

• **Passion for Service**
Passion for People

Interim report

Q4 2023

February 8, 2024

SERVICE *med* **IQ**

Coor is the leading FM provider in the Nordics

... with a clear ambition of becoming truly sustainable



Business

- Stable financial development
- High customer satisfaction



Social

- Engaged and motivated employees
- Zero accidents and zero long-term sick leave
- Equal opportunities



Environmental

- Responsible consumption
- Reduce greenhouse gases



~13,000
employees

~100
service offering

~15
scalable smart solutions

Agenda

- 1.** Key highlights in the quarter
- 2.** Financial performance
- 3.** Sum-up and Q&A

AnnaCarin Grandin, President and CEO
Andreas Engdahl, CFO and IR Director



Agenda

1. Key highlights in the quarter
2. Financial performance
3. Sum-up and Q&A

Key highlights in the quarter

- Business activity:
 - New contracts with OKG (Nuclear power plant in Oskarshamn) and Locum in Sweden
 - Prolongation of contracts with MAN and MCH (Messecenter Herning and Jyske Bank Boxen), extension with Topsoe in Denmark
 - Startup of IFM contract with Swedbank
 - Integration of acquired Skaraborgs Städ proceeding as planned
- Action program proceeding according to plan
- Changes Executive Management Team
 - Stine Solheim appointed President of Coor Norway
 - Magnus Wikström, President of the Swedish operations, leaves his post in mid-February and is succeeded by an external interim solution. A recruitment process has been started to find a permanent solution
- Continued growth opportunities in the Nordic market with organic growth as priority



Stine Solheim

Improved earnings and continued growth in the quarter



Business responsibility

	Q4 2023	Q4 2022	FY23	Mid-long term target
Organic growth	3%	-1%	2%	4-5% Organic net sales growth over a business cycle
Acquired growth	3%	4%	2%	n/a
Adj. EBITA margin	5,1%	5,0%	4,9%	~5,5% Adj. EBITA margin
Cash conversion¹⁾	86%	94%	86%	>90% (Adj. EBITDA – CAPEX – ΔWC) / Adj. EBITDA
Leverage¹⁾	2,5x	1,9x		<3,0x Net debt / Adj. EBITDA LTM
Customer Satisfaction²⁾ Customer satisfaction index (CSI)	71	71		≥70
Dividend			3.00 SEK per share	~50% of profit after tax and before amortization and impairment

¹ LTM ² Survey conducted once a year

Positive development on injury frequency



Social and environmental responsibility

Q4 2023

Q4 2022

Mid-long term target

Engaged and motivated employees¹
Employee motivation index (EMI)

76

76

≥70

Safe work environment²
Total Recorded Injury Frequency (TRIF)

5.5

7.0

≤3.5

Total number of accidents x 1,000,000/
number of hours worked

Equal opportunities
Share female / male managers

53% / 47%

50% / 50%

50% / 50%



Environmental responsibility

Scope 1 – From our vehicles
Reduction of green house gases²

14%

25%

-50%

Total CO2e emissions from Scope 1 and 2
compared to baseline in absolute numbers
(tCO2e)

Scope 2 – From our premises
Reduction of green house gases^{2,3}

-58%

-57%

Scope 3 - From F&B
Reduction of green house gases²

-19%

-17%

-30%

Total CO2e emissions from purchased food raw
material in kg/total number of kgs
purchased food raw material (kgCO2e/kg)

Scope 3 – SBTi aligned suppliers
Reduction of green house gases²

18%

4%

75%

of suppliers by emissions will be
aligned to Science Based Targets

¹ Survey conducted once a year ² LTM ³ Measured at year end

Agenda

1. Key highlights in the quarter
2. Financial performance
3. Sum-up and Q&A

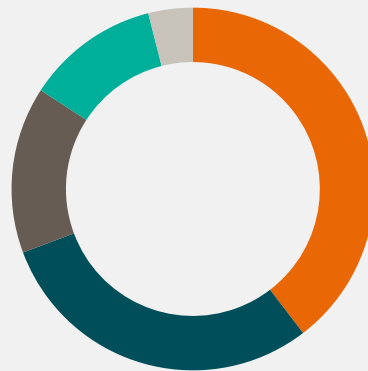
Net Sales segmentation

Turnover by contract type



- IFM 57%
- Single services 43%

Turnover by service



- Cleaning 40%
- Property 30%
- Workplace 15%
- Food & Beverage 12%
- Other 4%

Turnover by customer segment



- Public 32%
- Manufacturing 21%
- Energy 14%
- IT & Telecom 8%
- Real estate & Construction 10%
- Other 15%

