

INTERIM REPORT Q2, JANUARY–JUNE 2021

Strong organic growth and historically high earnings level

Second quarter of 2021

- Net sales in the second quarter amounted to SEK 2,445 (2,265) million. Organic growth was 8 per cent and growth from acquisitions 1 per cent, while exchange rate effects accounted for -1 per cent.
- Adjusted EBITA increased by 19 per cent to SEK 167 (141) million and the operating margin was 6.8 (6.2) per cent.
- EBIT was SEK 119 (86) million. Profit after tax was SEK 81 (52) million.
- Earnings per share were SEK 0.8 (0.5).
- Cash conversion for the most recent 12-month period amounted to 94 (107) per cent.
- Leverage in relation to adjusted EBITDA was 1.7 (2.2).

First half of the year (January–June 2021)

- Net sales in the first half of the year amounted to SEK 4,775 (4,806) million. Organic growth was 0 per cent and growth from acquisitions 1 per cent, while exchange rate effects accounted for -1 per cent.
- Adjusted EBITA increased by 16 per cent to SEK 306 (263) million and the operating margin was 6.4 (5.5) per cent.
- EBIT was SEK 203 (147) million. Profit after tax was SEK 134 (83) million.
- Earnings per share were SEK 1.4 (0.9).

GROUP EARNINGS SUMMARY

	Apr-Jun		Jan-Jun		Rolling	Jan-Dec
	2021	2020	2021	2020	12 mth.	2020
Net sales	2,445	2,265	4,775	4,806	9,560	9,591
Organic growth, %	8	-11	0	-7	-4	-7
Acquired growth, %	1	2	1	2	1	2
FX-effects, %	-1	-2	-1	-1	-2	-2
Adjusted EBITA	167	141	306	263	599	556
Adjusted EBITA-margin, %	6.8	6.2	6.4	5.5	6.3	5.8
EBIT	119	86	203	147	374	318
Income for the period	81	52	134	83	241	191
Cash conversion, %	10	17	48	73	94	108
Earnings per share, SEK	0.8	0.5	1.4	0.9	2.5	2.0

See page 29 for definitions and calculations of key performance indicators. Items affecting comparability are presented in Note 3

CEO'S COMMENTS

STRONG ORGANIC GROWTH AND HISTORICALLY HIGH EARNINGS LEVEL

Coor delivered operating profit of SEK 167 (141) million for the second quarter and the operating margin increased to 6.8 (6.2) per cent. Sales amounted to SEK 2,445 (2,265) million, with organic growth of 8 per cent. Coor's cash flow and balance sheet remain strong, with cash conversion of 94 (107) per cent over the most recent 12 months and a continued low leverage of 1.7 (2.2) times adjusted EBITDA. This provides us with excellent scope and financial capacity for new business opportunities and business acquisitions.

ALL COUNTRIES GREW ORGANICALLY AND STRENGTHENED THEIR MARGINS

All of Coor's countries delivered positive organic growth. Norway accounted for the most significant growth at 19 per cent, followed by Denmark at 10 per cent. Organic growth was mainly driven by increased assignment volumes, not least in the Norwegian oil and gas industry. Although the Nordic region continued to be impacted by COVID-19 in the second quarter, we also noted positive effects from food and beverages in Denmark as a growing number of people returned to the office. Demand for professional cleaning remained favourable throughout the Nordic region. New and expanded business also contributed positively to organic growth in the quarter.

All countries reported improved profitability for the second quarter, with Norway and Sweden in particular noting a significant improvement in their margins. Coor's customer-oriented and decentralised organisation has successfully continued to adapt and improve the efficiency of operations, benefiting our customers and providing strong financial results. In addition the organisation's focus on costs and efficiency, positive volume and mix effects also contributed to improved operating profit.

COOR WINS CUSTOMERS THROUGHOUT THE NORDIC REGION

The first half of the year was intense, with Coor securing new business and extending existing contracts in all countries. Through a strong inflow of new contract volumes, Coor increased its contract portfolio during the first half of the year by a total of SEK 217 million (net).

In the second quarter, Coor secured a new IFM contract with Danske Statsbaner (DSB) with an annual value of approximately SEK 150 million. The contract extends for five years with an option to extend for a further three years. On 15 June, Coor announced it had won and thereby renewed its IFM contract for Equinor's production sites in Norway, with sales of approximately SEK 300 million. The contract extends for five years with an option to extend for a further three years.

In Finland, Coor extended its property services agreement with Attendo for three years, with an option to extend for a further three years. In Sweden, Coor landed a new three-year security assignment for Borealis.

The integration of the acquired company R&K Service in Norway is proceeding according to plan and the company continued to deliver in line with our high expectations.

CONTINUED FOCUS ON SUSTAINABILITY AND INNOVATION

Coor is continuing to devote considerable focus to sustainability and during the second quarter decided to gradually transition to a fossil-free vehicle fleet. In June, Coor made the decision to only permit new company cars for personal use that are 100 per cent electric. Work also began ahead of the transition to an electric fleet of company cars and service vehicles.

The organisational changes carried out at the end of 2020 in order to intensify Coor's development and innovation efforts continued to yield results, which was also reflected in increased customer demand. One recently launched innovation was Coor's advanced SmartDrone, an intelligent drone with AI technology. SmartDrone has a wide range of applications. For example, it can be used to detect water damage, energy leaks and other types of defects in buildings at an early stage. SmartDrone can also be used to replace old drawings with more precise, easy-to-use 3D models.

WELL-POSITIONED FOR THE FUTURE

The first half of the year was characterised by a number of positive events, and we are currently engaged in numerous dialogues with new and existing customers in order to continue developing and growing Coor in line with our long-term targets. In the second quarter, Coor made an important decision to expand its Advisory operations across the entire Nordic region. Advisory services offer important support for both existing and potential customers, providing guidance and suggesting solutions for customers' future workplace environments.

We are seeing clear indications that the second half of the year will be characterised by a gradual return to the offices as the vaccination programme continues and the spread of COVID-19 decreases in the Nordic region. The pipeline of new business remains very strong. With a healthy cash flow and strong balance sheet, we also see favourable opportunities to carry out acquisitions in the Nordic region, targeting businesses and geographic regions that will strengthen our customer offering and contribute to increased value for Coor's shareholders.

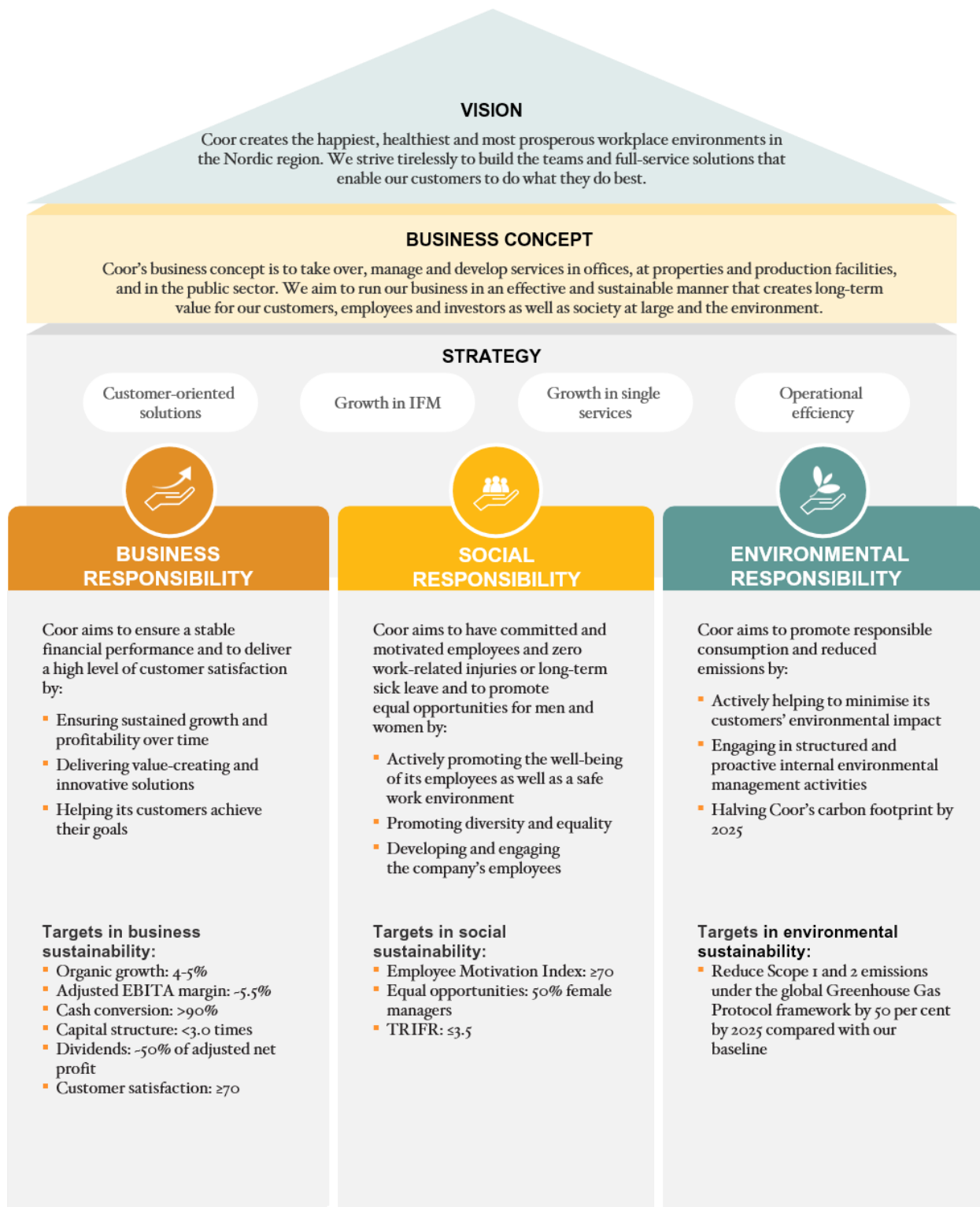
Stockholm, 15 July 2021

AnnaCarin Grandin
President and CEO, Coor



OUR OPERATIONS IN THREE DIMENSIONS

Delivering on Coor's strategy and developing our business in line with Coor's vision requires a long-term approach to sustainability. Coor strives to conduct its business in a responsible manner. This means that we create value in three dimensions: financially, socially and environmentally.





