



# Q4 Report

## October – December 2021

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

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## **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 **10.1** SEKbn

### Turnover by country



- Sweden 50%
- Norway 23%
- Denmark 21%
- Finland 6%

### Turnover by contract type



- IFM 60%
- Single services 40%

### Turnover by service









- Cleaning 37%
- Property 32%
- Workplace 19%
- Food & Beverage 8%
- Other 4%

### Turnover by customer segment









- Public 28%
- Manufacturing 23%
- Oil & Gas 18%
- IT & Telecom 10%
- Real estate & Construction 8%
- Other 13%

# A successful year with high business activity

Financial targets	Q4 2021	Q4 2020	FY 2021	Mid-long term
 Organic Growth	8%	-7%	3%	<b>4-5%</b> Organic net sales growth over a business cycle
 Acquired Growth	8%	1%	3%	n/a
 Adj. EBITA-Margin	6.0%	6.2%	6.2%	~5.5% Adj. EBITA margin
 Cash Conversion <sup>1</sup>	98%	108%	98%	>90% (Adj. EBITDA – CAPEX – ΔWC) / Adj. EBITDA
 Leverage <sup>1</sup>	2.0x	1.6x	2.0x	<3.0x Net debt / Adj. EBITDA LTM
 Dividend	N/A	N/A	4.80 SEK per share (101%)	~50% of profit after tax and before amortization and impairment of customer contracts

<sup>1</sup>LTM

# Highly satisfied employees and customers

Sustainability targets	Q4 2021	Q4 2020	Mid-long term
 Customer Satisfaction <sup>1</sup>	74	70	≥70
 Engaged and motivated employees <sup>1</sup>	78	78	≥70
 TRIF <sup>2</sup> Total Recorded Injury Frequency	8.9	9.9	≤3.5 Total number of accidents x 1,000,000/number of hours worked
 Equal opportunities (female/male mgrs. %)	51/49	50/50	50/50
 Reduce green house gases – Scope 1 <sup>2</sup>	0.33 <sup>3</sup> (3 237) <sup>4</sup>	0.31 <sup>3</sup> (3 020) <sup>4</sup>	-50% Sum of Scope 1 and 2 in global framework Green House Gas protocol
 Reduce green house gases – Scope 2 <sup>2, 5</sup>	0.05 <sup>3</sup> (445) <sup>4</sup>	0.07 <sup>3</sup> (637) <sup>4</sup>	-50% Sum of Scope 1 and 2 in global framework Green House Gas protocol

<sup>1</sup> Survey conducted once a year, in Q2 2021 and Q3 2020

<sup>4</sup> tCO2e

<sup>2</sup> LTM

<sup>5</sup> Measured at year end

<sup>3</sup> tCO2e/MSEK



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# Business highlights and significant events in Q4 2021

## Selection of important wins and prolongations

- Won Bygningstyrelsen (Denmark IFM), GoCo (Sweden F&B), Coop Netto (Sweden Property), Ringnes (Norway IFM)
- Prolonged contract with GKN (Sweden IFM), Öresundsbron (Sweden Property), BioTech company (Denmark Property) and SR Bank (Norway IFM)
- Acquisition of Inspira in Sweden and continued integration of Veolia

## Continued high focus on sustainability and innovation

- Improved rating by global sustainability index CDP
- Targets submitted to Science Based Targets organization, awaiting approval
- IFMA winner 3rd year in a row. This year with - Coor SmartCleaning™ powered by Mimby

## Growth opportunities ahead

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







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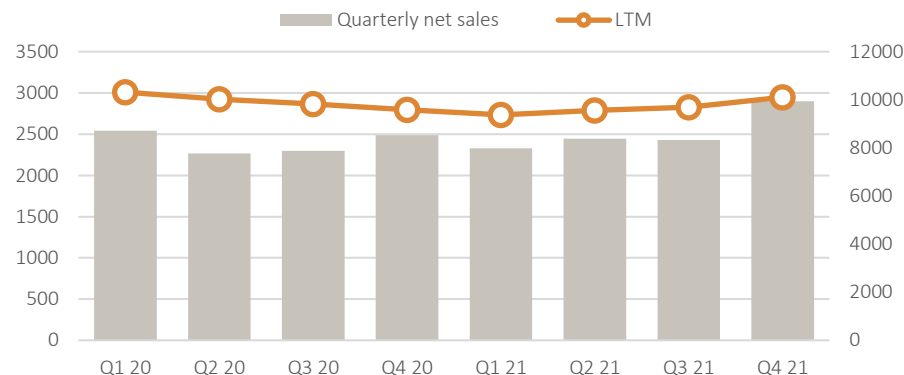
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# Sales and Adj. EBITA development