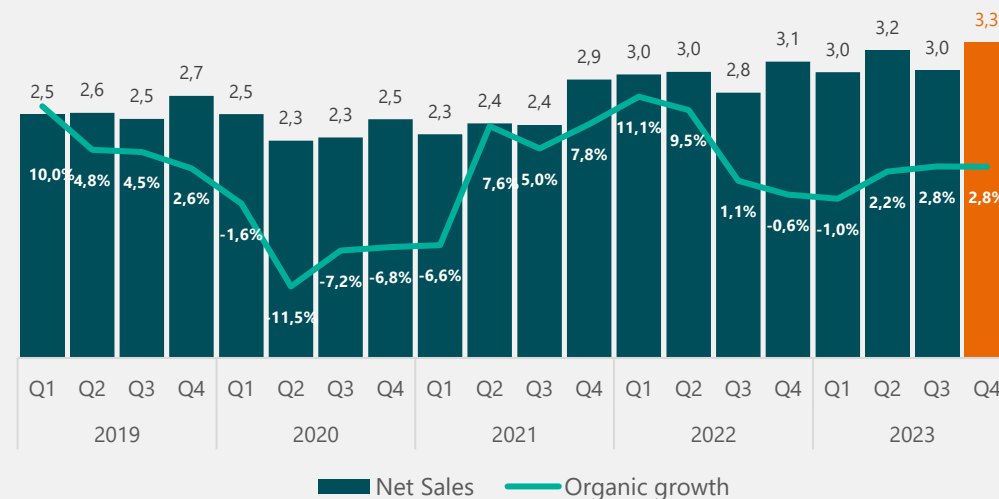
Net Sales
(LTM)
12.4
bnSEK

Sales and Adj. EBITA development

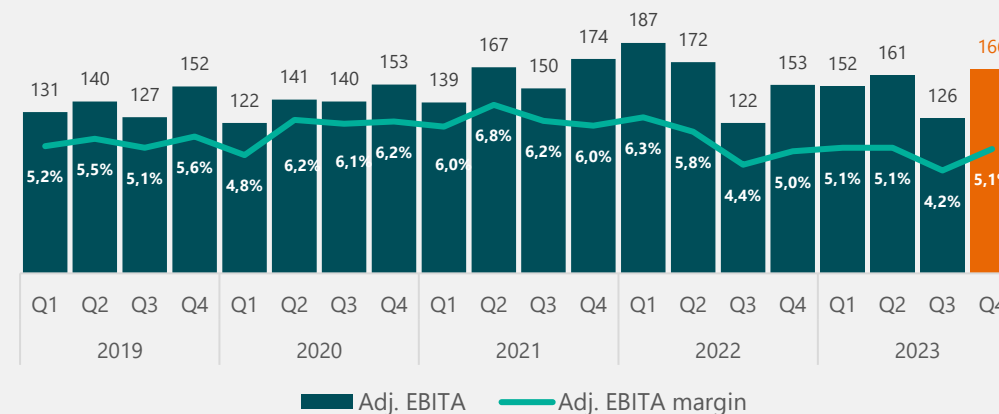
Profit & Loss

	Q4		Chg.	Full-year	Full-year
	2023	2022		2023	2022
Net sales	3 287	3 088	199	12 443	11 789
Adj. EBITA	166	153	13	606	634
Adj. EBITA margin	5,1%	5,0%	0,1%	4,9%	5,4%
EBIT	86	97	-10	364	408
Financial net	-39	-23	-16	-144	-72
Income tax expense	-16	-19	3	-65	-79
Net income	30	54	-24	155	257
Add-back amortization	23	32	-9	130	156
Adj. Net income	53	86	-33	285	414

Net Sales development, bnSEK



Adj. EBITA development, mSEK



By geographic region

SWEDEN Share of Net Sales

53%

- Organic growth flat in the quarter. Several new midsized contracts (S:t Göran and Alstom) and continued high variable volume compensate a large lost contract
- Newly started contracts and acquisition of Skaraborgs Städ contribute positively to EBITA
- EBITA and Margin negatively affected by high sick leave cost together with the lost contract with Ericsson. The effect is amplified by lost synergies with other contracts, which the business is gradually managing

	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
Organic Growth (%)	0	-4	3	-1	0
Acquired Growth (%)	8	1	4	7	6
EBITA Margin (%)	9,4	9,9	9,3	7,7	8,8

DENMARK Share of Net Sales

24%

- Organic growth from indexations and high variable volume, partly offset by a couple of lost small contracts
- Stronger EBITA and margin mainly explained by positive effects from indexation, with some retroactive effects, together with effect of the adaptations of the Danish organization that were carried out during the second quarter of this year