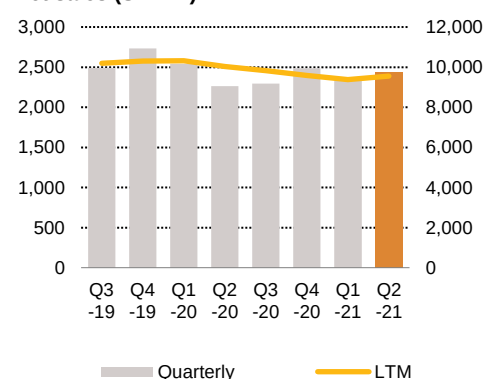
BUSINESS RESPONSIBILITY



SALES AND EARNINGS

Key performance indicators	Apr-Jun		Jan-Jun	
	2021	2020	2021	2020
Net sales	2,445	2,265	4,775	4,806
Organic growth, %	8	-11	0	-7
Acquired growth, %	1	2	1	2
FX effects, %	-1	-2	-1	-1
Adjusted EBITA	167	141	306	263
Adjusted EBITA-margin, %	6.8	6.2	6.4	5.5
EBIT	119	86	203	147
EBIT-margin, %	4.9	3.8	4.2	3.1
Number of employees (FTE)	9,051	9,124	9,051	9,124

Net sales (SEK m)



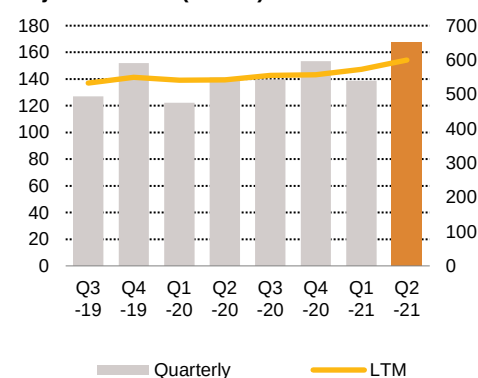
Second quarter (April–June)

Net sales increased 8 per cent compared with the year-earlier period. Organic growth was positive and amounted to 8 per cent. While the highest organic growth was reported in Norway and Denmark, all countries made a positive contribution. Organic growth was mainly driven by increased assignment volumes, not least in the Norwegian oil and gas industry. We also noted positive effects from food and beverages in Denmark as a growing number of people returned to the office, and demand for professional cleaning remained favourable across the entire Nordic region. Acquired growth in the quarter amounted to 1 per cent and was entirely attributable to the Norwegian operations. Exchange rate effects amounted to -1 per cent.

Operating profit (adjusted EBITA) amounted to SEK 167 (141) million. The operating margin for the quarter was 6.8 (6.2) per cent. The improvement was driven by effective cost control, efficiency improvements and profitability-enhancing measures across the entire organisation as well as positive volume and mix effects.

EBIT was SEK 119 (86) million. In addition to the increase in adjusted EBITA, items affecting comparability and amortisation of customer contracts and trademarks were also lower compared with the second quarter of the preceding year.

Adjusted EBITA (SEK m)



Net sales by country (LTM)



- Sweden, 50%
- Norway, 22%
- Denmark, 21%
- Finland, 7%

Net sales by type of contract (LTM)



- IFM, 58%
- FM-Services, 42%

Net sales by type of service (LTM)



- Cleaning, 39%
- Property, 31%
- Workplace, 18%
- Food & Beverage, 7%
- Other, 5%

Net sales by customer segment (LTM)



- Public, 27%
- Manufacturing, 23%
- Oil & Gas, 17%
- IT & Telecom, 10%
- Real estate & Construction, 8%
- Other, 15%

First half of the year (January–June)

Sales declined 1 per cent compared with the first half of the preceding year. Organic growth was 0 per cent and growth from acquisitions 1 per cent, while exchange rate effects accounted for -1 per cent.

Operating profit (adjusted EBITA) increased by 16 per cent year-on-year to SEK 306 (263) million. The operating margin was 6.4 (5.5) per cent. EBIT was SEK 203 (147) million.

FINANCIAL NET AND PROFIT AFTER TAX

Net financial items for the first half of the year improved by SEK 6 million compared with the year-earlier period, primarily attributable to a reduction in interest expenses due to lower utilisation of the revolving credit facility.

Tax for the first half of the year was SEK -42 (-30) million, corresponding to 24 (26) per cent of profit before tax. Profit after tax was SEK 134 (83) million.

FINANCIAL POSITION

Consolidated net debt at the end of the period was SEK 1,389 (1,621) million.

The company's leverage, defined as net debt to adjusted EBITDA (rolling 12 months), was 1.7 (2.2) at the end of the period, which is well in line with the Group's target of a leverage below 3.0.

Equity at the end of the period was SEK 2,033 (2,008) million, and the equity/assets ratio was 34 (33) per cent. During the second quarter, the Group paid dividends to shareholders amounting to SEK 190 million, which reduced the Group's equity with a corresponding amount.

Cash and cash equivalents amounted to SEK 57 (203) million at the end of the period. At the end of the period, the Group had undrawn credit lines totalling SEK 1,350 (1,050) million.

CASH FLOW

Operating cash flow varies from one quarter to the next. The key parameter to follow is the rolling 12-month change in working capital. In the past 12 months, working capital declined by SEK 7 million, driven by ongoing focused efforts across the entire organisation.

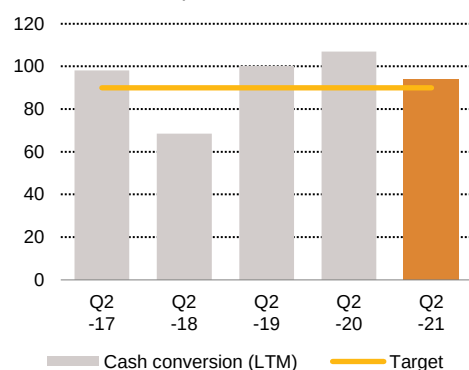
The most important key performance indicator for Coor's cash flow is cash conversion, which is defined as the ratio of a simplified operating cash flow to adjusted EBITDA. Cash conversion for the most recent 12-month period amounted to 94 (107) per cent, which is well in line with the Group's target of cash conversion of over 90 per cent.

Financial net (SEK m)	Jan-Jun	
	2021	2020
Net interest, excl leasing	-19	-23
Net interest, leasing	-4	-5
Borrowing costs	-2	-2
Exchange rate differences	1	-1
Other	-3	-2
Total financial net	-27	-34
Profit before tax	175	113
Tax	-42	-30
Income for the period	134	83

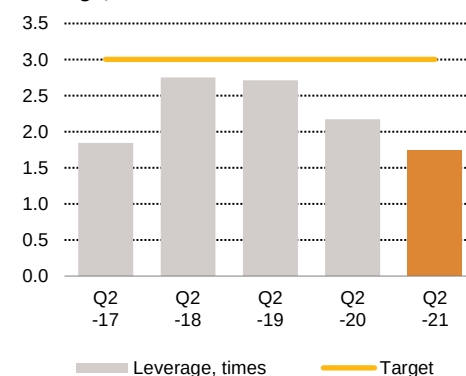
Net debt (SEK m)	30 Jun		31 Dec
	2021	2020	2020
institutions	143	441	241
Corporate bond	1,000	1,000	1,000
Leasing, net	301	350	328
Other	2	34	33
	1,446	1,825	1,603
Cash and cash equivalents	-57	-203	-396
Net debt	1,389	1,621	1,207
Leverage, times	1.7	2.2	1.6
Equity	2,033	2,008	2,079
Equity/assets ratio, %	34	33	34

Cash conversion (SEK m)	Rolling 12 mth.		Jan-Dec
	2021	2020	2020
Adjusted EBITDA	797	746	756
Change in net working capital	7	130	133
Net investments	-57	-78	-70
Cash flow for calculation of cash conversion	747	797	818
Cash conversion, %	94	107	108

Cash conversion, %



Leverage, times



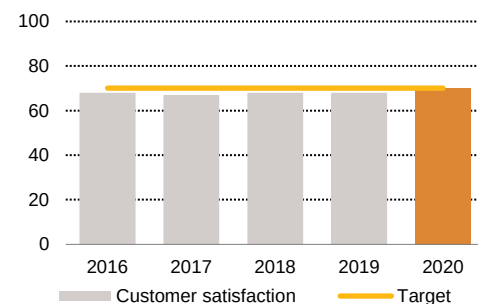
CUSTOMER RELATIONSHIPS

Customer satisfaction

Every year, Coor conducts a survey among its customers with the aim of monitoring its performance as a service provider. Coor's customer satisfaction has remained stable at a high level, with a score of 70 (68) in the latest survey. The number of contact persons who completed the survey increased to 805, compared with 676 in the preceding year. The results from the customer survey provide valuable input for the future, with regard to the development of Coor's relationships with its customers as well as its internal development as a company.

As a supplement to the annual survey, we continuously follow up on customer satisfaction. These qualitative and quantitative follow-ups are customised based on the specific customer and focus on both service delivery and customer relations. Quantitative surveys are carried out using, for example, pulse surveys.

Customer satisfaction index



Contract portfolio

The net change in the contract portfolio for the first half of the year was SEK +217 million. The largest new contracts were with DSB (IFM), PostNord (IFM) and Borealis (Security).