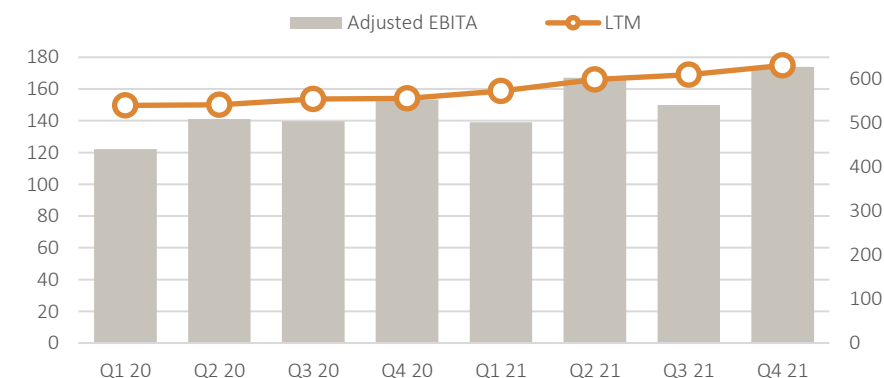
## Profit & Loss

	Q4		Chg.	LTM	Full-year
	2021	2020		Q4	2020
Net sales	2 901	2 489	412	10 104	9 591
Adj. EBITA	174	153	21	631	556
Adj. EBITA margin	6.0%	6.2%	-0.2%	6.2%	5.8%
EBIT	95	82	13	403	318
Financial net	-16	-18	2	-59	-66
Income tax expense	-18	-15	-3	-79	-61
Net income	62	49	12	265	191
Add-back amortization	52	48	4	190	193
Adj. Net income	113	97	16	455	384

## Net Sales Development, SEKm



## Adj. EBITA Development, SEKm



# Country by country

## SWEDEN

Share of Net Sales

**50%**

- Organic growth through new contracts (e.g., PostNord, Micasa, Borealis security) and partial C-19 recovery offsetting the lower volumes from less extensive maintenance stoppage
- Positive volume contribution from the acquisitions of Veolia and Inspira
- Margin strengthened by repayment from health insurance AGS. High integration cost effects negatively and C-19 sick leave. Underlying margin approx. at the same level as Q4 LY

	Q4	
	2021	2020
Organic Growth	6%	-10%
Acquired Growth	14%	1%
Adj. EBITA margin	12.2%	10.1%

## NORWAY

Share of Net Sales

**23%**

- Organic growth despite having the first quarter without Equinor Offices (Nov-Dec) . It is mainly compensated by high level of variable volumes from maintenance stoppages in the Oil & Gas industry and new customers
- Positive volume and profitability contribution from the acquisition of R&K Service
- Margin decreased due to change in contract mix and integration cost related to prolonged contract with Equinor production sites

	Q4	
	2021	2020
Organic Growth	1%	-8%
Acquired Growth	3%	0%
Adj. EBITA margin	4.5%	6.2%

## DENMARK

Share of Net Sales

**21%**

- Positive organic growth from new contracts, mainly DSB and PostNord, and partial 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 less C19-cleaning, together with integration of new contracts

	Q4	
	2021	2020
Organic Growth	21%	1%
Acquired Growth	0%	0%
Adj. EBITA margin	4.1%	4.5%

