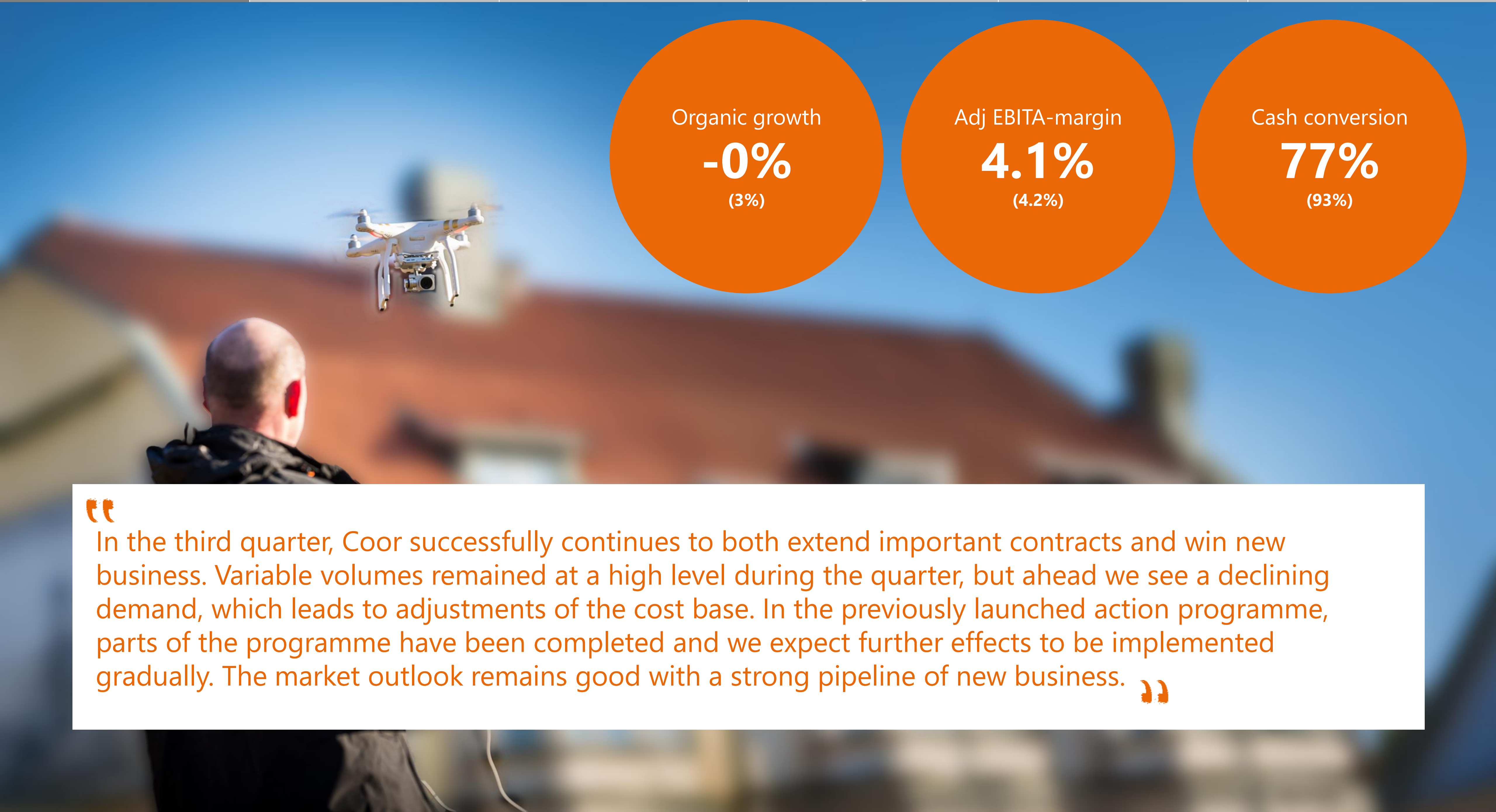
Interim report

Q3 2024

Oct 24, 2024

COOR

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



Organic growth
-0%
(3%)

Adj EBITA-margin
4.1%
(4.2%)

Cash conversion
77%
(93%)

"In the third quarter, Coor successfully continues to both extend important contracts and win new business. Variable volumes remained at a high level during the quarter, but ahead we see a declining demand, which leads to adjustments of the cost base. In the previously launched action programme, parts of the programme have been completed and we expect further effects to be implemented gradually. The market outlook remains good with a strong pipeline of new business."

