

A man with short dark hair and a goatee, 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 towards the right. He is holding a light-colored pillow. The background is a modern lounge or office space with warm lighting, a bar area, and decorative elements like a large plant and a geometric wall design.

Q4 Report

October – December 2022

AnnaCarin Grandin, President and CEO

Andreas Engdahl, CFO

February 9, 2023



Introduction and Coor's triple bottom line

Business and market update

Financial performance

Sum-up and Q&A

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 **11.8** bnSEK

Turnover by country



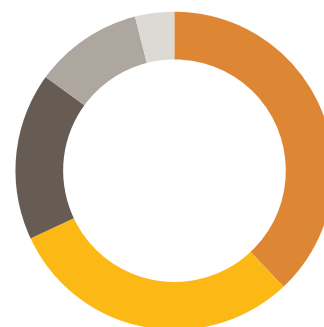
- Sweden 54%
- Denmark 22%
- Norway 18%
- Finland 6%

Turnover by contract type



- IFM 57%
- Single services 43%

Turnover by service










- Cleaning 38%
- Property 30%
- Workplace 17%
- Food & Beverage 11%
- Other 4%

Turnover by customer segment










- Public 31%
- Manufacturing 22%
- Energy 15%
- IT & Telecom 10%
- Real estate & Construction 9%
- Other 13%

Growth paves the way for success

Business responsibility	Q4 2022	Q4 2021	FY 2022	Mid-long term
 Organic Growth	-1%	8%	5%	4-5% Organic net sales growth over a business cycle
 Acquired Growth	4%	8%	9%	n/a
 Adj. EBITA-Margin	5.0%	6.0%	5.4%	~5.5% Adj. EBITA margin
 Cash Conversion ¹	94%	98%	94%	>90% (Adj. EBITDA – CAPEX – ΔWC) / Adj. EBITDA
 Leverage ¹	1.9x	2.0x	1.9x	<3.0x Net debt / Adj. EBITDA LTM
 Customer Satisfaction ²	71	74	N/A	≥70
 Dividend	N/A	N/A	4.80 SEK per share	~50% of profit after tax and before amortization and impairment of customer contracts

¹ LTM, ² Survey conducted once a year, in Q2 2022 and Q3 2021

Steady improvement in injury frequency

Social and environmental responsibility	Q4 2022	Q4 2021	Mid-long term
 Engaged and motivated employees ¹	76	78	≥70
 TRIFR ² Total Recorded Injury Frequency	7.0	8.9	≤3.5 Total number of accidents x 1,000,000/ number of hours worked
 Equal opportunities (female/male mgrs. %)	50/50	51/49	50/50
 Reduction of green house gases Scope 1 – From our vehicles ² (tCO ₂ e)	25%	21%	-50%
 Reduction of green house gases Scope 2 – From our premises ^{2,3} (tCO ₂ e)	-57%	-42%	Total CO ₂ e emissions from Scope 1 and 2 compared to baseline in absolute numbers
 Reduction of green house gases Scope 3 - From F&B ² (kgCO ₂ e/kg)	-16%	-18%	-30% Total CO ₂ e emissions from purchased food raw material in kg/total number of kgs purchased food raw material
 Reduction of green house gases Scope 3 – SBTi aligned suppliers	4%	N/A	75% of suppliers by emissions will be aligned to Science Based Targets

¹ Survey conducted once a year, in Q2 2022 and Q3 2021

³ Measured at year end

² LTM



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Business highlights and significant events

Q4 2022

Important business activities

- Won several new mid-sized contracts; IKEA, Technopolis, SiO, Drammen municipality, Ekerö municipality and Jumbo-Flamingo
- Prolongation of IFM-contract with Equinor Offshore, Vasakronan and VTT and single service contracts with Regional hospital of Kalmar, City of Västerås, OBOS and the University of Bergen
- Finalized successful integration of Inspira in Sweden
- Large IFM start-ups in Denmark
- Reduced inflation impact in the quarter from indexation and executed mitigating activities