SIGNIFICANT EVENTS DURING THE QUARTER

- On 12 May 2021, Coor's Board of Directors resolved to exercise the repurchase authorisation granted by the 2021 Annual General Meeting and acquire Coor shares on Nasdaq Stockholm for the purpose of securing the financial exposure for Coor's long-term incentive programme.
- On 3 June 2021, it was announced that Coor had signed a new IFM contract with Danish rail operator DSB. The assignment has an annual contract value of approximately SEK 150 million. The contract extends for five years with an option to extend for a further three years. Delivery will start on 1 October 2021 and includes cleaning, restaurant services, janitorial services, internal services (reception, post), space management (relocation and furnishings), surveillance, waste management and exterior maintenance for all of DSB's properties with a total area of approximately 650,000 square metres.
- On 15 June 2021, it was announced that Equinor had chosen to prolong its cooperation with Coor by signing a new agreement relating to service deliveries to Equinor's production sites. The agreement extends for five years with an option to extend for a further three years and has an annual contract value of approximately SEK 300 million, including Coor's estimate of annual variable project volumes. The agreement applies from 1 November 2021.

	2021		2020	
	No. of con-tracts	Annual sales	No. of con-tracts	Annual sales
New contracts during the period	9	299	6	100
Completed contracts during the period	-3	-82	-4	-45
Net change in the portfolio	6	217	2	55

Changes in the contract portfolio include all contracts over SEK 5 million in annual sales and are reported semi-annually. For new contracts concluded during the period, the contracted or estimated annual sales volume is indicated. For contracts that were completed during the period, the sales volume for the last 12-month period with full delivery is indicated.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- There were no significant events to report after the end of the period.



SOCIAL RESPONSIBILITY



ORGANISATION AND EMPLOYEES

At the end of the period, the number of employees was 11,184 (11,359), or 9,051 (9,124) on a full-time equivalent basis.

EQUAL OPPORTUNITIES

Coor believes firmly that a diversity of personalities, backgrounds, experiences and knowledge creates the right conditions for the company's continued success. As part of its efforts to ensure diversity, Coor clearly strives for an equal gender distribution among its managers. At the end of the period, there was a highly even distribution of men and women in managerial positions.

EMPLOYEE MOTIVATION

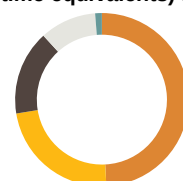
Each year, Coor also carries out a comprehensive employee survey with the help of an external research firm. The survey gives employees an opportunity to provide anonymous feedback on what it is like to work at Coor. The results of the survey are important for our efforts to become an even more attractive employer. 85 (80) per cent of all employees responded to the latest survey, which showed an employee motivation index (EMI) of 78 (77). This is a very high result and represents an increase for the sixth year running.

HEALTH AND SAFETY

Coor has a clear vision to achieve zero work-related injuries, and it goes without saying that all employees should have a safe work environment. Managers and employees take responsibility for preventing and avoiding injuries. All employees are encouraged to report observed risks. Risk observations, incidents and injuries are reported directly to the relevant manager, after which a follow-up and analysis of preventive measures is conducted. The results are followed up and analysed at the country and Group level on an ongoing basis. In several countries, extended training initiatives and "I Care" campaigns are being carried out with a focus on raising the level of risk awareness in the organisation.

Coor's medium-term goal is for the Group's total recorded injury frequency rate (TRIFR) to be less than 3.5. For full-year 2020, the Group's TRIFR was 9.9. In the second quarter of 2021 (rolling 12 months), the Group's TRIFR was 9.1. Coor is working systematically and continuously to achieve the target level of ≤ 3.5 . Coor has achieved substantial improvements since the baseline was established in 2016 when the Group's TRIFR was 21.3.

Distribution of employees (full-time equivalents) at the end of the period



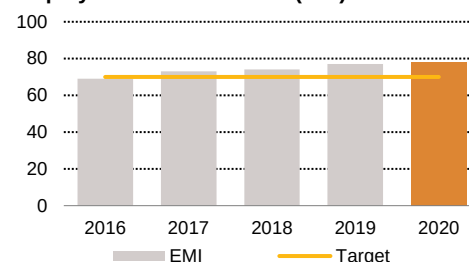
Sweden, 49%
Denmark, 23%
Norway, 16%
Finland, 11%
Group functions, 1%

Equal opportunities (gender distribution of managers at the end of the period)

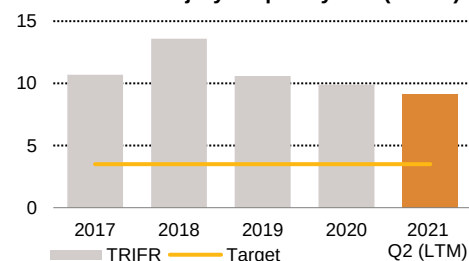


Female, 49%
Male, 51%

Employee motivation index (EMI)



Total recorded injury frequency rate (TRIFR)





ENVIRONMENTAL RESPONSIBILITY



AMBITION

In Coor's strategic plan for 2025, the ambition was established to be a truly sustainable company. Part of this involves Coor working to reduce its emissions of greenhouse gases. Coor calculates emissions according to the Greenhouse Gas (GHG) Protocol.

Target to reduce Scope 1 and 2 greenhouse gases by 50 per cent

Coor's operations give rise to direct emissions of greenhouse gases from our vehicle fleet and machinery (Scope 1), indirect emissions from energy use in the form of electricity, heating and cooling (Scope 2) and emissions that occur in our value chain where Coor does not always own the process or have direct control over production (Scope 3). These include purchases of goods and services, business trips and employees commuting to and from work. Our goal is to reduce our Scope 1 and 2 emissions under the global GHG Protocol framework by 50 per cent by 2025 compared with our baseline.

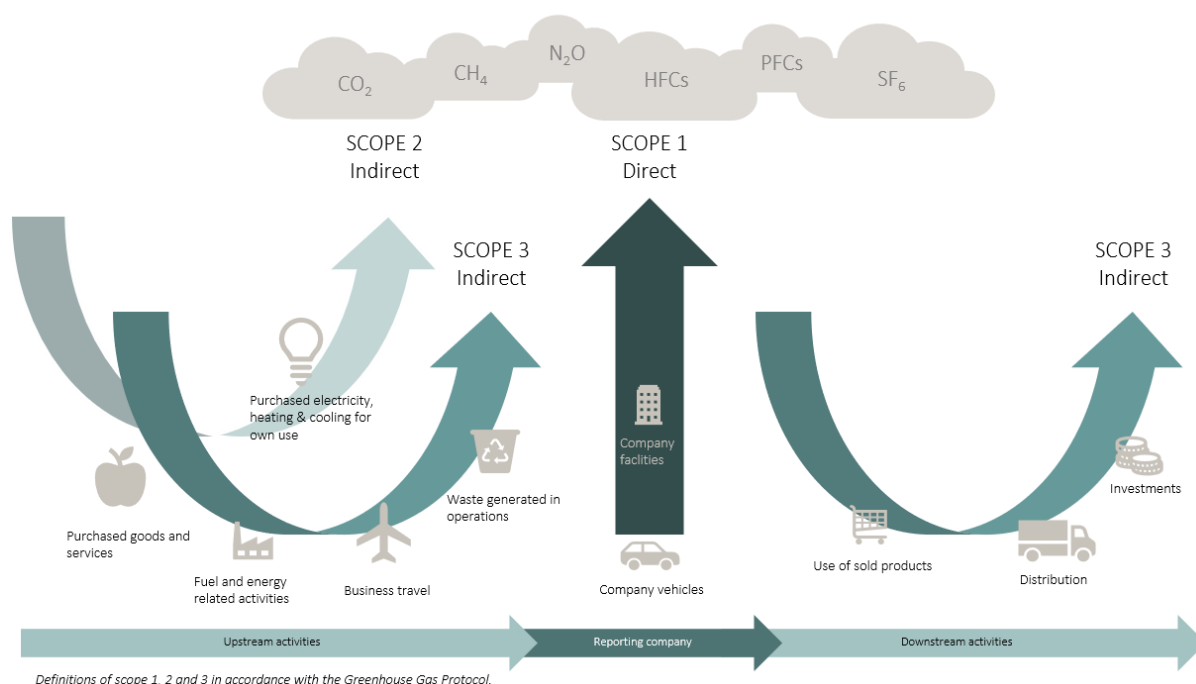
In addition to addressing its footprint, Coor can also help its customers make a positive contribution to the climate challenge through its services in such areas as energy optimisation. We refer to this as Coor's handprint and it is an important part of our customer offering.

Reduction of Scope 3 greenhouse gases

Coor has calculated its total emissions of greenhouse gases in Scopes 1, 2 and 3 in order to gain an overview of the distribution of greenhouse gas emissions in the value chain and to identify its greatest emission drivers. 7 per cent of our emissions come directly from our operations (Scopes 1 and 2). The vast majority of Coor's greenhouse gas emissions are indirect Scope 3 emissions, arising from purchased goods and services linked to our service delivery to the customer. In addition to reducing our direct emissions, we also want to reduce those indirect emissions that we can influence. Coor's greatest opportunity to help address the global climate challenge is to reduce our footprint in food and beverages.

Science Based Target initiative

Coor committed to the Science Based Target initiative in spring 2021, thus ensuring that the company's climate targets are in line with the requirements to limit global warming to 1.5 degrees Celsius.



SCOPE 1

Within Scope 1, the most relevant figure to measure and follow up is fuel consumption for the Group's vehicle fleet. Coor primarily uses three types of vehicles: service vehicles, company cars for business use and company cars for private use. The Group's long-term target is to have a fossil-free vehicle fleet. Its efforts to achieve this target are now being ramped up and will require a combination of an increased share of electric vehicles and a transition to HVO fuel wherever the use of electric vehicles is not yet possible. In June, Coor made the decision to only permit company cars for personal use that are 100 per cent electric. Work also began ahead of the transition to an electric fleet of company cars and service vehicles. In parallel with this work, eco driving training and follow-ups is also being carried out.

The Group's emissions of CO₂e have essentially remained unchanged for the past three years, while the intensity rate has increased slightly during the pandemic to 0.33 tCO₂e/SEK million since sales have declined in operating areas where the need for vehicles is low, primarily food and beverages. The baseline for Scope 1 is 0.28 tCO₂e/SEK million in 2018.

SCOPE 2

Scope 2 comprises energy use in the form of electricity, heating and cooling in the premises where Coor has operational control over its energy use.