	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
Organic Growth (%)	15	18	6	0	1
Acquired Growth (%)	-	-	-	-	-
EBITA Margin (%)	4,1	4,1	4,5	3,8	5,4

NORWAY Share of Net Sales

17%

- High organic growth from several midsized contracts started first half of the year
- Negative development of margin primarily attributable to newly started contracts with lower initial margins

	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
Organic Growth (%)	-16	-9	-4	18	15
Acquired Growth (%)	-	-	-	-	-
EBITA Margin (%)	4,5	4,2	3,7	3,3	4,0

FINLAND Share of Net Sales

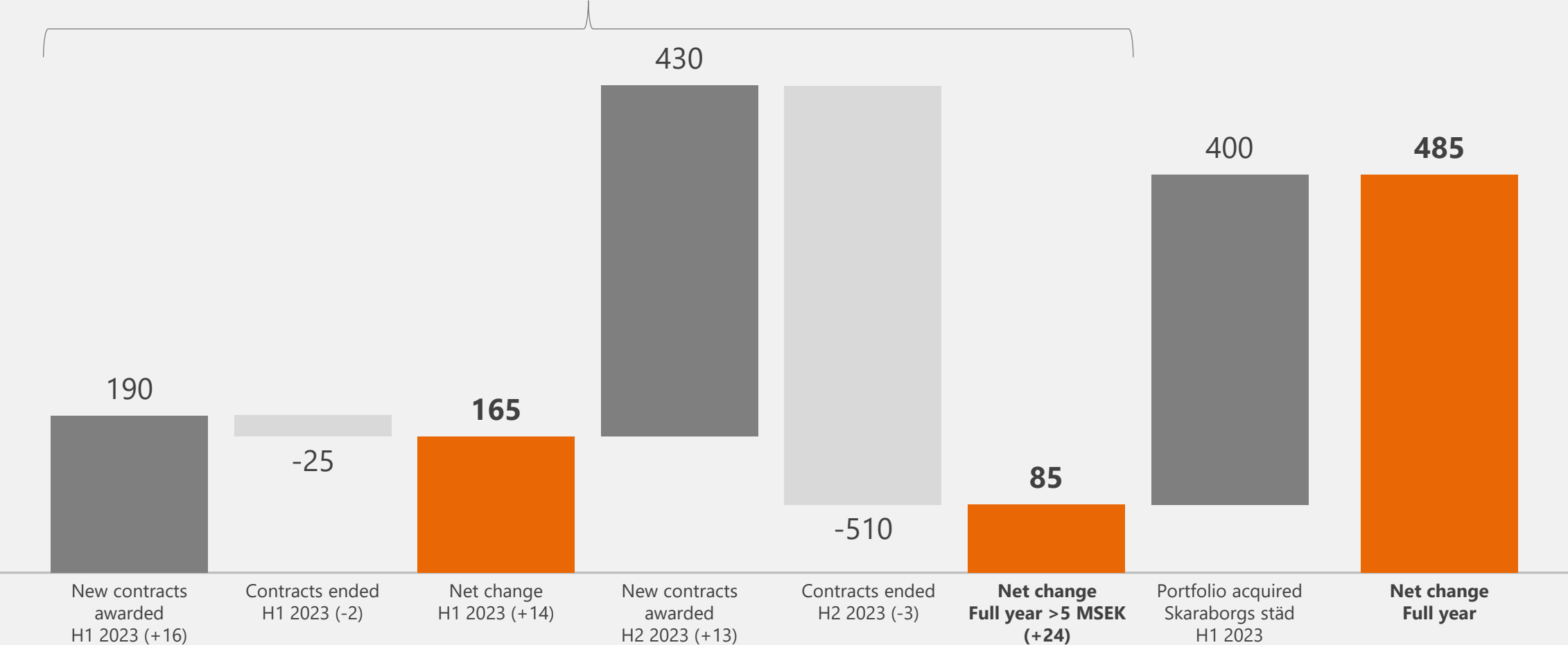
6%

- Organic growth from new contracts and high variable volumes, partly offset by a couple of discontinued small loss-making contracts in northern Finland
- EBITA and margin stronger than LY. Increased margin is attributable to implemented efficiency actions and to a couple of smaller terminated loss-making contracts in northern Finland that had a negative impact on profitability last year

	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
Organic Growth (%)	-6	-10	3	4	4
Acquired Growth (%)	-	-	-	-	-
EBITA Margin (%)	0,2	0,7	1,2	5,8	1,2