Sustainability efforts visible

- HR director Helena Söderberg awarded “HR director of the year in the private sector”
- Sustainability linked refinancing

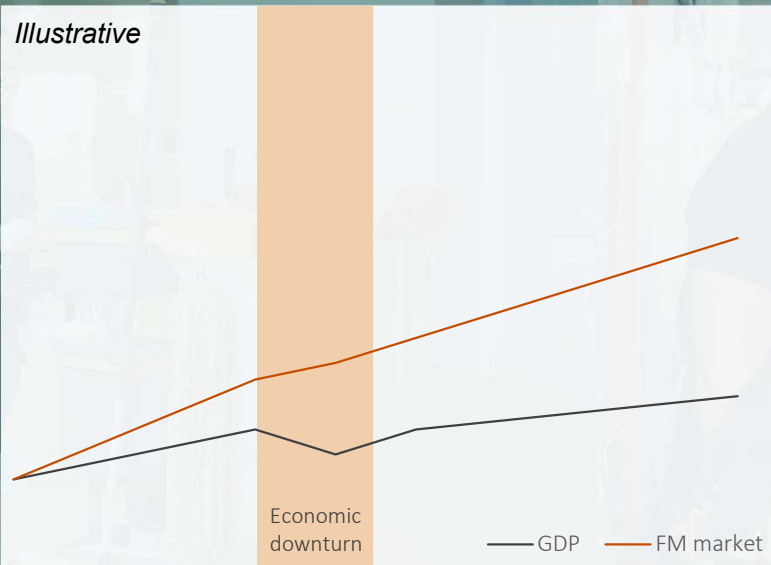
Growth opportunities ahead

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



FM market historically resilient to economic downturns

Illustrative



- Short-term
 - Lower demand for variable volume
 - Reduced scope in subscriptions
 - Customers consolidate FM spend
- Long-term
 - Variable volume recovery from unmet needs
 - Subscriptions restored
 - Increased outsourcing to capture new efficiency



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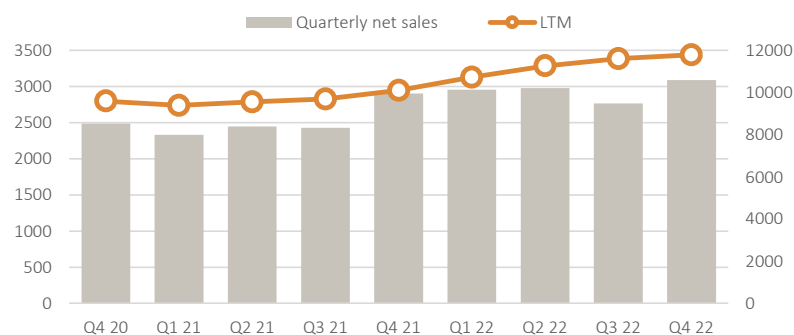
Sum-up and Q&A

Sales and Adj. EBITA development

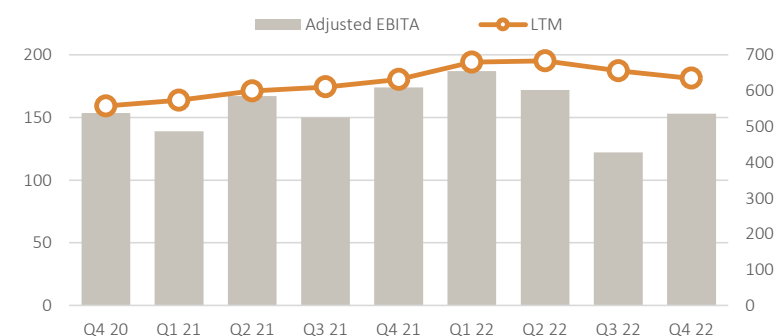
Profit & Loss

	Q4			Full-year	
	2022	2021	Chg.	2022	2021
Net sales	3 088	2 901	187	11 789	10 104
Adj. EBITA	153	174	-21	634	631
Adj. EBITA margin	5,0%	6,0%	-1,0%	5,4%	6,2%
EBIT	97	95	1	408	403
Financial net	-23	-16	-7	-72	-59
Income tax expense	-19	-18	-2	-79	-79
Net income	54	62	-7	257	265
Add-back amortization	32	52	-20	156	190
Adj. Net income	86	113	-27	414	455