## FINLAND

Share of Net Sales

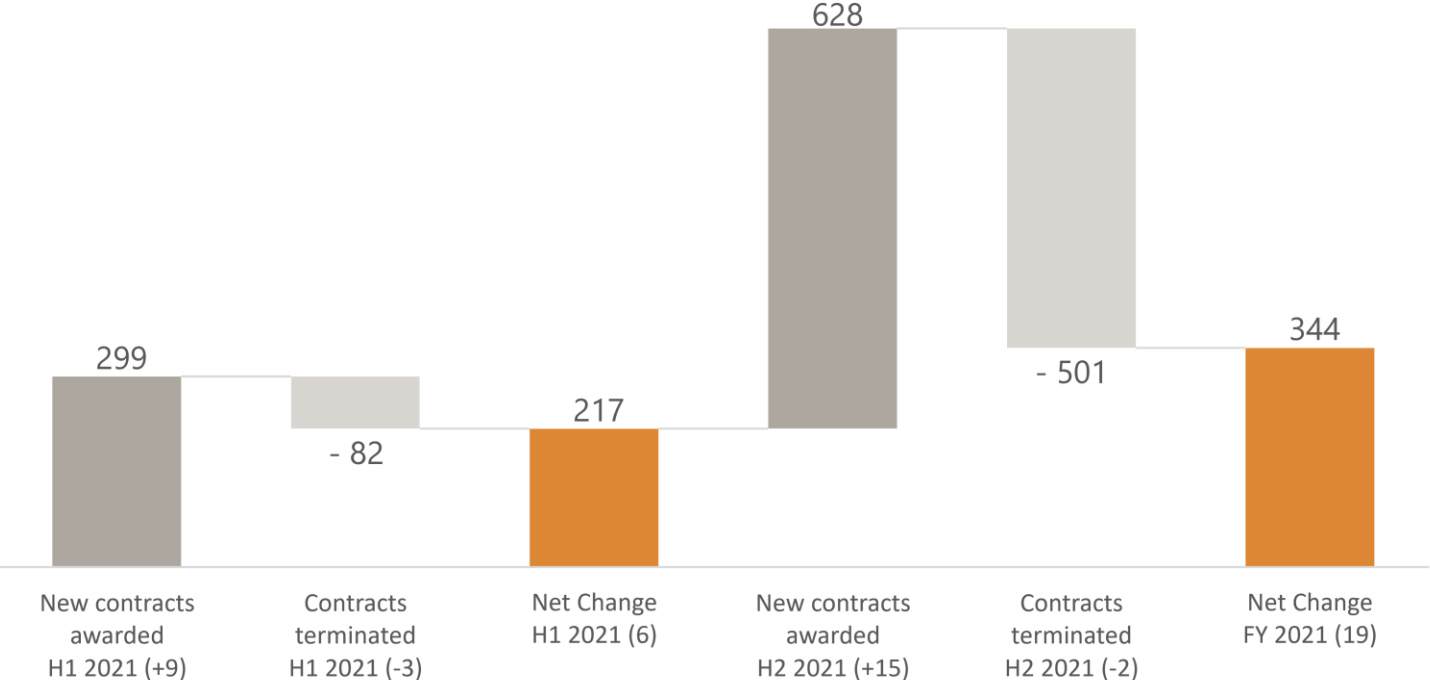
**6%**

- Volumes stable vs Q4 LY, excl Fx effect
- Margin and profit decreased slightly compared to Q4 LY, mainly driven by high C-19 sick leave

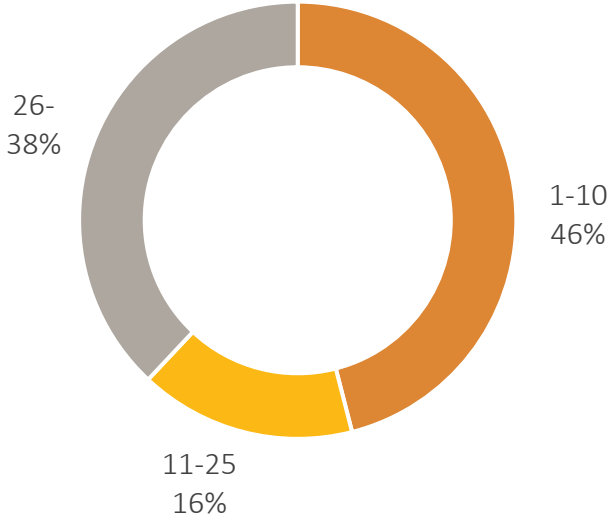
	Q4	
	2021	2020
Organic Growth	0%	4%
Acquired Growth	0%	0%
Adj. EBITA margin	1.8%	2.5%