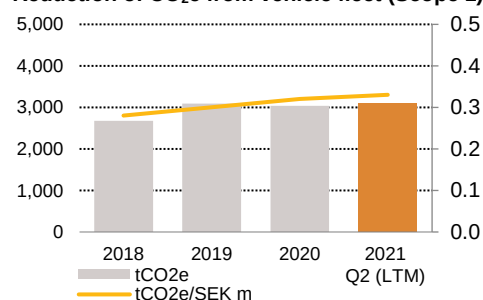
Coor works continuously to reduce its energy consumption in its premises. Work is now under way to verify the previously established baseline and the trend in recent years. Going forward, an important part of this work will be to continue transitioning to renewable energy in our premises and optimising energy use in the restaurants where Coor has operational control over energy consumption.

SCOPE 3

Most of Coor's climate impact is attributable to purchased goods and services used in our service delivery (Scope 3). Purchases of raw materials for our restaurant operations comprise the vast majority of our Scope 3 emissions. A number of initiatives are now under way to reduce the climate impact of Coor's restaurant operations, including reducing the amount of waste generated by the restaurants as well as developing new healthy, sustainable meals. One example of Coor's commitment to the sustainable meals of the future is its involvement as a leader of the Food (R)evolution project along with a number of partners.

In order to analyse the climate impact of its service delivery, Coor is in the process of developing a climate calculation tool. The focus will initially be on the three service areas that jointly account for the majority of Coor's emissions: food and beverages, property service and cleaning. The ultimate aim is to carry out a thorough follow-up of the greenhouse gas emissions from the Group's operations and consumption of raw materials, including the development of an analysis tool that will support decision-makers in making more data-driven decisions when it comes to reducing Coor's Scope 3 climate impact.

Reduction of CO₂e from vehicle fleet (Scope 1)



SWEDEN

Key performance indicators	Apr-Jun		Jan-Jun	
	2021	2020	2021	2020
Net sales	1,206	1,174	2,382	2,471
Organic growth, %	3	-12	-4	-7
Acquired growth, %	0	5	0	5
FX-effects, %	0	0	0	0
Adjusted EBITA	135	120	259	244
Adjusted EBITA-margin, %	11.2	10.2	10.9	9.9
Number of employees (FTE)	4,452	4,542	4,452	4,542



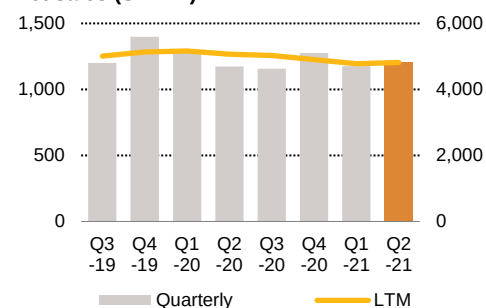
SECOND QUARTER (APRIL–JUNE)

During the second quarter, sales in the Swedish operations increased by 3 per cent as a result of positive organic growth. The positive organic growth was driven by higher assignment volumes in property-related projects, increased cleaning volumes due to COVID-19 and by a certain positive effect from expanded and new business. The decline in sales in food and beverages linked to COVID-19 slowed down compared with earlier quarters.

Operating profit (adjusted EBITA) for the quarter increased by 13 per cent year-on-year to SEK 135 (120) million. The operating margin thus improved to 11.2 (10.2) per cent. This was attributable to a continued intense cost focus, efficiency work and positive volume and mix effects.

Various agreements were signed during the second quarter, including a new, three-year security agreement with Borealis, an expanded agreement with AssaAbloy and extended agreements with BAE and Söderberg & Partners.

Net sales (SEK m)

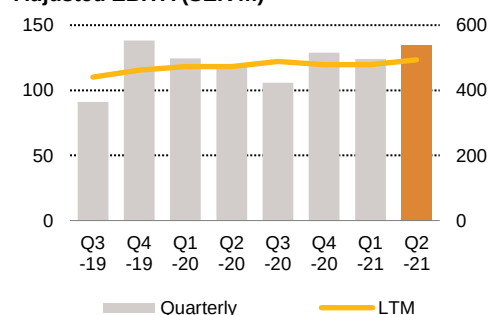


FIRST HALF OF THE YEAR (JANUARY–JUNE)

During the first half of the year, sales in the Swedish operations declined by 4 per cent as a result of negative organic growth.

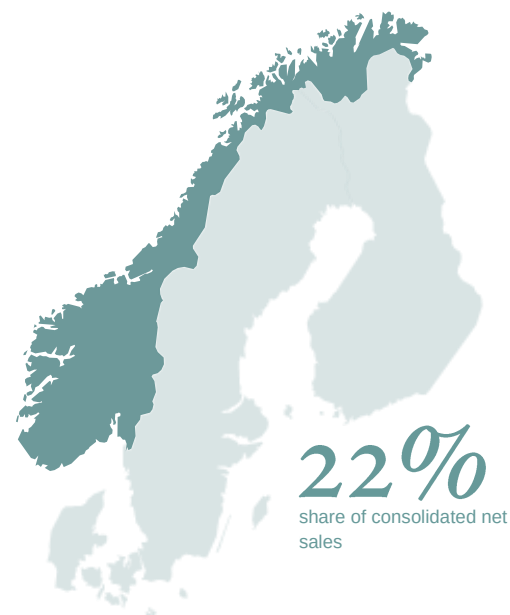
Operating profit (adjusted EBITA) increased by 6 per cent year-on-year to SEK 259 (244) million. The operating margin improved to 10.9 (9.9) per cent.

Adjusted EBITA (SEK m)



NORWAY

Key performance indicators	Apr-Jun		Jan-Jun	
	2021	2020	2021	2020
Net sales	585	461	1,105	1,059
Organic growth, %	19	-17	2	-8
Acquired growth, %	4	0	2	0
FX-effects, %	4	-10	0	-7
Adjusted EBITA	41	25	76	58
Adjusted EBITA-margin, %	6.9	5.5	6.9	5.4
Number of employees (FTE)	1,429	1,473	1,429	1,473



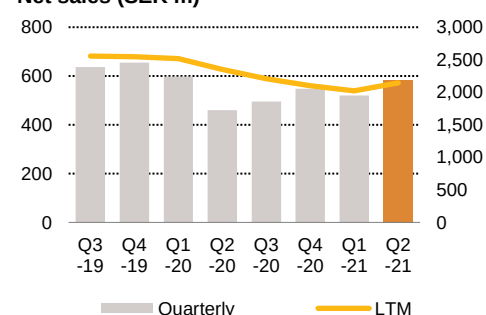
SECOND QUARTER (APRIL–JUNE)

During the second quarter, sales in the Norwegian operations increased by a total of 27 per cent as a result of positive organic growth of 19 per cent and positive exchange rate effects of 4 per cent. The acquisition of R&K Service, which was completed on 1 March 2021, also contributed 4 per cent growth. Positive organic growth was driven by high assignment volumes in the oil and gas industry, mainly linked to Equinor's production sites and the ongoing maintenance stoppages.

Operating profit (adjusted EBITA) for the quarter increased by 60 per cent to SEK 41 (25) million. The operating margin thus improved to 6.9 (5.5) per cent. The positive development in terms of operating profit and operating margin was attributable to effective cost control, efficiency enhancements and positive effects from high assignment volumes in the oil and gas industry.

The integration of R&K Service is proceeding according to plan and contributed to the improvement in operating profit and the operating margin. The acquisition also strengthened Coor's market position in cleaning and restaurants in the Stavanger area.

Net sales (SEK m)

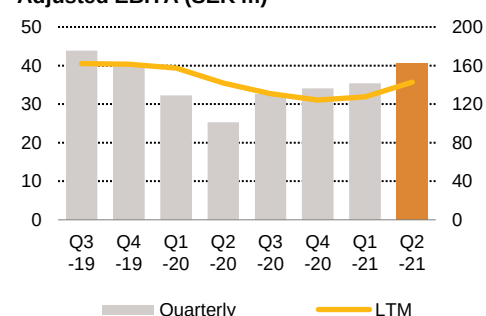


FIRST HALF OF THE YEAR (JANUARY–JUNE)

During the first half of the year, sales in the Norwegian operations increased by 4 per cent as a result of positive organic growth of 2 per cent and due to the acquisition of R&K Service, which contributed 2 per cent growth.

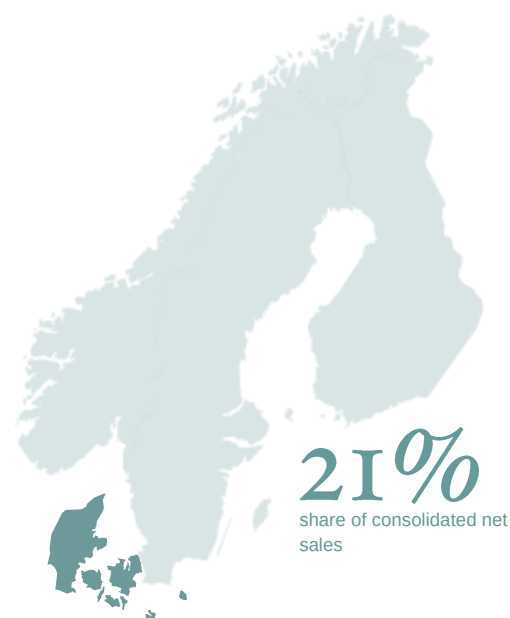
Operating profit (adjusted EBITA) for the first half of the year increased by 32 per cent to SEK 76 (58) million. The operating margin improved to 6.9 (5.4) per cent.