Net Sales Development, SEKm



Adj. EBITA Development, SEKm



Country by country

SWEDEN

Share of Net Sales

54%

- Flat organic growth through new contracts (e.g. Saint Göran Hospital and Port of Gothenburg) and recovery of variable volumes in property, F&B, conference services. Loss of contracts such as Volvo Group impact negatively
- Acquired growth from Inspira and Centrumstäd
- 2021 margin was strengthened by a 40 MSEK repayment from health insurance AGS.
- Excluding AGS stable margins impacted by normalized volume mix and renewed contracts.

	Q4 22	Q4 21
Organic Growth	0%	6%
Acquired Growth	8%	14%
EBITA Margin	9.4%	12.2%
EBITA Margin excl. AGS	9.4%	9.5%

DENMARK

Share of Net Sales

22%

- Strong organic growth from new contracts, mainly Danish Building and Property Agency.
- Both Q4 2021 and Q4 2022 margins affected by high level of integration activities for new large IFM contracts
- Strengthening of central functions in Denmark driven by high growth

	Q4 22	Q4 21
Organic Growth	15%	21%
Acquired Growth	0%	0%
EBITA Margin	4.1%	4.1%

NORWAY

Share of Net Sales

18%

- Negative organic growth explained by the end of Equinor Office contract together with end of high level of project volumes from maintenance stoppages in the Oil & Gas industry. New or extended contracts contributes positively (e.g., Ringnes and SR Bank) together with recovery of variable volumes
- Both Q4 2021 and Q4 2022 margins affected by ended contract with Equinor Office and the end of temporary high level of maintenance stoppages

	Q4 22	Q4 21
Organic Growth	-16%	1%
Acquired Growth	0%	3%
EBITA Margin	4.5%	4.5%

FINLAND

Share of Net Sales

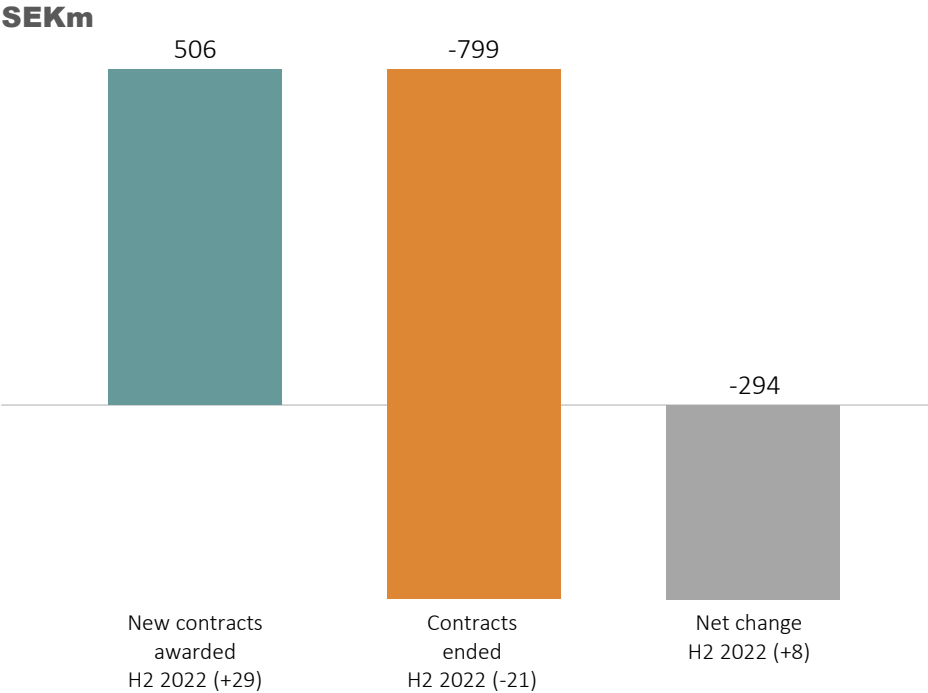
6%

- Negative organic growth explained by end of Finnish part of the ABB contract, which is partly compensated by several smaller new contracts
- Margin decreased mainly from ended ABB contract and high costs for snow removal after extraordinary heavy snowfall in Helsinki area

