# Strong growth and normalised profitability

Business sustainability	Q2 2022	Q2 2021	LTM	Mid-long term
 Organic Growth	<b>9%</b>	<b>8%</b>	<b>8%</b>	<b>4-5%</b> Organic net sales growth over a business cycle
 Acquired Growth	<b>11%</b>	<b>1%</b>	<b>8%</b>	<b>n/a</b>
 Adj. EBITA-Margin	<b>5.8%</b>	<b>6.8%</b>	<b>6.1%</b>	<b>~5.5%</b> Adj. EBITA margin
 Cash Conversion <sup>1</sup>	<b>97%</b>	<b>94%</b>	<b>97%</b>	<b>&gt;90%</b> (Adj. EBITDA – CAPEX – ΔWC) / Adj. EBITDA
 Leverage <sup>1</sup>	<b>2.0x</b>	<b>1.7x</b>	<b>2.0x</b>	<b>&lt;3.0x</b> Net debt / Adj. EBITDA LTM
 Customer Satisfaction <sup>2</sup>	<b>74</b>	<b>70</b>	<b>N/A</b>	<b>≥70</b>

<sup>1</sup> LTM

<sup>2</sup> Survey conducted once a year, in Q3 2021 and Q3 2020

# Environmental targets aligned and approved by SBTi

Social and environmental sustainability	Q2 2022	Q2 2021	Mid-long term
 Engaged and motivated employees <sup>1</sup>	<b>78</b>	<b>78</b>	<b>≥70</b>
 TRIF <sup>2</sup> Total Recorded Injury Frequency	<b>8.0</b>	<b>9.1</b>	<b>≤3.5</b> Total number of accidents x 1,000,000/ number of hours worked
 Equal opportunities (female/male mgrs. %)	<b>49/51</b>	<b>49/51</b>	<b>50/50</b>
 Reduction of green house gases Scope 1 – From our vehicals <sup>2</sup> (tCO <sub>2</sub> e)	<b>27.5%</b> (0.31) <sup>3</sup>	<b>15.4%</b> (0.33) <sup>3</sup>	<b>-55%</b> CO <sub>2</sub> e emissions from purchased fuel from owned and leased vehicle fleet
 Reduction of green house gases Scope 2- From our premises <sup>2,4</sup> (tCO <sub>2</sub> e)	<b>-42%</b> (0.05) <sup>3</sup>	<b>-18%</b> (0.07) <sup>3</sup>	<b>-74%</b> CO <sub>2</sub> e emissions from electricity, heating and cooling from buildings in Coors operational control
 Reduction of green house gases Scope 3 - From F&B <sup>2</sup> (kgCO <sub>2</sub> e/kg)	<b>-16%</b>	<b>-16%</b>	<b>-30%</b> Total CO <sub>2</sub> e emissions from purchased food raw material in kg/total number of kgs purchased food raw material

<sup>1</sup> Survey conducted once a year, in Q3 2021 and Q3 2020

<sup>2</sup> LTM

<sup>3</sup> tCO<sub>2</sub>e/MSEK

<sup>4</sup> Measured at year end



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# Business highlights and significant events