Adjusted EBITA (SEK m)



DENMARK

Key performance indicators	Apr-Jun		Jan-Jun	
	2021	2020	2021	2020
Net sales	498	473	971	956
Organic growth, %	10	-1	7	1
Acquired growth, %	0	0	0	0
FX-effects, %	-5	1	-5	1
Adjusted EBITA	33	29	57	39
Adjusted EBITA-margin, %	6.6	6.2	5.9	4.1
Number of employees (FTE)	2,104	2,045	2,104	2,045



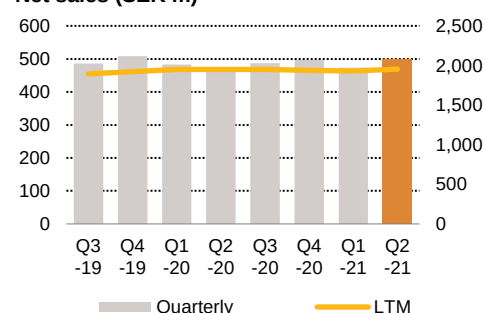
SECOND QUARTER (APRIL–JUNE)

During the second quarter, sales in the Danish operations increased by 5 per cent compared with the year-earlier period. Organic growth amounted to 10 per cent, but exchange rate effects were negative and amounted to -5 per cent. The new contract with PostNord and high assignment volumes in cleaning, driven by COVID-19, made a positive contribution to sales. During the second quarter, we also noted increased volumes in food and beverages as a growing number of people returned to the office.

Operating profit (adjusted EBITA) for the quarter amounted to SEK 33 (29) million. The operating margin was 6.6 (6.2) per cent. The increased volumes from new business, cleaning assignments and food and beverages had a positive impact on operating profit and the operating margin for the second quarter.

Various agreements were signed during the second quarter, including a minor IFM contract with ABB and a cleaning contract with Magasin Aarhus & Odense as well as contract extensions with Falck and other customers.

Net sales (SEK m)

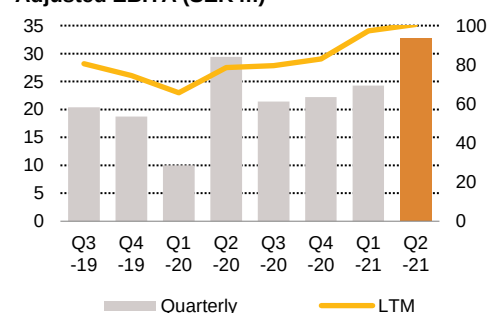


FIRST HALF OF THE YEAR (JANUARY–JUNE)

During the first half of the year, sales in the Danish operations increased by 2 per cent compared with the year-earlier period. Organic growth amounted to 7 per cent, but exchange rate effects were negative and amounted to -5 per cent.

Operating profit (adjusted EBITA) for the first half of the year amounted to SEK 57 (39) million and the operating margin was 5.9 (4.1) per cent.

Adjusted EBITA (SEK m)



FINLAND

Key performance indicators	Apr-Jun		Jan-Jun	
	2021	2020	2021	2020
Net sales	155	158	315	321
Organic growth, %	3	-15	3	-15
Acquired growth, %	0	0	0	0
FX-effects, %	-5	0	-5	1
Adjusted EBITA	5	5	9	6
Adjusted EBITA-margin, %	3.2	3.0	2.8	1.9
Number of employees (FTE)	953	952	953	952



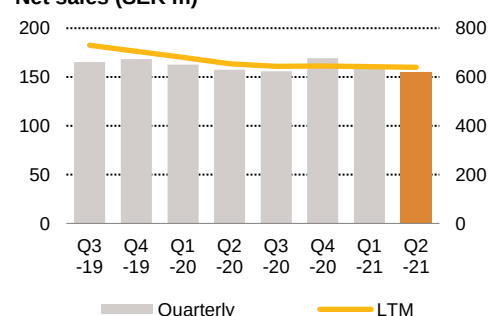
SECOND QUARTER (APRIL–JUNE)

Sales in Finland decreased by 2 per cent in the second quarter. Organic growth amounted to 3 per cent, while exchange rate effects were negative and amounted to -5 per cent. The positive organic growth was attributable to higher assignment volumes in property services and a certain positive impact from new contracts.

Operating profit (adjusted EBITA) was essentially unchanged compared with the year-earlier period at SEK 5 (5) million. The operating margin was 3.2 (3.0) per cent. An intense cost focus and a certain positive impact from new business contributed to the slight improvement in the operating margin.

Various agreements were signed during the second quarter, including a new, four-year property services agreement with Pilke and a contract extension with Attendo.

Net sales (SEK m)

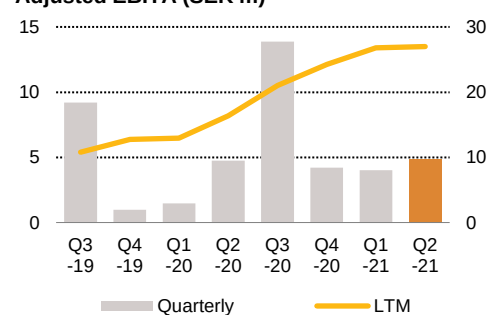


FIRST HALF OF THE YEAR (JANUARY–JUNE)

Sales in Finland decreased by 2 per cent in the first half of the year. Organic growth amounted to 3 per cent, while exchange rate effects were negative and amounted to -5 per cent.

Operating profit (adjusted EBITA) increased compared with the year-earlier period and amounted to SEK 9 (6) million. The operating margin was 2.8 (1.9) per cent.

Adjusted EBITA (SEK m)



OTHER INFORMATION

SIGNIFICANT RISKS AND UNCERTAINTIES

The Group's significant risks and uncertainties consist of strategic risks related to changes in market and economic conditions as well as sustainability and operational risks related to customer contracts. The Group is also exposed to various kinds of financial risks, such as currency, interest and liquidity risks. A detailed description of the Group's risks is provided in the Annual Report, which is available on the company's website.

ACQUISITIONS AND SALES

During the first quarter, Coor completed the acquisition of R&K Service AS in Norway. The company is a well-run family company that provides cleaning and restaurant services in the Stavanger area. The company has annual sales of around NOK 80 million. The consideration for the acquisition on a cash-free, debt-free basis is around SEK 65 million. For additional information, refer to Note 5.

PARENT COMPANY

The Group's parent company, Coor Service Management Holding AB, provides management services to its wholly owned subsidiary Coor Service Management Group AB. The parent company also manages shares in subsidiaries.

The loss after tax in the parent company was SEK -40 (-41) million. Total assets in the parent company at the end of the period were SEK 7,849 (7,844) million. Equity in the parent company amounted to SEK 5,244 (5,468) million. During the second quarter, the parent company paid dividends to shareholders amounting to SEK 190 million, which reduced equity with a corresponding amount.

RELATED-PARTY TRANSACTIONS

No transactions between Coor and related parties that had a material impact on the company's financial position and results took place during the period.

OWNERSHIP STRUCTURE

The shares of Coor Service Management Holding AB were listed on Nasdaq Stockholm on 16 June 2015. At the end of the period, the three largest shareholders were Nordea Fonder, the First Swedish National Pension Fund (Första AP-fonden) and Didner & Gerge Fonder.

Coor's fifteen largest shareholders 30 Jun 2021¹⁾

Shareholder	Number of shares and votes	Shares and votes, %
Nordea Fonder	7,151,534	7.5
Första AP-Fonden	5,590,748	5.8
Didner & Gerge Fonder	4,752,280	5.0
Andra AP-Fonden	4,511,319	4.7
Spiltan Fonder	4,258,343	4.4
SEB-Stiftelsen	4,000,000	4.2
Taiga Fund Management AS	3,257,291	3.4
Capital Group	3,200,000	3.3
Swedbank Robur Fonder	2,983,554	3.1
Crux Asset Management Ltd	2,904,493	3.0
Wipunen varainhallinta Oy	2,687,563	2.8
BMO Global Asset Management	2,539,624	2.7
Heikantorppa Oy	2,000,000	2.1
Länsförsäkringar Fonder	1,747,407	1.8
DNCA Finance S.A	1,656,444	1.7
Total 15 largest shareholders	53,240,600	55.6
Other shareholders	42,571,422	44.4
Total	95,812,022	100.0

¹⁾Source: Monitor by Modular Finance AB. Compiled and adapted data from Euroclear, Morningstar, the Swedish Financial Supervisory Authority and other sources.

DECLARATION

The Board of Directors and Chief Executive Officer affirm and declare that this interim report gives a true and fair view of the Group's operations, sales, results and financial position, and that it describes significant risks and uncertainties faced by the parent company and the companies in the Group. The information provided is accurate and nothing of material significance has been omitted that could affect the presentation of the Group and parent company in the financial statements.

The report for the period has not been reviewed by the company's auditors.

Stockholm, 15 July 2021

Mats Granryd
Chairman

Anders Ehrling

Mats Jönsson

Monica Lindstedt

Magnus Meyer

Kristina Schauman

Heidi Skaaret

Glenn Evans
Employee representative

Rikard Milde
Employee representative

Urban Rääf
Employee representative

AnnaCarin Grandin
President and CEO

As the leading provider of facility management services, Coor aims to create the happiest, healthiest and most prosperous workplace environments in the Nordic region. Coor offers specialist expertise in workplace services, property services and strategic advisory services. Coor creates value by executing, developing and streamlining our customers' service activities. This enables our customers to do what they do best.

Coor's customer base includes many large and small companies and public-sector organisations across the Nordic region, including ABB, AB Volvo, Aibel, DNV-GL, Ericsson, Equinor, ICA, NCC, the Danish Police, Public Prosecution Authority and Prison and Probation Service, PostNord, Saab, Sandvik, SAS, Telia Company, the Swedish Transport Administration, Vasakronan and Volvo Cars.

Coor was founded in 1998 and has been listed on Nasdaq Stockholm since 2015. Coor takes responsibility for the operations it conducts, in relation to its customers, employees and shareholders, as well as for its wider impact on society and the environment. Read more at www.coor.com

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Income statement (SEK m)	Apr-Jun		Jan-Jun		Rolling	Jan-Dec
	2021	2020	2021	2020	12 mth.	2020
Net sales	2,445	2,265	4,775	4,806	9,560	9,591
Cost of services sold	-2,145	-2,015	-4,210	-4,307	-8,498	-8,595
Gross income	300	250	565	499	1,062	996
Selling and administrative expenses	-180	-164	-362	-352	-688	-678
Operating profit	119	86	203	147	374	318
Net financial income/expense	-14	-16	-27	-34	-60	-66
Profit before tax	105	69	175	113	314	252
Income tax expense	-24	-17	-42	-30	-73	-61
INCOME FOR THE PERIOD	81	52	134	83	241	191
Operating profit	119	86	203	147	374	318
Amortisation and impairment of goodwill, customer contracts and trademarks	44	48	95	97	191	193
Items affecting comparability (note 3)	4	7	9	19	35	46
Adjusted EBITA	167	141	306	263	599	556
Earnings per share, SEK, before and after dilution	0.8	0.5	1.4	0.9	2.5	2.0

Statement of comprehensive income (SEK m)	Apr-Jun		Jan-Jun		Rolling	Jan-Dec
	2021	2020	2021	2020	12 mth.	2020
Income for the period	81	52	134	83	241	191
<i>Items that may be subsequently reclassified to profit or loss</i>						
Currency translation differences	-33	-50	38	-64	-5	-106
Cash flow hedges	1	-4	2	-10	2	-10
Other comprehensive income for the period	-32	-54	40	-74	-3	-116
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	48	-2	174	9	239	74

The interim information on pages 16–29 is an integral part of this financial report.