Key highlights

- Development contract portfolio
  - Important contract prolongations
  - New wins in small and medium segment
  - Declining demand for variable volumes, which leads to adjustments of the cost base
- Progress action program
  - Staff reductions completed
  - Harmonisation processes requires more resources and time than previously expected
  - Procurement efficiencies expected to delivery continuous improvements towards the end of the year
- First place in Allbright's annual gender equality report
- Market outlook
  - Pipeline of new business remains strong
  - Positive trend in working from the office, high demand in consulting business Advisory

A seasonally weaker third quarter in line with last year

Business responsibility	Q3 2024	Q3 2023	LTM	Mid-long term target
Organic growth	0%	3%	1%	4-5% Organic net sales growth over a business cycle
Acquired growth	0%	4%	2%	n/a
Adj. EBITA margin	4.1%	4.2%	4.8%	~5.5% Adj. EBITA margin
Cash conversion[1)]	77%	93%		>90% (Adj. EBITDA – CAPEX – ΔWC) / Adj. EBITDA
Leverage[1)]	2.7x	2.4x		<3.0x Net debt / Adj. EBITDA LTM
Customer Satisfaction[2)] **Customer satisfaction index** (CSI)	70	71		≥70

[1] LTM [2] Survey conducted once a year

Positive sustainability trends

Social and environmental responsibility	Q3 2024	Q3 2023	Mid-long term target
Engaged and motivated employees[1] **Employee motivation index** (EMI)	-	76[1]	≥70
Safe work environment[2] **Total Recorded Injury Frequency** (TRIF)	6.5	6.6	≤3.5 Total number of accidents x 1,000,000/ number of hours worked
Equal opportunities **Share female / male managers**	51% / 49%	52% / 48%	50% / 50%

Environmental responsibility	Q3 2024	Q3 2023	Mid-long term target
Scope 1 & 2 – From our vehicles & premises[2] **Reduction of green house gases**	-22%	1%	-50% Total CO2e emissions from Scope 1 and 2 compared to baseline in absolute numbers (tCO2e)
Scope 3 - From F&B[2] **Reduction of green house gases**	-16%	-19%	-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[2] **Reduction of green house gases**	23%	12%	75% of suppliers by emissions will be aligned to Science Based Targets