Q2 2022

## Selection of important prolongations and wins across the Nordics

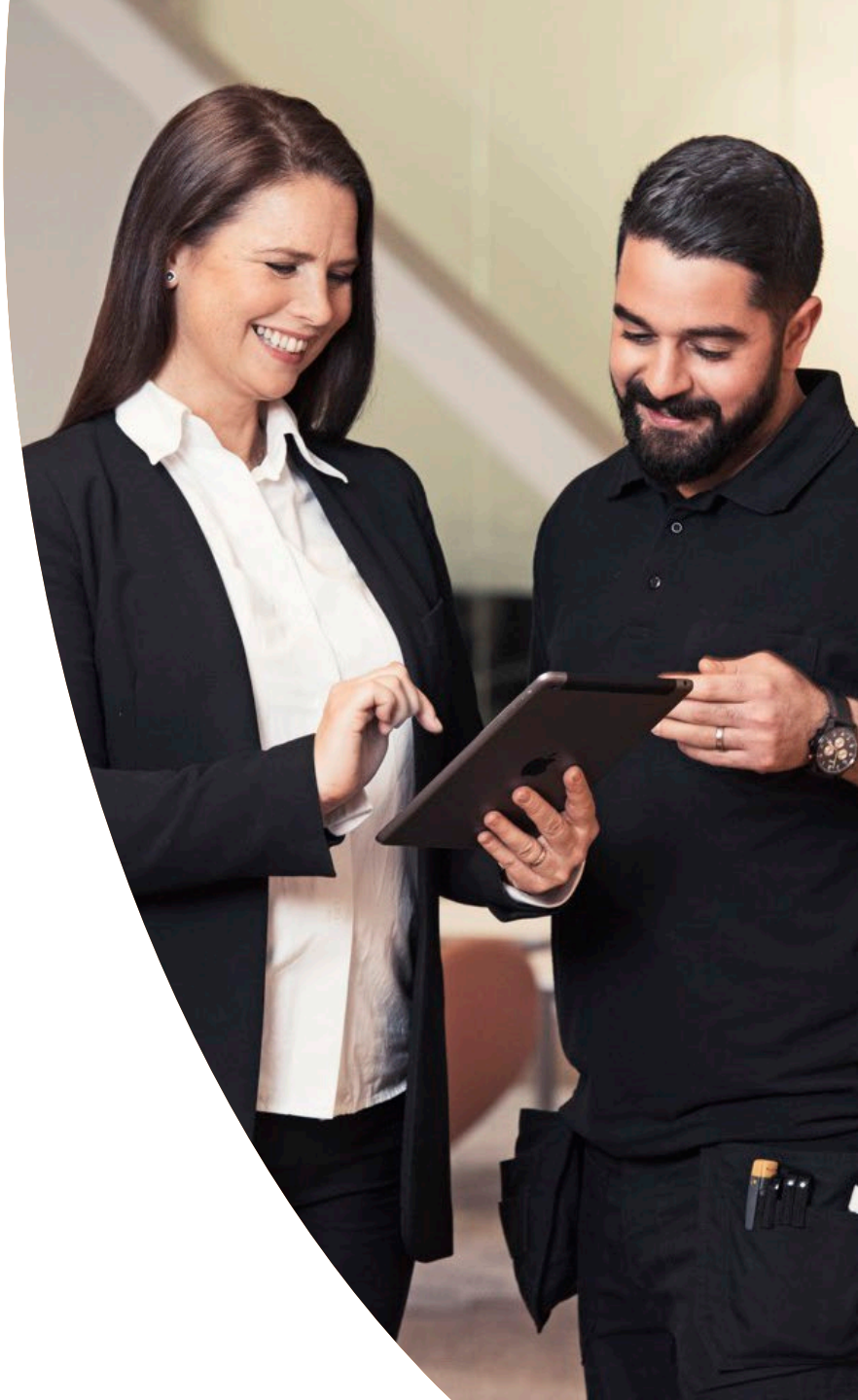
- Prolongations of IFM-contracts with ABB (Nordic excl. FI), Stockholm Exergi, Lyse, CGI
- Prolongations of Single Service contracts with Olav Thon Gruppen, Senaatti, City of Västerås
- Won Port of Gothenburg, Turku Municipality, Hämeenlinna Municipality, Midgård Partners, Sund & Bælt, Aalborg Municipality

## Integration and start-up focus

- Successful integration of Veolia TM, Inspira and Centrumstäd in Sweden
- Large IFM start-ups in DK

## Growth opportunities ahead

- Solid sales pipeline across the Nordics both in IFM and Single Service
- Continued focus and financial capacity for additional M&A.