CONSOLIDATED BALANCE SHEET

Balance sheet (SEK m)	30 Jun		31 Dec
	2021	2020	2020
ASSETS			
Intangible assets			
Goodwill	3,192	3,148	3,125
Customer contracts	328	490	392
Other intangible assets	171	178	170
Property, plant and equipment			
Right-of use assets held via leases	306	356	334
Other property, plant and equipment	79	86	83
Financial assets			
Deferred tax receivable	133	159	146
Other financial assets	21	18	18
Total non-current assets	4,229	4,434	4,268
Current assets			
Accounts receivable	1,328	1,220	1,144
Other current assets, interest-bearing	1	1	1
Other current assets, non-interest-bearing	288	306	256
Cash and cash equivalents	57	203	396
Total current assets	1,673	1,730	1,796
TOTAL ASSETS	5,903	6,164	6,064
Balance sheet (SEK m)	30 Jun		31 Dec
	2021	2020	2020
EQUITY AND LIABILITIES			
Equity	2,033	2,008	2,079
Liabilities			
Non-current liabilities			
Borrowings (Note 2)	1,145	1,472	1,273
Lease liabilities (Note 2)	202	250	227
Deferred tax liability	19	29	18
Provisions for pensions	19	20	18
Other non-interest bearing liabilities	1	0	0
Total non-current liabilities	1,387	1,771	1,536
Current liabilities			
Lease liabilities (Note 2)	101	101	103
Current tax liabilities	52	46	50
Accounts payable	570	510	607
Other current liabilities	1,754	1,721	1,674
Short-term provisions	6	8	15
Total current liabilities	2,483	2,386	2,449
TOTAL EQUITY AND LIABILITIES	5,903	6,164	6,064

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Statement of changes in equity (SEK m)	Jan-Jun		Jan-Dec
	2021	2020	2020
Opening balance at beginning of period	2,079	1,980	1,980
Income for the period	134	83	191
Other comprehensive income for the period	40	-74	-116
Long-term incentive programs	6	3	10
Share swap for hedging of long-term incentive program ¹⁾	-6	15	15
Acquisition of own shares ²⁾	-29	0	0
Dividend	-190	0	0
Closing balance at end of period	2,033	2,008	2,079

¹⁾ Coor has undertaken share swaps to secure its financial commitment under the Group's LTIP 2018 incentive programme. An allotment of shares was carried out under the share component of LTIP 2018 in the second quarter, but the Group continues to have a financial obligation under the option component of the programme. At 30 June 2021, the number of guaranteed shares amounted to 320,000.

²⁾ In the second quarter of 2021, Coor repurchased a number of own shares to secure its financial commitment under the Group's LTIP 2021 incentive programme. A total of 400,000 shares were repurchased in the second quarter at an average cost of SEK 72.40 per share. The company previously repurchased a number of own shares to secure its financial commitment under the Group's LTIP 2019 incentive programme. Coor now holds a total 740,000 treasury shares.

There are no non-controlling interests, as the parent company owns all shares of all subsidiaries.

CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flow statement (SEK m)	Apr-Jun		Jan-Jun		Rolling	Jan-Dec
	2021	2020	2021	2020	12 mth.	2020
Operating profit	119	86	203	147	374	318
Adjustment for non-cash items	93	91	189	188	397	395
Finance net	-14	-15	-26	-31	-59	-64
Income tax paid	-17	-4	-40	-22	-64	-46
Cash flow before changes in working capital	182	157	326	281	648	603
Change in working capital	-178	-140	-180	-54	7	133
Cash flow from operating activities	5	17	146	227	655	736
Net investments	-16	-15	-31	-40	-56	-65
Acquisition of subsidiaries (note 5)	-3	0	-64	-12	-64	-12
Cash flow from investing activities	-19	-15	-94	-53	-119	-77
Change in borrowings	-29	-300	-129	-350	-329	-550
Dividend	-190	0	-190	0	-190	0
Net lease commitments	-30	-29	-61	-62	-126	-126
Other	-35	-20	-35	-20	-35	-20
Cash flow from financing activities	-285	-349	-416	-431	-680	-696
Total cash flow for the period	-300	-347	-364	-257	-145	-37
Cash and cash equivalents at beginning of period	373	578	396	497	203	497
Exchange gains on cash and cash equivalents	-16	-27	25	-37	-2	-63
Cash and cash equivalents at end of period	57	203	57	203	57	396

Cash conversion	Apr-Jun		Jan-Jun		Rolling	Jan-Dec
	2021	2020	2021	2020	12 mth.	2020
EBIT	119	86	203	147	374	318
Depreciation and amortisation	92	96	192	195	388	392
Adjustment for items affecting comparability	4	7	9	19	35	46
Adjusted EBITDA	216	189	403	362	797	756
Net investments*	-16	-16	-31	-44	-57	-70
Change in working capital	-178	-140	-180	-54	7	133
Cash flow for calculation of cash conversion	22	33	192	264	747	818
Cash conversion, %	10	17	48	73	94	108

*Net investments incl. profit and loss from sales of fixed assets

REPORTING BY SEGMENT

Geographical segments (SEK m)	Apr-Jun		Jan-Jun		Rolling	Jan-Dec
	2021	2020	2021	2020	12 mth.	2020
Net sales						
Sweden	1,206	1,174	2,382	2,471	4,815	4,904
<i>Total sales</i>	<i>1,219</i>	<i>1,217</i>	<i>2,408</i>	<i>2,554</i>	<i>4,925</i>	<i>5,072</i>
<i>Internal sales</i>	<i>-13</i>	<i>-43</i>	<i>-25</i>	<i>-84</i>	<i>-110</i>	<i>-168</i>
Norway	585	461	1,105	1,059	2,148	2,102
<i>Total sales</i>	<i>587</i>	<i>462</i>	<i>1,110</i>	<i>1,063</i>	<i>2,156</i>	<i>2,109</i>
<i>Internal sales</i>	<i>-2</i>	<i>-2</i>	<i>-4</i>	<i>-4</i>	<i>-8</i>	<i>-8</i>
Finland	155	158	315	321	640	646
<i>Total sales</i>	<i>155</i>	<i>158</i>	<i>315</i>	<i>321</i>	<i>640</i>	<i>646</i>
<i>Internal sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Denmark	498	473	971	956	1,956	1,941
<i>Total sales</i>	<i>498</i>	<i>474</i>	<i>972</i>	<i>958</i>	<i>1,958</i>	<i>1,944</i>
<i>Internal sales</i>	<i>-0</i>	<i>-1</i>	<i>-1</i>	<i>-1</i>	<i>-2</i>	<i>-3</i>
Group functions/other	2	-0	1	-0	1	-1
Total	2,445	2,265	4,775	4,806	9,560	9,591
Adjusted EBITA						
Sweden	135	120	259	244	493	479
Norway	41	25	76	58	143	124
Finland	5	5	9	6	27	24
Denmark	33	29	57	39	101	83
Group functions/other	-46	-38	-94	-84	-165	-154
Total	167	141	306	263	599	556
Adjusted EBITA is reconciled to profit before tax as follows:						
Amortisation and impairment of goodwill, customer contracts and trademarks	-44	-48	-95	-97	-191	-193
Items affecting comparability (note 3)	-4	-7	-9	-19	-35	-46
Net financial income/expense	-14	-16	-27	-34	-60	-66
Profit before tax	105	69	175	113	314	252
Adjusted EBITA margin, %	Apr-Jun		Jan-Jun		Rolling	Jan-Dec
	2021	2020	2021	2020	12 mth.	2020
Sweden	11.2	10.2	10.9	9.9	10.2	9.8
Norway	6.9	5.5	6.9	5.4	6.6	5.9
Finland	3.2	3.0	2.8	1.9	4.2	3.8
Denmark	6.6	6.2	5.9	4.1	5.1	4.3
Group functions/other	-	-	-	-	-	-
Total	6.8	6.2	6.4	5.5	6.3	5.8
Net sales by type of contract (SEK m)	Apr-Jun		Jan-Jun		Rolling	Jan-Dec
	2021	2020	2021	2020	12 mth.	2020
Net sales						
IFM	1,468	1,300	2,859	2,831	5,578	5,550
FM - services	977	965	1,916	1,975	3,982	4,041
Total	2,445	2,265	4,775	4,806	9,560	9,591

SEGMENTS – QUARTERLY

Geographical segments (SEK m)	2021		2020				2019	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net sales, external								
Sweden	1,206	1,176	1,275	1,158	1,174	1,297	1,400	1,201
Norway	585	520	548	495	461	598	656	638
Finland	155	160	169	156	158	163	168	165
Denmark	498	474	497	487	473	483	509	487
Group functions/other	2	-0	-0	-0	-0	-0	-0	-0
Total	2,445	2,330	2,489	2,297	2,265	2,541	2,732	2,490
Adjusted EBITA								
Sweden	135	124	129	106	120	124	138	91
Norway	41	35	34	33	25	32	40	44
Finland	5	4	4	14	5	1	1	9
Denmark	33	24	22	21	29	10	19	20
Group functions/other	-46	-49	-36	-34	-38	-46	-47	-37
Total	167	139	153	140	141	122	152	127
Adjusted EBITA-margin, %								
Sweden	11.2	10.5	10.1	9.1	10.2	9.6	9.9	7.6
Norway	6.9	6.8	6.2	6.6	5.5	5.4	6.2	6.9
Finland	3.2	2.5	2.5	8.9	3.0	0.9	0.6	5.6
Denmark	6.6	5.1	4.5	4.4	6.2	2.1	3.7	4.2
Group functions/other	-	-	-	-	-	-	-	-
Total	6.8	6.0	6.2	6.1	6.2	4.8	5.6	5.1
Type of contract (SEK m)	2021		2020				2019	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net sales, external								
IFM	1,468	1,391	1,379	1,340	1,300	1,531	1,695	1,517
FM-services	977	939	1,110	956	965	1,010	1,038	974
Total	2,445	2,330	2,489	2,297	2,265	2,541	2,732	2,490