[1] Survey conducted once a year [2] LTM

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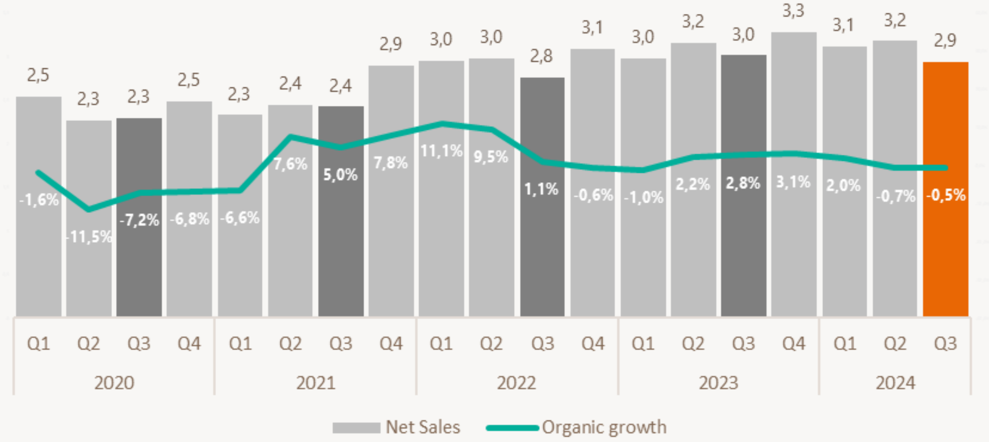
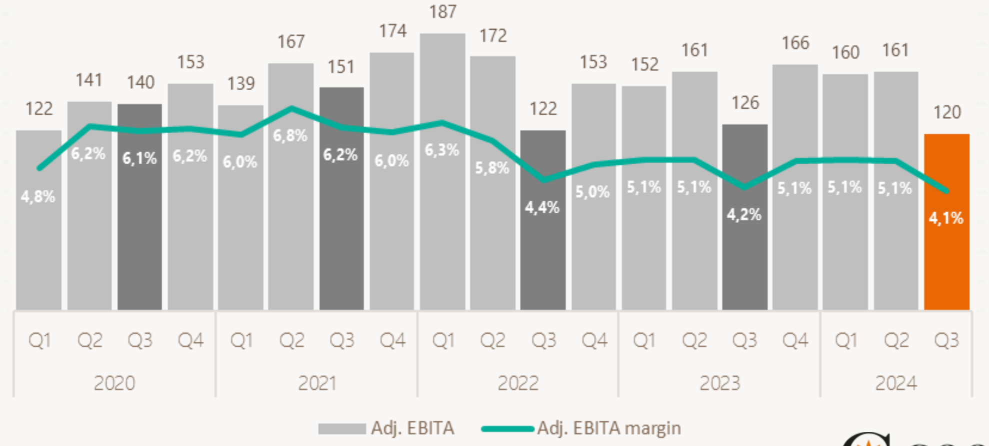
Net Sales and Adj. EBITA development

Profit & Loss	Q3 2024	Q3 2023	Q3 Chg.	LTM 2024	LTM 2023
Net sales	2 943	3 016	-72	12 534	12 443
Adj. EBITA	120	126	-7	607	606
Adj. EBITA margin	*4,1%*	*4,2%*	*-0,1%*	*4,8%*	*4,9%*
EBIT	73	78	-5	416	364
Financial net	-47	-38	-10	-174	-144
Income tax expense	-10	-12	2	-72	-65
Net income	17	28	-12	169	155
Add-back amortization	15	31	-15	74	130
Adj.Net income	32	59	-27	244	285