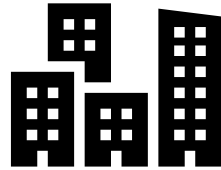




# The Office is essential in the “new normal”

**79%**

companies regarding office important for company culture



**59%**

companies planning structural workplace changes in 2022-23

**+35%**

employees demanding office improvements and location flexibility

## CURRENT OFFICE THEMES

- 1** An **attraction** outweighing benefits of working remote
- 2** A **cultural pillar** and place of community
- 3** An **ideal place to work**, individually and together





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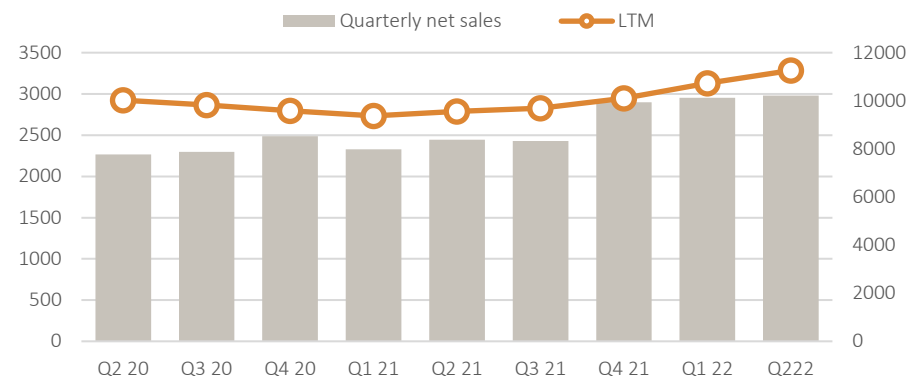
# AGENDA

# Sales and Adj. EBITA development

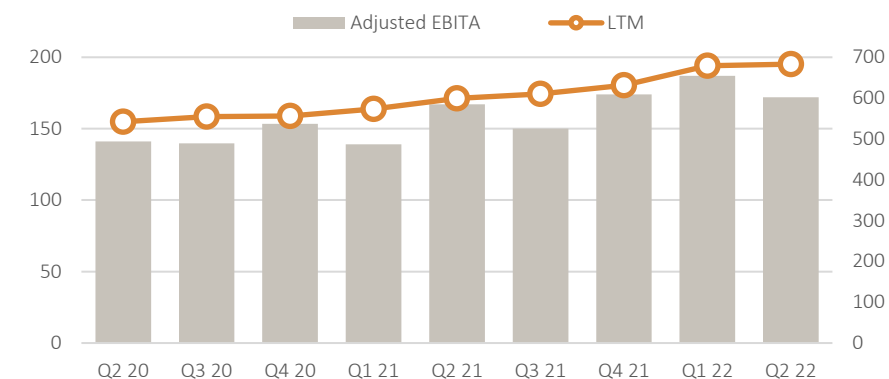
## Profit & Loss

	Q2		Chg.	LTM	Full-year
	2022	2021		Q2	2021
Net sales	2 980	2 445	536	11 264	10 104
Adj. EBITA	172	167	4	683	631
Adj. EBITA margin	5,8%	6,8%	-1,1%	6,1%	6,2%
EBIT	119	119	0	442	403
Financial net	-17	-14	-2	-62	-59
Income tax expense	-23	-24	1	-85	-79
Net income	79	81	-1	295	265
Add-back amortization	43	44	-1	189	190
Adj. Net income	123	125	-2	483	455

## Net Sales Development, SEKm



## Adj. EBITA Development, SEKm



# Country by country

## SWEDEN

Share of Net Sales

**52%**

- Organic growth through new contracts (e.g., PostNord, Borealis security) and partial recovery of variable volumes in property, F&B, conference services
- Acquired growth from Veolia, Inspira and Centrumstäd
- Margins impacted by normalizations of volume mix and resource requirements as activities at customer sites generally increases.
- Some negative impact from external factors impacting customers supply chains leading to low activity in certain areas