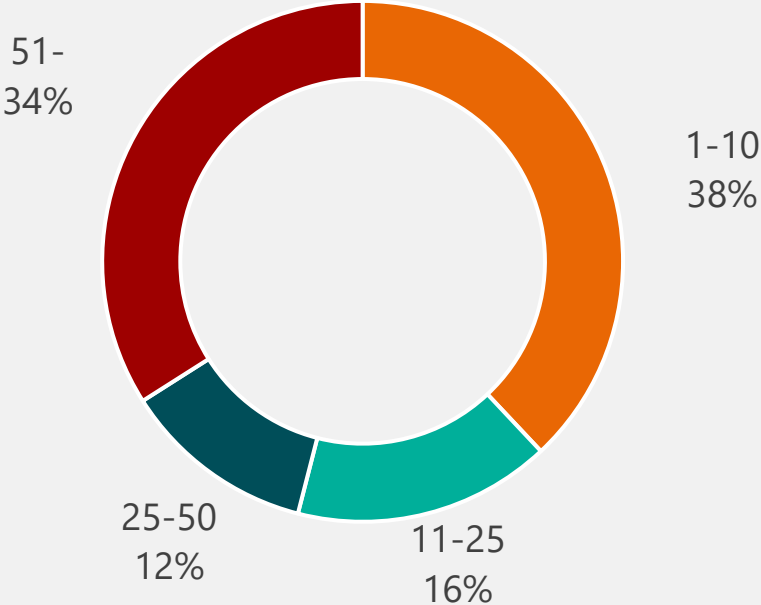
Contract portfolio development

Contracts >5 MSEK annual sales

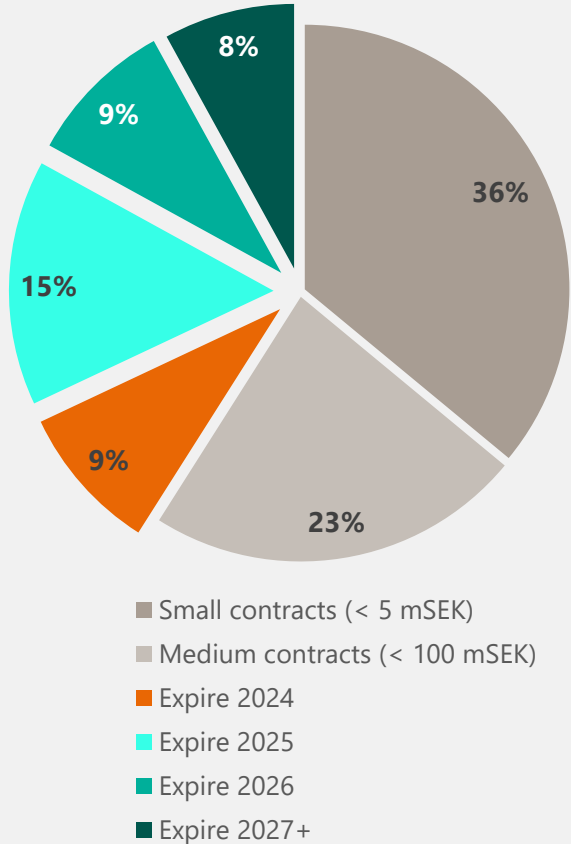


Contract concentration & maturity

Largest customer part of sales



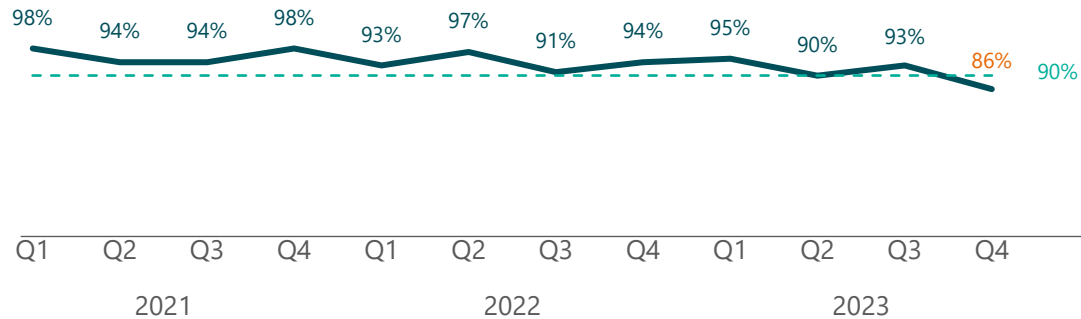
Large¹ contract maturity



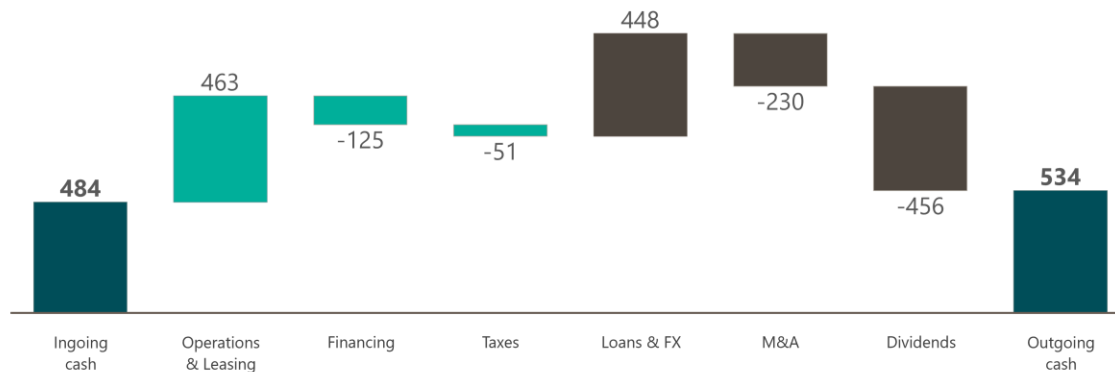
¹ Customer contracts > 100 SEKm per year

Stable cash conversion

Cash conversion (LTM)



Cash flow (FY), Q4 2023

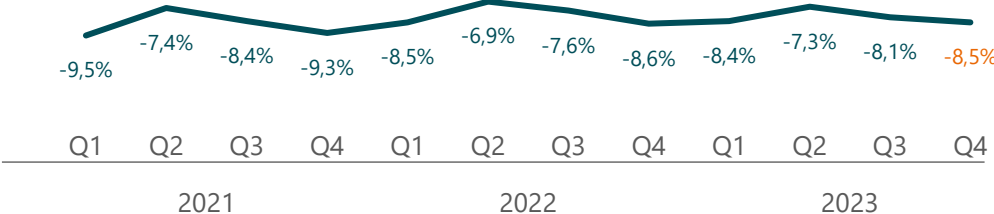


Key comments

- Continued stable contribution from operations, cash conversion at 86% (LTM) in Q4 2023
- Somewhat higher past due receivables at year end due to the quarter ending on a Sunday, all overdue receivables paid early January
- Stable pattern on customer payments
- M&A related to Skaraborgs Ståd in Sweden