Net Sales development, bnSEK



Adj. EBITA development, mSEK



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Sweden

Solid underlying growth, declining demand for variable volume ahead

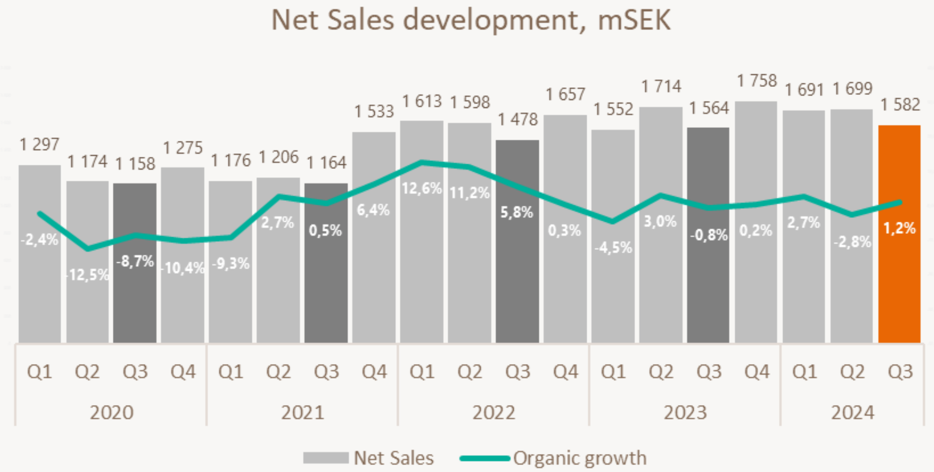
Share of Net Sales **54%**

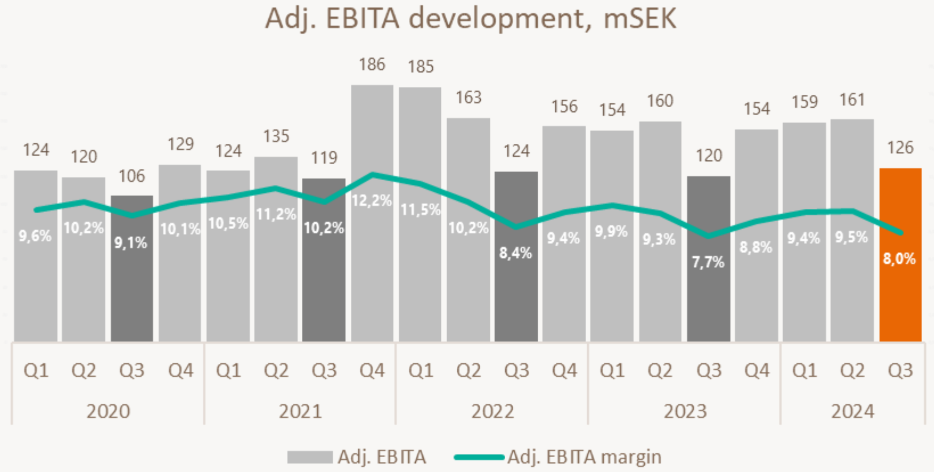
Organic growth **1.2%** **(LY -1%)**

Adj EBITA-margin **8.0%** **(LY 7.7%)**

Q3 2024

- Solid underlying growth from new contracts. Excluding the ended contract with Ericsson organic growth was 6%
- Variable volume largely in line with previous year. Ahead, we see a declining demand.
- New contracts and effects from action program contributes to EBITA while ended contract with Ericsson affects negatively.
- Lower profitability in parts of the Swedish cleaning operations, which is explained by excessive resource utilization. An action plan has been initiated to gradually return to the previous level of profitability during the fourth quarter