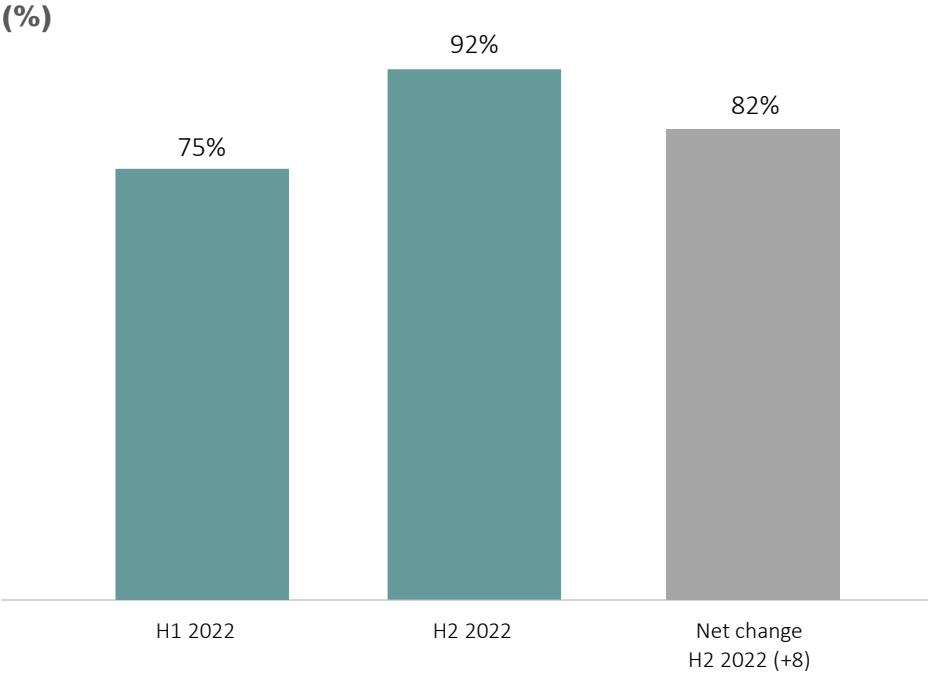
	Q4 22	Q4 21
Organic Growth	-6%	0%
Acquired Growth	0%	0%
EBITA Margin	0.2%	1.8%