Balance sheet

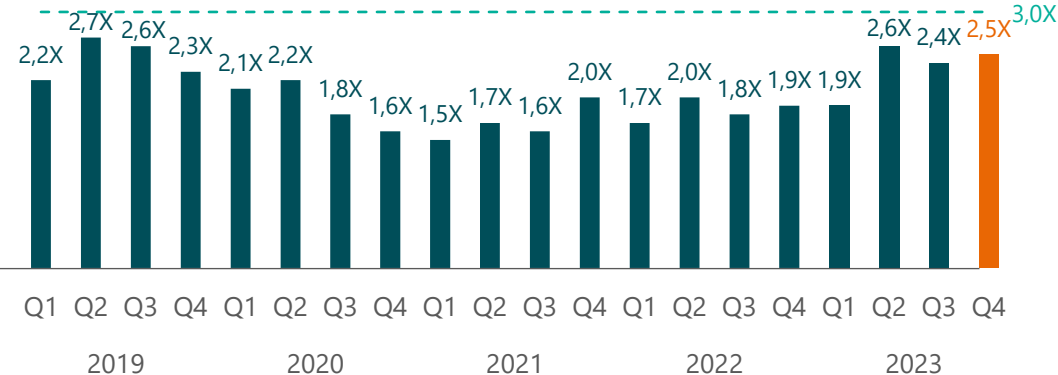
NWC, % of Net Sales (LTM)



Key comments

- Net Working Capital as % of Net Sales (LTM) at -8.5%, in line with Q4 last year
- Leverage at 2.5X, a slight increase compared to previous quarter driven by distributing the extraordinary dividend in October

Leverage



Agenda

1. Key highlights in the quarter
2. Financial performance
3. Sum-up and Q&A

Summary of the fourth quarter



Business

High activity in the quarter with new contract wins, prolongations and integration

Continued growth opportunities in the Nordic market



Profitability

Action program proceeding according to plan



Dividend

Board of Directors propose a dividend of 3.00 SEK/share for 2023

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