Denmark

Lower variable volume, adjustments of the cost base being implemented

Share of Net Sales **23%**

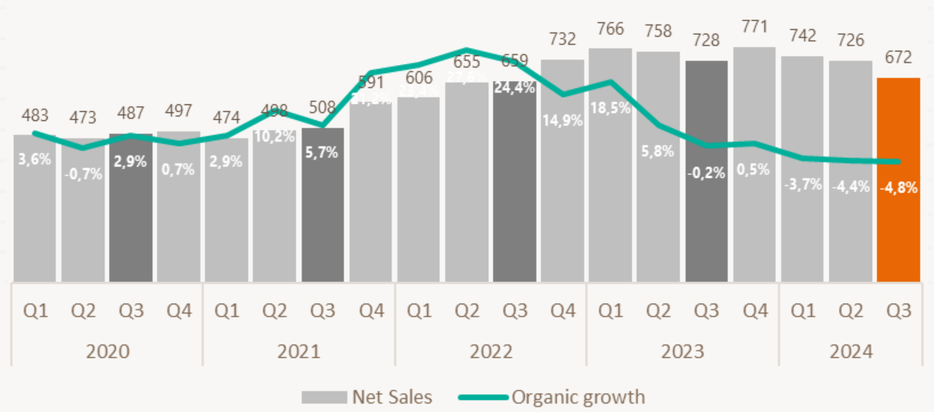
Organic growth **-4.8%** **(LY -0%)**

Adj EBITA-margin **3.5%** **(LY 3.8%)**

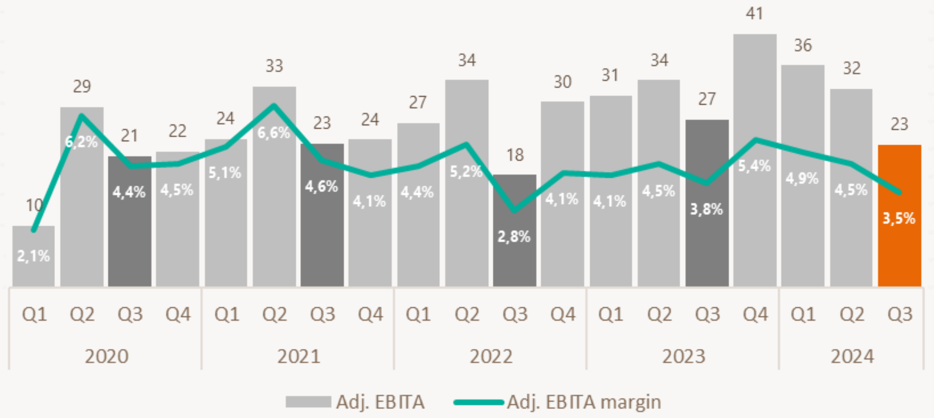
Q3 2024

- Negative organic growth from a couple of ended midsized public contracts and somewhat lower variable volume in the public sector
- FX effects negative 3% in the quarter
- Ended contracts and lower variable volume in the public sector affects negatively
- After two quarters with lower variable volumes, adjustments are made to the Danish operations to adjust the cost base for lower demand