Contract portfolio & Retention rate

2022 Contract portfolio changes¹



2022 Retention rate¹ (SEK 2.0 bn)

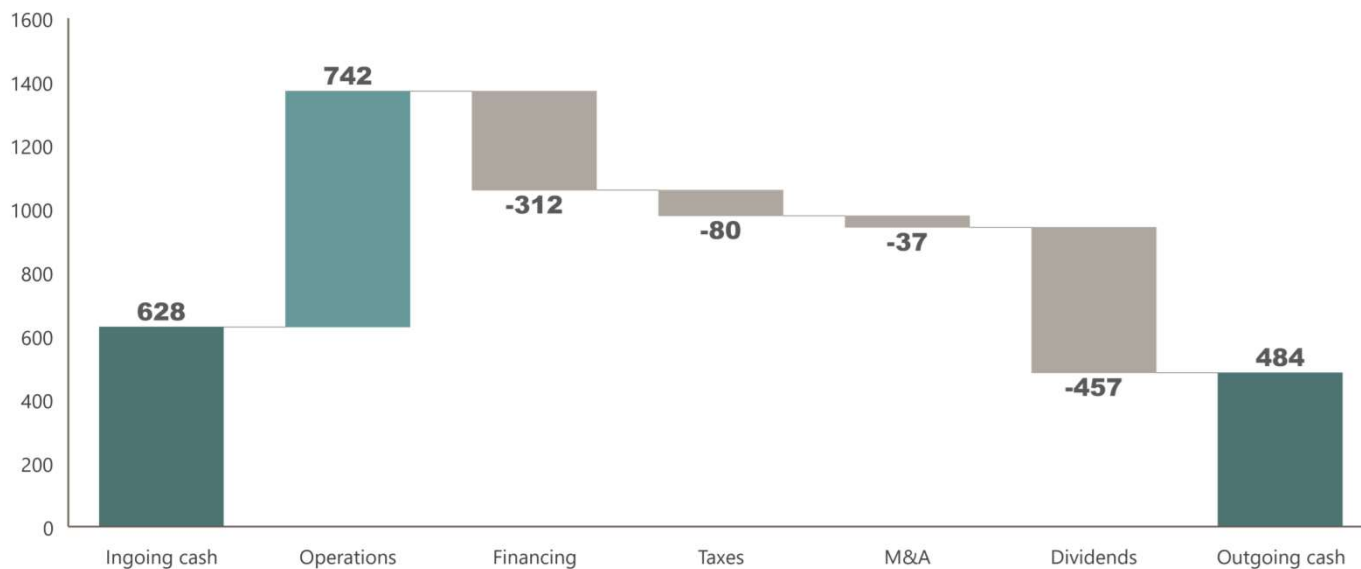


¹ contracts >5 SEKm per year



Cash Flow LTM, Q4 2022

SEK m



- Continued strong contribution from operations
- M&A – Centrumst ad in Sweden



Cash conversion & selected balance sheet details

Cash conversion

(SEK m)

	Q4		Full-year	
	2022	2021	2022	2021
Adj. EBITDA	210	227	851	829
Capex	-33	-19	-95	-68
Change in working capital	136	95	47	49
Adj. operating cash flow	312	303	803	809
Cash conversion (%)	149%	133%	94%	98%

Balance Sheet KPIs

(SEK m)

	31 Dec		31 Dec
	2022	2021	2021
Net Working Capital	-1018	-940	-940
<i>NWC, % of NS (LTM)</i>	<i>-8,6%</i>	<i>-9,3%</i>	<i>-9,3%</i>
<i>Equity/Assets Ratio</i>	<i>27%</i>	<i>28%</i>	<i>28%</i>
Cash	484	628	628
Net debt	1 629	1 663	1 663
<i>Leverage</i>	<i>1,9x</i>	<i>2,0x</i>	<i>2,0x</i>

Coor's financing

- RCF of 1,500 MSEK, unutilized credit facility corresponds to approximately 650 MSEK. Leverage covenant at 3.75x
- Senior unsecured bonds in the total amount of 1,000 MSEK
- Secured refinancing during Q4, sustainability linked with 3 years maturity and two one-year extension options. Existing RCF of 1,500 MSEK renewed and extended as 500 MSEK senior loan and 1,250 MSEK RCF. Commitment of 1,000 MSEK senior loan to refinance non-callable Bond of 1,000 MSEK in March 2024. The credit facility has been committed by 4 financial institutions; existing lenders DNB and SEB together with Svensk Exportkredit (SEK) and Danske Bank. Leverage covenant at 3.75x.



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Growth



“17 per cent growth in 2022”

-1%

Q4 Org.

4%

Q4 Acq.

17%

LTM Total

EBITA margin



“Large start-ups and adaptations”

5.0%

Q4

5.4%

LTM

Cash conversion



“Solid cash flow generation”

94%

LTM

Leverage



“Sustainability linked refinancing secured”

1.9x

LTM

Dividend



“Strong dividend yield of 7,5 per cent”

4.80
SEK/share

2022

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.