	Q2 22	Q2 21
Organic Growth	11%	3%
Acquired Growth	21%	0%
EBITA Margin	10.2%	11.2%

## NORWAY

Share of Net Sales

**21%**

- Negative organic growth explained by the end of Equinor Office contract, which is partly off set by continued high level of variable volumes from maintenance stoppages in the Oil & Gas industry and new or extended contracts (e.g., Ringnes and SR Bank)
- Margin decreased due to change in both contract and service mix

	Q2 22	Q2 21
Organic Growth	-5%	19%
Acquired Growth	0%	4%
EBITA Margin	5.2%	6.9%

## DENMARK

Share of Net Sales

**21%**

- Very strong organic growth from new contracts, mainly DSB and Bygningstyrelsen and C-19 recovery from property related projects and F&B
- Negative impact on variable volume driven by less C-19 cleaning
- Margin negatively effected by integration of new large IFM contracts together with less C19-cleaning.
- Strengthening of central functions in Denmark driven by high growth

	Q2 22	Q2 21
Organic Growth	28%	10%
Acquired Growth	0%	0%
EBITA Margin	5.2%	6.6%

## FINLAND

Share of Net Sales

**6%**

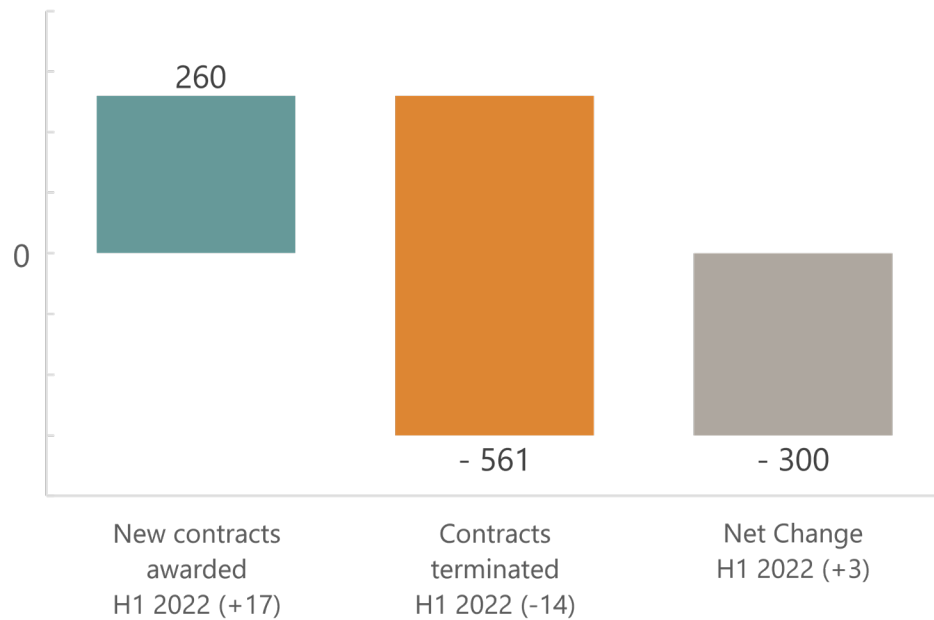
- Negative organic growth explained by end of Finish part of the ABB contract, which is partly compensated by several smaller new contracts together with variable volumes
- Margin decreased due to change in contract mix and general resources challenges, especially in northern parts of Finland