Net Sales development, mSEK



Adj. EBITA development, mSEK



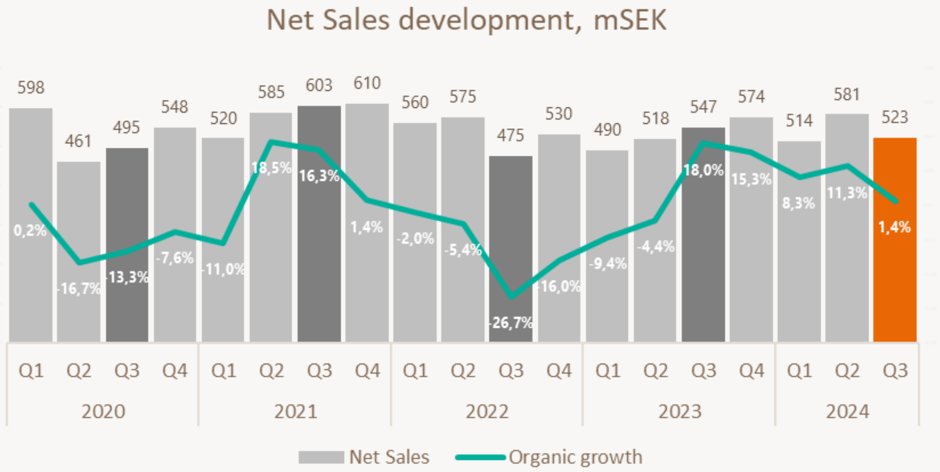
Norway

Margin improvements in a more mature contract portfolio

Share of Net Sales **17%**

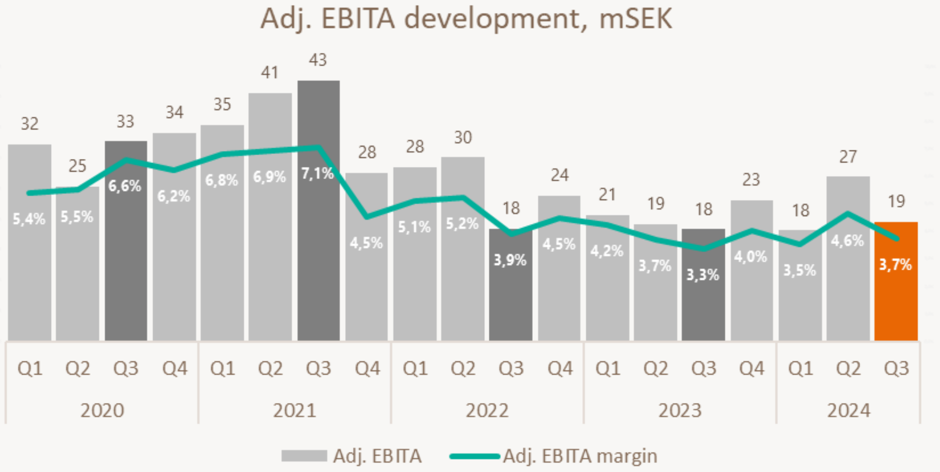
Organic growth **1.4%** **(LY 18%)**

Adj EBITA-margin **3.7%** **(LY 3.3%)**



Q3 2024

- Lower organic growth compared to previous quarter with contracts started first half of 2023 fully reflected in last year´s numbers.
- Continued high variable volume from periodic maintenance stops in the Energy sector.
- During this year, both the second and third quarters have had high variable volumes from the Energy sector, volumes which mainly occurred in the third and fourth quarters previous year.
- FX effects negative 6% in the quarter
- Higher adjusted EBITA and margin positively affected by a more mature contract portfolio compared to the same period previous year



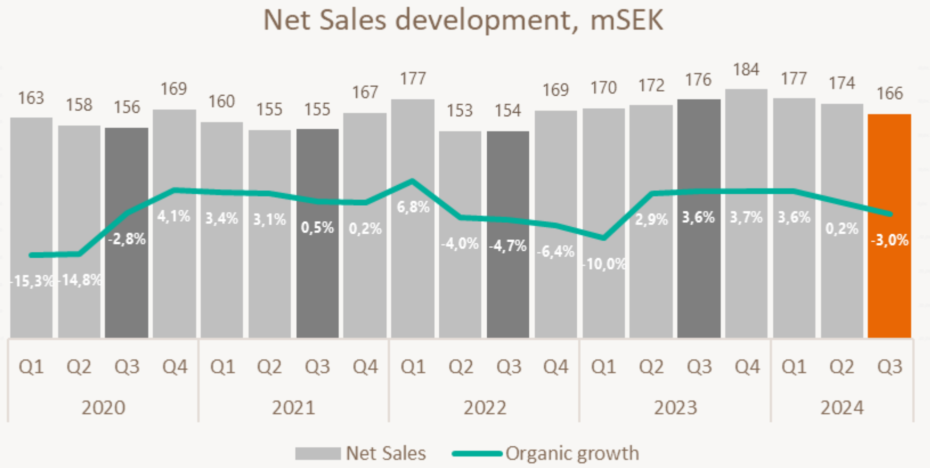
Finland

Margins in line with last year

Share of Net Sales
6%

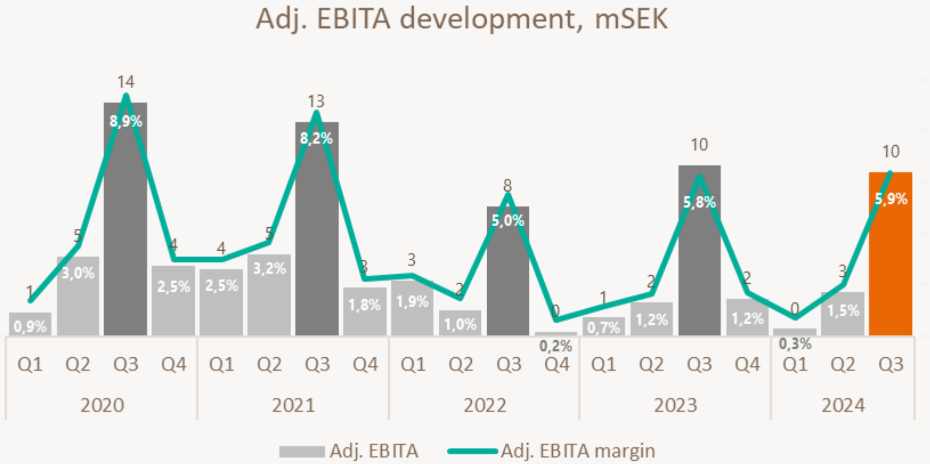
Organic growth
-3.0%
(LY 4%)

Adj EBITA-margin
5.9%
(LY 5.8%)