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT

Income statement (SEK m)	Apr-Jun		Jan-Jun		Rolling	Jan-Dec
	2021	2020	2021	2020	12 mth.	2020
Net sales	2	1	5	2	7	4
Selling and administrative expenses	-10	-8	-20	-16	-30	-27
Operating profit	-8	-8	-15	-14	-23	-22
Dividend from group companies	0	0	0	0	0	0
Other net financial income/expense	-11	-11	-22	-23	-44	-45
Profit/loss after financial items	-20	-19	-37	-38	-67	-67
Group contribution	0	0	0	0	64	64
Profit/loss before tax	-20	-19	-37	-38	-3	-4
Income tax expense	-1	-2	-3	-3	-6	-6
INCOME FOR THE PERIOD	-21	-21	-40	-41	-9	-10

PARENT COMPANY BALANCE SHEET

Balance sheet (SEK m)	30 Jun		31 Dec
	2021	2020	2020
ASSETS			
Shares in subsidiaries	7,789	7,789	7,789
Deferred tax asset	47	50	50
Other financial assets	3	1	2
Total non-current assets	7,839	7,840	7,841
Receivables from Group companies*	0	0	69
Other trading assets	8	4	2
Cash and cash equivalents*	2	0	1
Total current assets	10	4	72
TOTAL ASSETS	7,849	7,844	7,913
Balance sheet (SEK m)	30 Jun		31 Dec
	2021	2020	2020
EQUITY AND LIABILITIES			
Shareholders' equity	5,244	5,468	5,509
Liabilities			
Borrowings	1,143	1,470	1,271
Provisions for pensions	4	2	3
Total non-current liabilities	1,147	1,472	1,273
Liabilities to Group companies*	1,439	885	1,108
Income tax liability	7	10	13
Accounts payable	2	0	0
Other current liabilities	11	10	10
Total current liabilities	1,458	905	1,131
Total liabilities	2,605	2,377	2,404
TOTAL EQUITY AND LIABILITIES	7,849	7,844	7,913

* The company is part of the Group wide cash pool with the subsidiary Coor Service Management Group AB as master account holder. The balance in the Group cash pool is accounted for as a current receivable or liability to Group companies.

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS

Key performance indicators	Apr-Jun		Jan-Jun		Rolling	Jan-Dec
	2021	2020	2021	2020	12 mth.	2020
Net sales	2,445	2,265	4,775	4,806	9,560	9,591
Net sales growth, %	7.9	-11.4	-0.6	-5.6	-4.7	-7.0
of which organic growth, %	7.6	-11.5	0.1	-6.6	-3.6	-6.8
of which acquired growth, %	0.9	2.4	0.5	2.4	1.1	2.0
of which FX effect, %	-0.5	-2.3	-1.3	-1.4	-2.2	-2.2
Operating profit (EBIT)	119	86	203	147	374	318
EBIT margin, %	4.9	3.8	4.2	3.1	3.9	3.3
EBITA	163	134	298	244	564	511
EBITA margin, %	6.7	5.9	6.2	5.1	5.9	5.3
Adjusted EBITA	167	141	306	263	599	556
Adjusted EBITA margin, %	6.8	6.2	6.4	5.5	6.3	5.8
Adjusted EBITDA	216	189	403	362	797	756
Adjusted EBITDA margin, %	8.8	8.3	8.4	7.5	8.3	7.9
Adjusted net profit	125	100	229	180	432	384
Net working capital	-708	-703	-708	-703	-708	-881
Net working capital / Net sales, %	-7.4	-7.0	-7.4	-7.0	-7.4	-9.2
Cash conversion, %	10	17	48	73	94	108
Net debt	1,389	1,621	1,389	1,621	1,389	1,207
Leverage, times	1.7	2.2	1.7	2.2	1.7	1.6
Equity/assets ratio, %	34	33	34	33	34	34

DATA PER SHARE

Data per share	Apr-Jun		Jan-Jun		Rolling	Jan-Dec
	2021	2020	2021	2020	12 mth.	2020
Share price at end of period	67.8	61.2	67.8	61.2	67.8	72.4
No. of shares at end of period	95,812,022	95,812,022	95,812,022	95,812,022	95,812,022	95,812,022
No. of treasury shares ¹⁾	-740,000	-340,000	-740,000	-340,000	-740,000	-340,000
No. of shares outstanding	95,072,022	95,472,022	95,072,022	95,472,022	95,072,022	95,472,022
No. of ordinary shares outstanding (weighted average)	95,292,646	95,472,022	95,384,732	95,472,022	95,427,301	95,472,022
Earnings per share, before and after dilution, SEK	0.85	0.54	1.40	0.87	2.53	2.00
Shareholders' equity per share, SEK	21.39	21.03	21.39	21.03	21.39	21.78

¹⁾To secure its financial exposure in accordance with the LTIP 19 and LTIP 21 long-term incentive programs, Coor undertook acquisition of own shares.

NOTES

NOTE 1 – ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU. The applied accounting principles are consistent with those described in the Group's Annual Report for 2020.

The parent company financial statements have been prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board.

Due to rounding, some totals in this interim report may differ from the sum of individual items.

NOTE 2 – FINANCIAL INSTRUMENTS

The carrying amounts and fair values for borrowing, which are included in the category financial liabilities at amortised cost, are as follows:

(SEK m)	Carrying amount			Fair value		
	30 Jun		31 Dec	30 Jun		31 Dec
	2021	2020	2020	2021	2020	2020
Lease liabilities	303	351	330	303	351	330
Liabilities to credit institutions	143	441	241	143	441	241
Corporate Bond	1,000	1,000	1,000	1,000	1,000	1,000
Other non-current liabilities	2	31	31	2	31	31
Total	1,448	1,824	1,603	1,448	1,824	1,603

The existing credit margin in the Group's financing agreements is considered to be consistent with market terms, and the carrying amount therefore approximates fair value. The Group considers the liabilities to have been measured in accordance with Level 2 of the fair value hierarchy, which means that the measurement is based on observable market inputs.

NOTE 3 – ITEMS AFFECTING COMPARABILITY

Items affecting comparability are excluded from the measure of operating profit, adjusted EBITA, which the Group regards as the most relevant metric. The following table specifies the items affecting comparability that had an impact on earnings during the period. Integration and restructuring comprise organic transactions as well as acquisitions. Integration costs refer, for example, to costs for integrating IT systems while restructuring refers to costs related to staff reductions. Acquisition-related costs refer exclusively to transaction costs.

Items affecting comparability (SEK m)	Apr-Jun		Jan-Jun		Rolling	Jan-Dec
	2021	2020	2021	2020	12 mth.	2020
Integration	-3	-7	-6	-16	-9	-19
Restructuring	-1	-0	-2	-3	-24	-25
Acquisition related expenses	-0	0	-0	0	-0	0
Other	-0	-0	0	-0	-1	-1
Total	-4	-7	-9	-19	-35	-46

NOTE 4 – PLEDGED ASSETS AND CONTINGENT LIABILITIES

	30 Jun		31 Dec
Pledged assets (SEK m)	2021	2020	2020
Bank guarantees	131	134	127
Total	131	134	127

	30 Jun		31 Dec
Contingent liabilities (SEK m)	2021	2020	2020
Performance bonds	174	175	169
Total	174	175	169

Parent company

The parent company has provided a parent company guarantee of SEK 30 (31) million covering financial obligations of the Finnish subsidiary in respect of leases and bank guarantees as well as a parent company guarantee on behalf of a subsidiary in Norway to ensure delivery to a major customer. The parent company has no other pledged assets or contingent liabilities.

NOTE 5 – ACQUISITIONS

On 1 March 2021, the acquisition of the company R&K Service, a well-run Norwegian family company that provides cleaning and restaurant services in the Stavanger region, was completed. The company has annual sales of around NOK 80 million.

The transaction costs for the acquisition, totalling SEK 0.2 million, have been recognised as an administrative expense in the income statement.

In conjunction with the acquisition of R&K Service, intangible assets were identified at a value of SEK 70 million (SEK 64 million net including deferred tax liability), of which SEK 26 million was allocated to customer contracts and SEK 1 million to trademarks. The remainder comprises goodwill. The goodwill that arose from the acquisition is primarily attributable to the employees' skills and to increased profitability in the form of expected synergies from the acquisition. No portion of the recognised goodwill is expected to be tax-deductible.

R&K Service AS increased consolidated sales by SEK 26 million during the period from 1 January to 30 June 2021. If the acquisition had taken place on 1 January 2021, the acquired business would have increased consolidated sales by SEK 38 million on a pro forma basis for the period from 1 January to 30 June 2021.

Preliminary acquisition analysis (SEK m) 1)	R&K Service AS
Preliminary consideration paid	83
The assets acquired and liabilities assumed that have been recognised as a result of the acquisitions are the following	
Customer contracts	26
Trade marks	1
Property, plant and equipment	5
Cash and cash equivalents	19
Accounts receivable and other current receivables	13
Deferred tax liability	-6
Lease liability	-5
Accounts payable and other current liabilities	-16
Acquired identifiable net assets	39
Goodwill	43
Total acquired net assets	83
Cash flow attributable to acquisitions for the period	
Consideration paid	83
Cash in acquired businesses	-19
Net outflow, cash and cash equivalents	64

¹⁾ Preliminary figures - acquisition analysis not completed at the end of the period.