	Q2 22	Q2 21
Organic Growth	-4%	3%
Acquired Growth	0%	0%
EBITA Margin	1.0%	3.2%

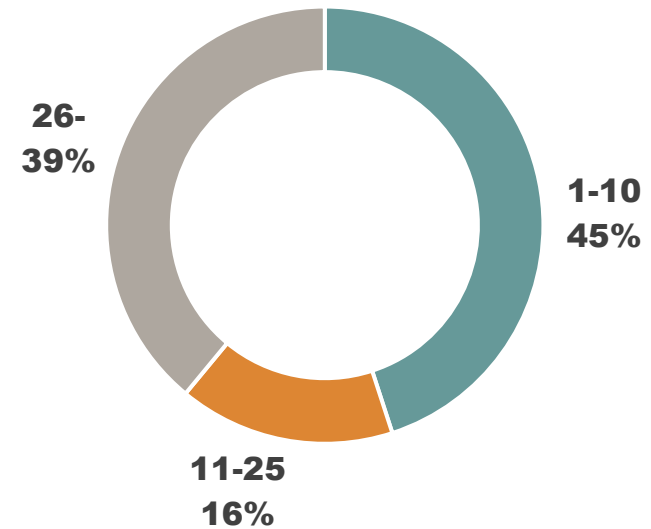
# Contract portfolio & Customer concentration

## Contract portfolio changes during H1 2022

SEKm

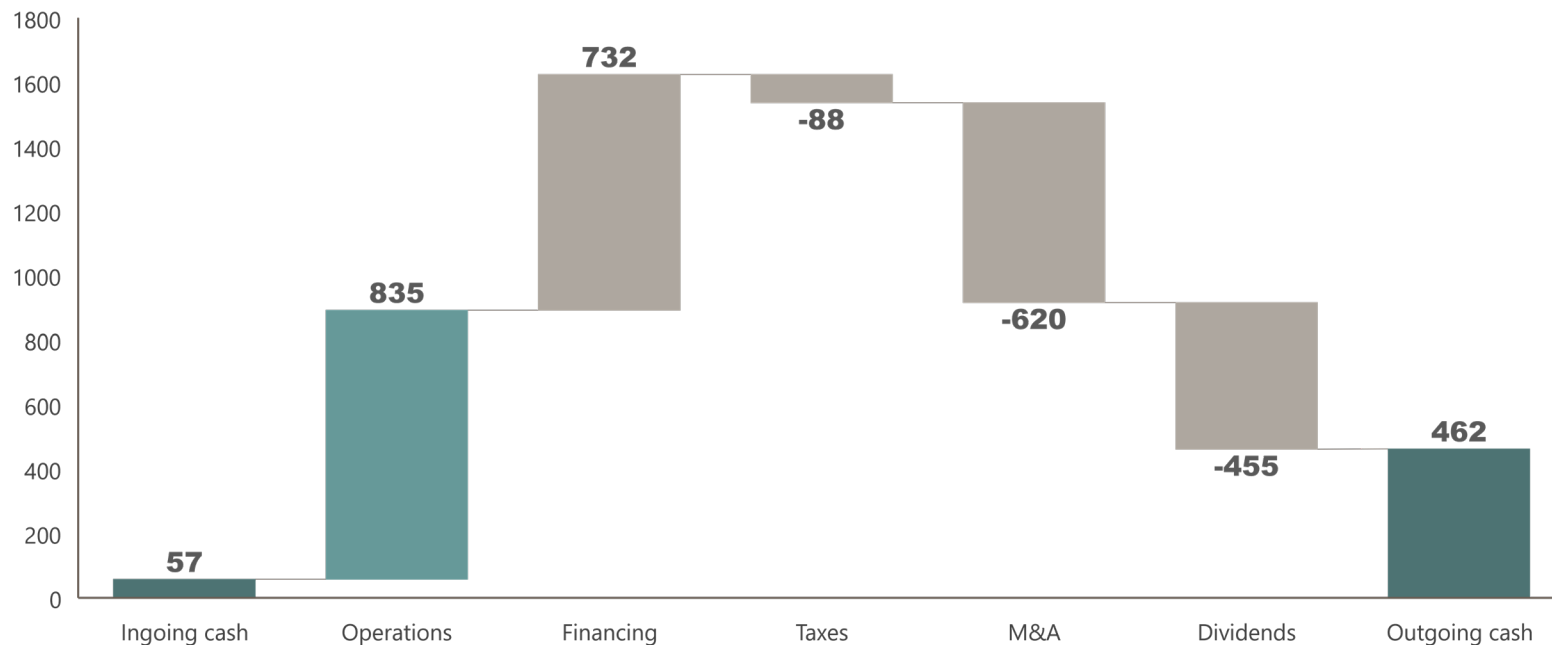


## Customer concentration



# Cash Flow LTM, Q2 2022

SEK m



- Continued strong contribution from operations
- M&A – related to Veolia Technical Management, Inspira and Centrumstäd in Sweden