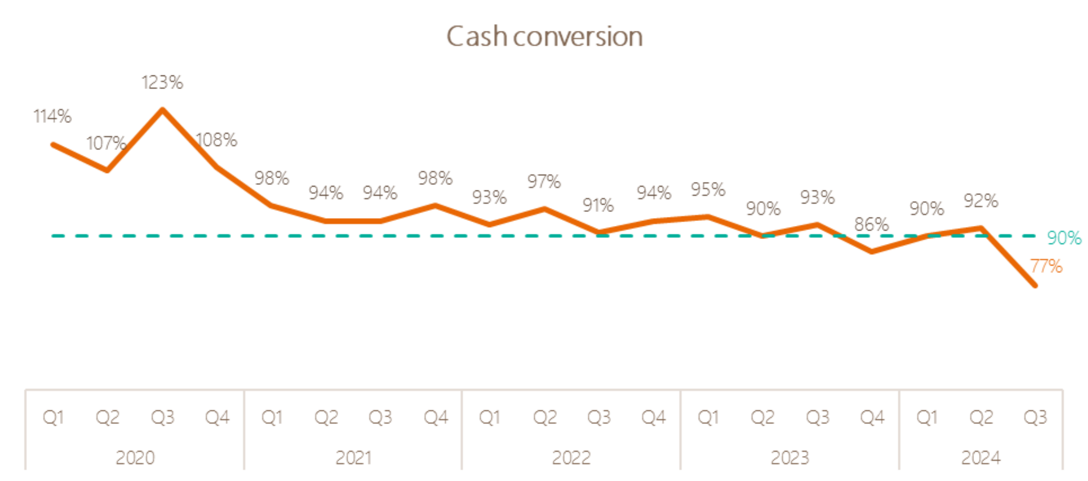
Q3 2024

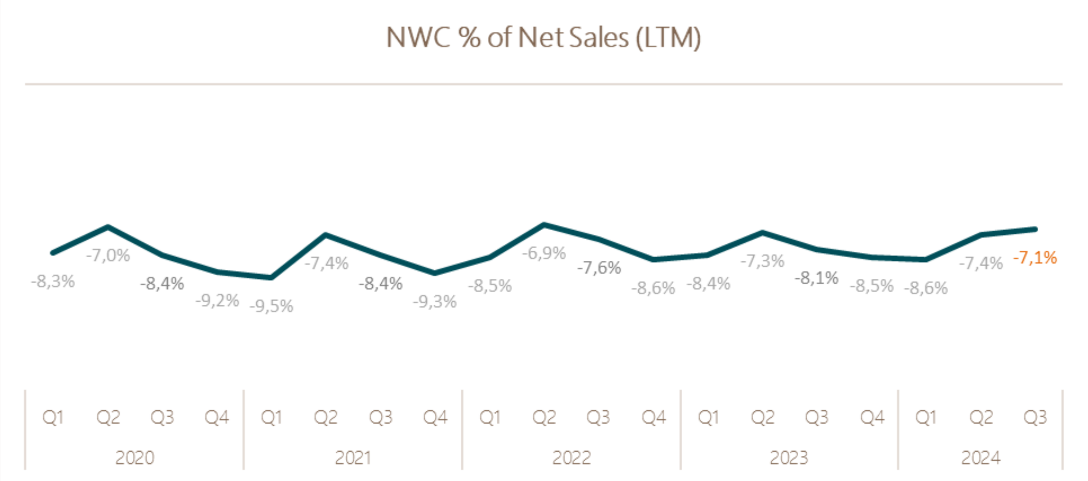
- Negative organic growth explained by a couple of discontinued small loss-making contracts in northern Finland
- FX effects negative 3% in the quarter
- Adjusted EBITA and margin largely unchanged compared to previous year

