Green Landscaping

Market headwinds weigh on margins

- Sales -8%, adj. EBITA -13% vs. cons, -9% org. growth
- Consensus to lower '25e-'27e EBITA by 3-5%
- Share to react negative on the weak market

Q2 details

Lower sales and earnings vs. consensus. Sales came in at SEK 1,610m (-4% vs. ABGSCe, -8% vs. cons), -3% y-o-y of which -9% organically (ABGSCe -2%, cons -1%, -18% Q1'25), driven by the effects of the mild winter on the quarter in Sweden and Norway, but with a gradually improving activity level throughout the quarter. Adj. EBITA decreased -4% y-o-y to SEK 145m (-10% vs. ABGSCe, -13% vs. cons), for a margin of 9.0% (ABGSCe 9.6%, cons 3.8%, 9.1% Q2'24) driven by weak margins in Norway. FCF was weak, at SEK -142m (101m in Q1), while gearing was higher q-o-q at 3.3x (3.2x) and 2.9x pro forma (2.5x).

Estimate changes and outlook

Looking ahead, management says that the market has moved sideways in recent quarters and there is still uncertainty regarding how long the market will stay weak. We expect consensus to lower '25e-'27e EBITA by 3-5% as the uncertainty in the market remains.

Final thoughts

A report below expectations with a weak market and effects of the mild winter on the beginning of the quarter. The share has underperformed the broader market into numbers (-4% L1M vs. OMXSGI 4%) and is trading at 12-8x EBITA '25e-'27e (~12x L5Y). We believe the market will focus on the weak market in Norway and Sweden. There is a conference call at 14:00 CET (link)

Fast comment

Commissioned research

Not rated

Services

GREEN-SE/GREEN SS

Share price (SEK)	17/7/2025	60.90
MCap (SEKm)		3,453
MCap (EURm)		305
No. of shares (m)		56.7
Free float (%)		48.2
Av. daily volume (k)		10

Next event Q2 Report 23 October 2025

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Outcome vs. expectations

Outcome table	LY	Actual		ABGSCe		Cons		
SEKm	**Q2'24**	**Q2'25**	**y-o-y**	**Q2'25e**	**Dev**	**Q2'25e**	**Dev**	**Diff**
Net sales	**1,657**	**1,610**	**-3%**	**1,680**	**-4%**	**1,753**	**-8%**	**-4%**
Adj. EBITA (ABGSCe)	**150**	**145**	**-4%**	**162**	**-10%**	**167**	**-13%**	**-3%**
ABGSCe IAC (acq cost, etc)	-7	0		0		0		
EBITA	**143**	**145**	**1%**	**162**	**-10%**	**167**	**-13%**	**-3%**
PPA amortisation	-24	-24		-33		-27		
EBIT	**119**	**121**	**2%**	**129**	**-6%**	**140**	**-14%**	**-8%**
Net financials	-40	-36		-30		-36		
PTP	**79**	**85**	**7%**	**99**	**-14%**	**104**	**-18%**	**-5%**
Taxes	-21	-19		-25		26		
NCI, disc	0			0				
Net profit	**59**	**65**	**11%**	**74**	**-12%**	**78**	**-17%**	**-5%**
Growth and margins	**Q2'24**	**Q2'25**	**y-o-y**	**Q2'25e**	**Dev**	**Q2'25e**	**Dev**	**Diff**
Sales growth	**11%**	**-3%**		**1%**		**6%**		
Organic	5%	-9%		-2%		-1%		
FX	0%	-2%		-3%		-3%		
Structure	6%	8%		7%		9%		
Adj. EBITA growth	**7%**	**-4%**		**8%**		**11%**		
Adj. EBITA margin	**9.1%**	**9.0%**	**-0.1%**	**9.6%**	**-0.6%**	**9.5%**	**-0.5%**	**0.1%**
EBITA margin	**8.7%**	**9.0%**	**0.4%**	**9.6%**	**-0.6%**	**9.5%**	**-0.5%**	**0.1%**
EBIT margin	7.2%	7.5%	0.3%	7.7%	-0.2%	8.0%	-0.5%	-0.3%
Sales per segment	**Q2'24**	**Q2'25**	**y-o-y**	**Q2'25e**	**Dev**	**Q2'25e**	**Dev**	**Diff**
Sweden	707	644	-9%	714	-10%	703	-8%	2%
Norway	683	636	-7%	598	6%	650	-2%	-8%
Rest of Europe	268	333	24%	368	-9%	393	-15%	-6%
Central	-1	-3		0		7		
Group	**1,657**	**1,610**	**-3%**	**1,680**	**-4%**	**1,753**	**-8%**	**-4%**
EBITA per segment	**Q2'24**	**Q2'25**	**y-o-y**	**Q2'25e**	**Dev**	**Q2'25e**	**Dev**	**Diff**
Sweden	40	36	-10%	46	-22%	46	-22%	1%
Norway	61	53	-13%	57	-7%	59	-10%	-4%
Rest of Europe	59	65	10%	74	-12%	78	-17%	-6%
Central	-17	-9		-15		-16		
Group	**143**	**145**	**1%**	**162**	**-10%**	**167**	**-13%**	**-3%**
Margins per segment	**Q2'24**	**Q2'25**	**y-o-y**	**Q2'25e**	**Dev**	**Q2'25e**	**Dev**	**Diff**
Sweden	5.7%	5.6%	-0.1%	6.5%	-0.9%	6.5%	-1.0%	0.0%
Norway	8.9%	8.3%	-0.6%	9.5%	-1.2%	9.1%	-0.7%	0.4%
Rest of Europe	22.1%	19.5%	-2.6%	20.0%	-0.5%	19.8%	-0.3%	0.2%
Group	**8.7%**	**9.0%**	**0.4%**	**9.6%**	**-0.6%**	**9.5%**	**-0.5%**	**0.1%**

Source: ABG Sundal Collier, company data, FactSet

SEKm	2023	2024	2025e	2026e	2027e
Sales	5,831	6,353	6,354	6,707	6,979
Sales growth (%)	*21.2*	*9.0*	*0.0*	*5.6*	*4.1*
EBITDA	739	801	866	947	996
EBITDA margin (%)	*12.7*	*12.6*	*13.6*	*14.1*	*14.3*
EBIT adj.	404	440	440	494	527
EBIT adj. margin (%)	*6.9*	*6.9*	*6.9*	*7.4*	*7.6*
Pretax profit	292	271	314	413	482
EPS	3.78	3.44	4.14	5.46	6.37
EPS growth (%)	*11.2*	*-9.1*	*20.2*	*31.9*	*16.7*
EPS adj.	5.45	5.09	5.85	7.20	8.11
DPS	0.00	0.00	0.00	0.00	0.00
EV/EBITDA (x)	7.6	7.4	6.6	5.6	4.8
EV/EBIT adj. (x)	13.9	13.5	13.0	10.7	9.0
P/E (x)	16.1	17.7	14.7	11.2	9.6
P/E adj. (x)	11.2	12.0	10.4	8.5	7.5
EV/sales (x)	0.96	0.93	0.90	0.79	0.68
FCF yield (%)	2.9	6.0	11.7	17.3	22.8
Le. adj. FCF yld. (%)	-2.5	0.0	5.6	10.9	16.3
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Net IB debt/EBITDA (x)	2.9	3.1	2.6	1.9	1.3
Le. adj. ND/EBITDA (x)	2.7	2.8	2.3	1.6	0.8

Source: ABG Sundal Collier, Company Data

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