# Contract portfolio & Customer concentration

## 2021 contract portfolio changes<sup>1</sup>



## Largest customers part of sales

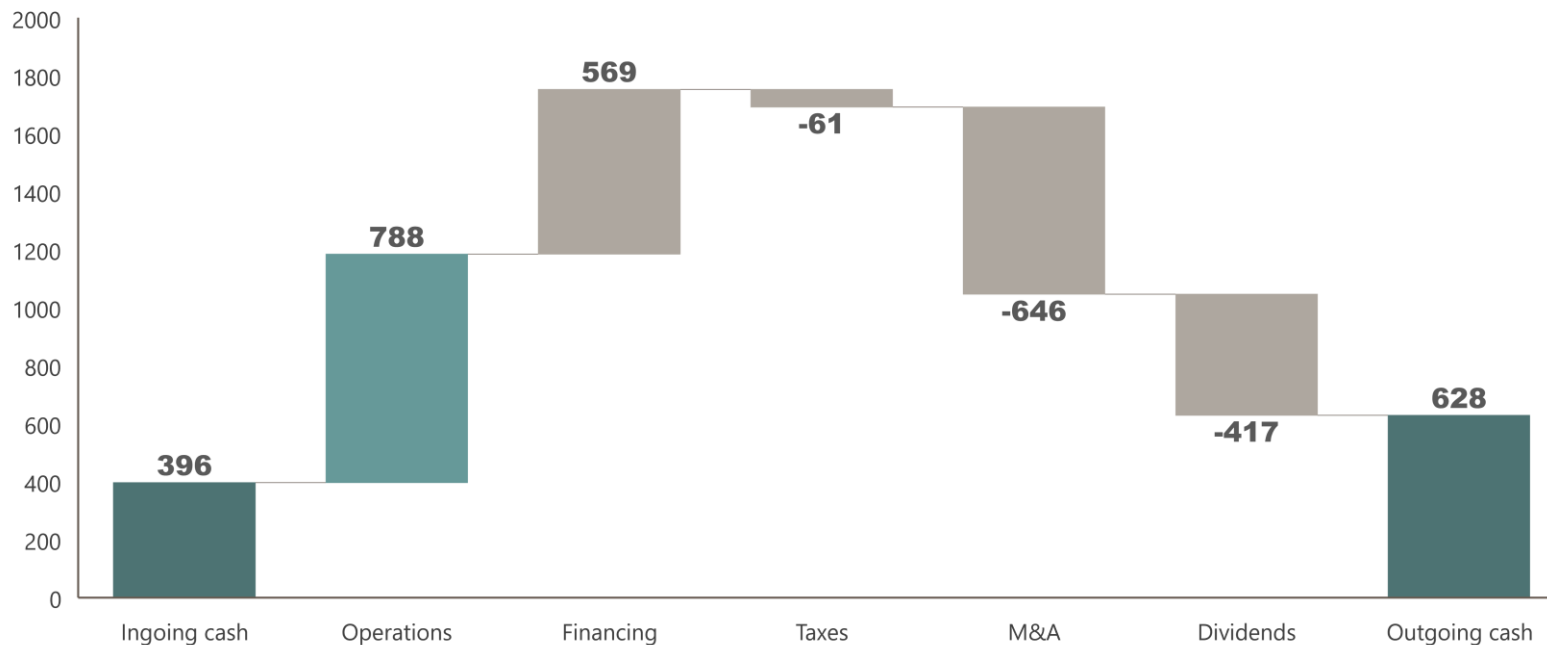


<sup>1</sup>contracts >5 SEKm per year



# Cash Flow LTM

SEKm



- Continued strong contribution from operations
- Financing – mainly related to changes in utilization of the RCF
- M&A – includes R&K in Norway as well as Veolia Technical Management and Inspira in Sweden



# Cash conversion & selected balance sheet details

## Cash conversion

(SEKm)

	Q4 2021	2020	LTM Q4	Full-year 2020
Adj. EBITDA	227	205	829	756
Capex	-19	-15	-68	-70
Change in working capital	95	62	49	133
Adj. operating cash flow	303	252	809	818
Cash conversion (%)	133%	123%	98%	108%

## Balance Sheet KPIs

(SEKm)

	31 Dec 2021	2020
Net Working Capital	-940	-881
<i>NWC, % of NS (LTM)</i>	-9.3%	-9.2%
<i>Equity/Assets Ratio</i>	28%	34%
Cash	628	396
Net debt	1 663	1 207
<i>Leverage</i>	2.0x	1.6x

## Coor's financing

- RCF of 1 500 SEKm, unutilized credit facility corresponds to 500 SEKm. Duration, including options, until 2024. Leverage covenant limit at 3.75x
- Senior unsecured bonds in the total amount of 1 000 SEKm, duration of 5 years from March 2019



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# A successful year with high business activity makes Coor well positioned for the future

## Growth

“New contracts across the Nordics and M&A-volumes in Sweden & Norway”

8%

Q4 Org.

8%

Q4 Acq.

5%

LTM Total

## EBITA margin

“Normalization of margins going forward”

6.0%

Q4

6.2%

LTM

## Cash conversion

“Strong cash flow focus across the organization”

98%

LTM

## Leverage

“Capacity for M&A even after recent acquisitions and dividend”

2.0x

LTM

## Dividend

“Increased dividend to shareholders”

4.80  
SEK/share

2021



# 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.