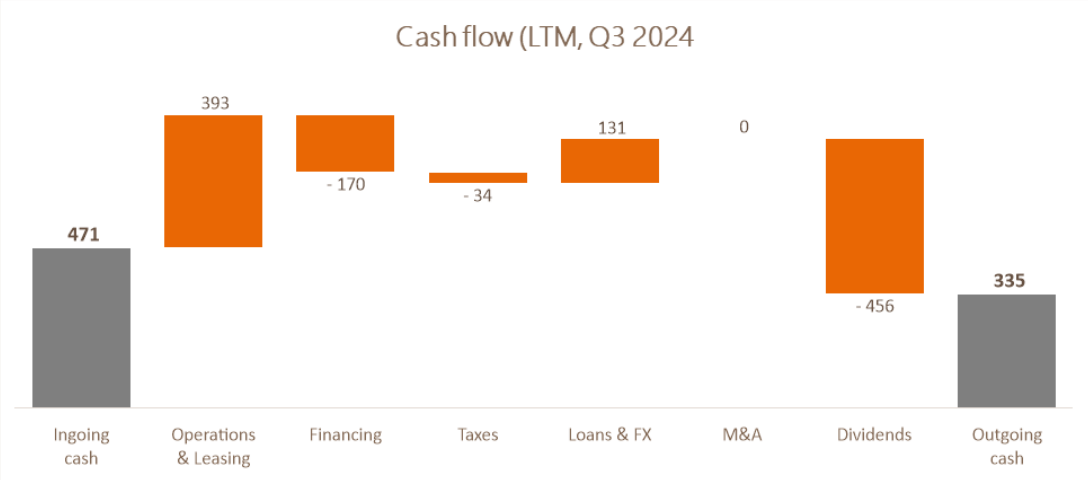


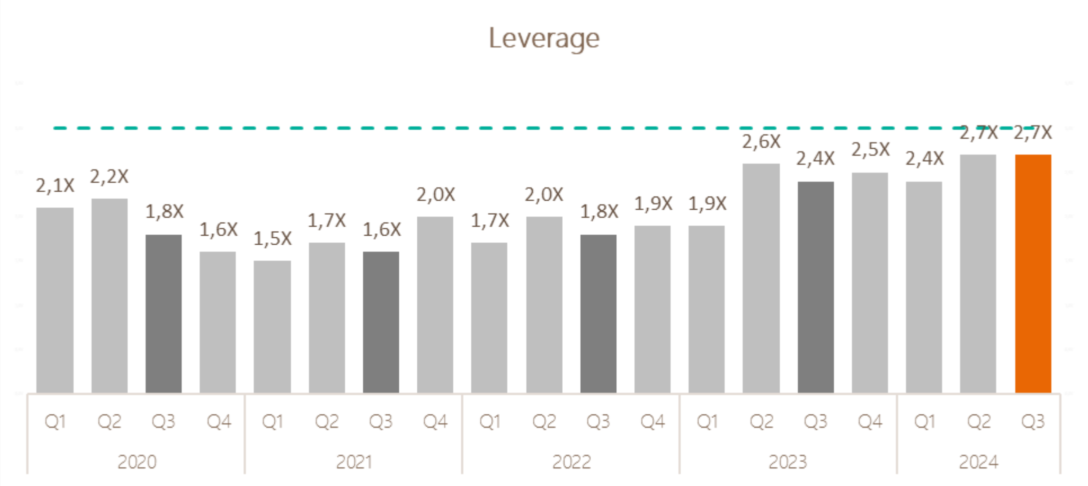
Cash flow and Balance sheet

Increase in working capital, full focus in the coming quarter to reduce accrued revenues









Key take aways

Organic growth
-0%
(LY 3%)

Adj EBITA-margin
4.1%
(LY 4.2%)

Cash conversion
77%
(93%)

- Coor continued to successfully extend important contracts as well as win new ones
- Declining demand for variable volumes in Sweden and Denmark, which leads to adaptations of the cost base
- In the ongoing action programme, downsizing of administrative resources was completed during the second quarter. Harmonisation of processes and procurement efficiency are ongoing, and we expect effects to be implemented gradually in the coming quarters
- In parts of the Swedish cleaning operations, we saw lower profitability in the quarter, which is explained by excessive resource utilization. An action plan has been initiated to gradually return to the previous level of profitability during the fourth quarter
- Cash conversion amounts to 77 percent, which is primarily due to an increase in working capital of SEK 88 million, explained by increased accrued revenue. During the fourth quarter, the operations will focus on invoicing accrued revenues to restore the net working capital position

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