# Cash conversion & selected balance sheet details

## Cash conversion

(SEK m)

	Q2 2022	2021	LTM Q2	Full-year 2021
Adj. EBITDA	224	216	890	829
Capex	-20	-16	-72	-68
Change in working capital	-136	-178	48	49
Adj. operating cash flow	68	22	866	809
Cash conversion (%)	30%	10%	97%	98%

## Balance Sheet KPIs

(SEK m)

	30 Jun 2022	2021	31 Dec 2021
Net Working Capital	-783	-708	-940
<i>NWC, % of NS (LTM)</i>	<i>-6,9%</i>	<i>-7,4%</i>	<i>-9,3%</i>
<i>Equity/Assets Ratio</i>	<i>29%</i>	<i>34%</i>	<i>28%</i>
Cash	462	57	628
Net debt	1 772	1 389	1 663
<i>Leverage</i>	<i>2,0x</i>	<i>1,7x</i>	<i>2,0x</i>

## Coor's financing

- RCF of 1 500 MSEK, unutilized credit facility corresponds to approximately 500 MSEK. Duration, including options, until 2024. Leverage covenant at 3.75x
- Senior unsecured bonds in the total amount of 1 000 MSEK, duration until February 2024



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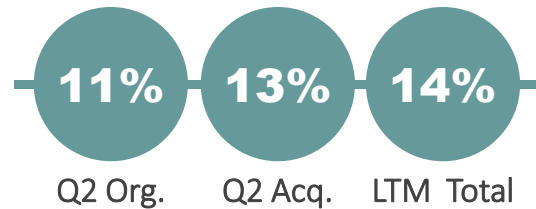
# AGENDA



# Strong growth and normalised profitability

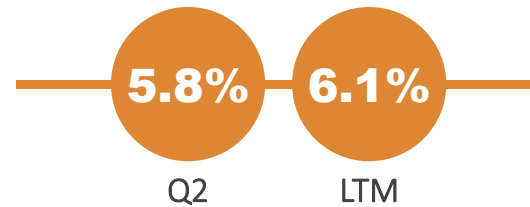
## Growth

“Strong growth, both organic and acquired”



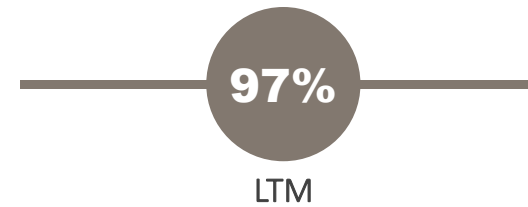
## EBITA margin

“Normalization of margins”



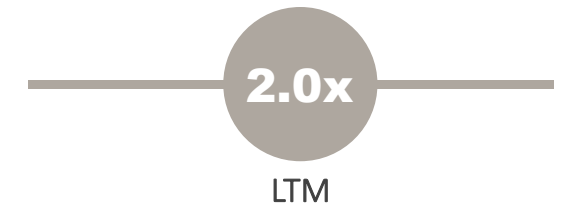
## Cash conversion

“Strong cash flow focus across the organization”



## Leverage

“Capacity for M&A in addition to dividends of 4,80 SEK/share”



# Q&A

Coor aims to create the happiest, healthiest and most prosperous workplace environments in the Nordic region.

We strive tirelessly to build the teams and full-service solutions that enable our customers to do what they do best.