NOTE 6 – SHARE-BASED INCENTIVE PROGRAMMES

In accordance with a resolution of the Annual General Meeting, the Group introduced a target- and performance-based incentive programme (LTIP 2021) for senior executives and other key individuals in the Coor Group in May. LTIP 2021 has the same structure and framework as the incentive programmes launched in 2018 and 2019.

To qualify for the programme, participants will be required to own Coor shares that are allocated to the programme. Each participant will have the right to allocate a specified number of shares. For each invested share, participants will then be entitled to an allotment of target- and performance-based share rights at the end of the vesting period. The allotment of share rights depends on the extent to which the defined targets and performance conditions have been met during the performance period from 1 January 2021 to 31 December 2023. The employee is also required to retain his or her investment shares and remain an employee of Coor at the end of the vesting period. The vesting period will end in connection with the publication of Coor's interim report for the first quarter of 2024.

In total, the programme comprised a maximum of 100,250 investment shares with a maximum allotment of 446,500 performance-based share rights. The take-up of the programme was around 88 per cent, which meant that a total of 391,830 share rights were allotted on the issue date, comprising 87,020 share rights of series A, 217,790 of series B and 87,020 of series C.

To ensure delivery of shares under the programme, the Annual General Meeting resolved to authorise the Board of Directors to acquire own shares.

The performance-based share rights are divided into three series:

- Series A – customer satisfaction index: The allotment of share rights of series A is contingent on the improvement in Coor's customer satisfaction index in relation to the defined targets.
- Series B – earnings performance: The allotment of share rights of series B is contingent on the improvement in Coor's earnings (adjusted EBITA) in relation to the adopted business plan.
- Series C – relative total return performance: The allotment of share rights of series C is contingent on the total return performance of Coor's shares in relation to a weighted average in a group of other companies (the benchmark group).

SELECTED KEY PERFORMANCE INDICATORS

PURPOSE OF SELECTED KEY PERFORMANCE INDICATORS

To give its investors and other stakeholders clearer information about the Group's operations and its underlying success factors, Coor has chosen to provide information about a number of key performance indicators. The purpose of these indicators is explained below. See page 29 for definitions of terms and the calculation of key performance indicators.

Growth

The Group deems that organic growth best reflects the underlying growth of the business, as this measure excludes the effect of acquisitions and fluctuations in exchange rates.

Earnings and profitability

To reflect the performance and profitability of the underlying business more accurately, the Group has defined key performance indicators in which earnings have been adjusted for items affecting comparability and for amortisation and impairment of goodwill, customer contracts and trademarks. The Group considers that adjusted EBITA is the measure of operating profit which most clearly reflects the underlying profitability. It is also based on this measure of earnings that the Group's segments are followed up and evaluated internally.

The adjusted net profit measure of earnings excludes the non-cash items amortisation and impairment of goodwill, customer

contracts and trademarks from consolidated net profit and is used as a basis for deciding on dividends to the shareholders.

Cash flow and working capital

Coor always works proactively to safeguard its cash flow, from both a working capital and an investment perspective. Coor focuses on analysing cash conversion, which is defined as the ratio of a simplified operating cash flow to adjusted EBITDA.

The Group's target is a cash conversion of at least 90 per cent on a rolling 12-month basis. To ensure that the measure provides a true and fair picture over time, the Group calculates cash conversion using measures of operating profit and operating cash flow which exclude items affecting comparability.

To achieve the defined target for cash conversion, strong emphasis is placed on minimising working capital and maintaining negative working capital. The Group therefore continuously monitors the size of working capital relative to net sales.

Net debt and leverage

To ensure that the Group has an appropriate funding structure at all times and is able to fulfil its financial obligations under its loan agreement, it is relevant to analyse net debt and leverage (defined as net debt divided by adjusted EBITDA on a rolling 12-month basis). The Group's objective is to maintain a leverage of less than 3.0 times.

RECONCILIATION OF KEY PERFORMANCE INDICATORS

The following table shows a reconciliation between the calculated key performance indicators and the income statement and balance sheet.

	Apr-Jun		Jan-Jun		Rolling	Jan-Dec
Reconciliation of adjusted key performance indicators (SEK m)	2021	2020	2021	2020	12 mth.	2020
Operating profit (EBIT)	119	86	203	147	374	318
Amortisation and impairment of customer contracts and trademarks	44	48	95	97	191	193
EBITA	163	134	298	244	564	511
Items affecting comparability (Note 3)	4	7	9	19	35	46
Adjusted EBITA	167	141	306	263	599	556
Depreciation	48	48	97	98	198	199
Adjusted EBITDA	216	189	403	362	797	756
Income for the period	81	52	134	83	241	191
Amortisation and impairment of customer contracts and trademarks	44	48	95	97	191	193
Adjusted net profit	125	100	229	180	432	384

	Apr-Jun		Jan-Jun		Rolling	Jan-Dec
Specification of net working capital (SEK m)	2021	2020	2021	2020	12 mth.	2020
Accounts receivable	1,328	1,220	1,328	1,220	1,328	1,144
Other current assets, non-interest-bearing	288	306	288	306	288	256
Accounts payable	-570	-510	-570	-510	-570	-607
Other current liabilities, non-interest-bearing	-1,754	-1,721	-1,754	-1,721	-1,754	-1,674
Adjustment for accrued financial expenses	0	1	0	1	0	1
Net working capital	-708	-703	-708	-703	-708	-881

	Apr-Jun		Jan-Jun		Rolling	Jan-Dec
Specification of net debt (SEK m)	2021	2020	2021	2020	12 mth.	2020
Borrowings	1,145	1,472	1,145	1,472	1,145	1,273
Lease liabilities	303	351	303	351	303	330
Provisions for pensions	19	20	19	20	19	18
Cash and cash equivalents	-57	-203	-57	-203	-57	-396
Other financial non-current assets, interest-bearing	-21	-18	-21	-18	-21	-18
Other current assets, interest-bearing	-1	-1	-1	-1	-1	-1
Net debt	1,389	1,621	1,389	1,621	1,389	1,207

For a reconciliation of cash conversion, see page 19.

DEFINITIONS

Cost of services sold

Costs which are directly related to the performance of the invoiced services, depreciation of property, plant and equipment, and amortisation of goodwill, customer contracts and trademarks.

Items affecting comparability

Items affecting comparability mainly comprise costs for integration of contracts and acquisitions as well as more extensive restructuring programmes. Items affecting comparability are included either in cost of services sold or selling and administrative expenses.

EBITA

Operating profit before amortisation of goodwill, customer contracts and trademarks.

Adjusted EBITA

Operating profit before amortisation of goodwill, customer contracts and trademarks, excluding items affecting comparability.

Adjusted EBITDA

Operating profit before depreciation of all property, plant and equipment and amortisation of all intangible assets, excluding items affecting comparability.

Adjusted net profit

Profit after tax excluding amortisation of goodwill, customer contracts and trademarks.

Working capital

Non-interest-bearing current assets less non-interest-bearing current liabilities at the balance sheet date.

Net investments

Investments in property, plant and equipment and intangible assets less consideration received on sale of property, plant and equipment and intangible assets.

LTM

Rolling 12 months.

FTE

Number of employees on a full-time equivalent basis.

Equal opportunities

Gender distribution between men and women in managerial positions.

Employee motivation index (EMI)

Each year, Coor conducts a comprehensive employee survey with the help of an external research firm.

Customer satisfaction index (CSI)

Each year, Coor conducts a comprehensive customer survey with the help of an external research firm.

Scope 1–3

Scope 1 encompasses all direct greenhouse gas emissions. For Coor, this includes emissions from the combustion of fossil fuels from vehicles and machinery.

Scope 2 includes indirect emissions from energy use in the form of electricity, heating and cooling.

Scope 3 includes all other indirect emissions from purchased goods and services, business travel, capital goods, investments, employee commuting, waste disposal, upstream transportation and distribution.

CALCULATION OF KEY PERFORMANCE INDICATORS

Net sales growth

Change in net sales for the period as a percentage of net sales for the same period in the previous year.

Organic growth

Change in net sales for the period as a percentage of net sales for the same period in the previous year excluding acquisitions and foreign exchange effects.

Acquired growth

Net sales for the period attributable to acquired businesses, excluding foreign exchange effects, as a percentage of net sales for the same period in the previous year.

EBITA margin

EBITA as a percentage of net sales.

Adjusted EBITA margin

Adjusted EBITA as a percentage of net sales.

Adjusted EBITDA margin

Adjusted EBITDA as a percentage of net sales.

Working capital/net sales

Working capital at the balance sheet date as a percentage of net sales (rolling 12 months).

Net debt

Non-current and current interest-bearing assets less non-current and current interest-bearing liabilities at the balance sheet date.

Earnings per share

Profit for the period attributable to shareholders of the parent company divided by average number of ordinary shares outstanding.

Equity per share

Equity at the end of the period attributable to shareholders of the parent company divided by the number of shares outstanding at the end of the period.

Equity/assets ratio

Consolidated equity and reserves attributable to shareholders of the parent company at the balance sheet date as a percentage of total assets at the balance sheet date.

Cash conversion

Adjusted EBITDA less net investments and adjusted for changes in working capital, as a percentage of adjusted EBITDA.

Leverage/capital structure

Net interest-bearing debt at the balance sheet date divided by adjusted EBITDA (rolling 12 months).

TRIFR (total recorded injury frequency rate)

Total number of injuries multiplied by 1,000,000 working hours. Injuries to and from the workplace are excluded.

Scope 1 CO₂ emissions

Emissions of CO₂ equivalents from purchased fuel for owned and leased machinery and vehicles per SEK in sales [tCO₂e/SEK million]



FOR FURTHER INFORMATION

For questions concerning the financial report, please contact our CFO and IR Director Klas Elmberg (+46 10 559 65 80).

For questions concerning the operations or the company in general, please contact President and CEO AnnaCarin Grandin (+46 10 559 57 70) or Director of Communications Magdalena Öhrn (+46 10 559 55 19).

More information is also available on our website: www.coor.com

INVITATION TO A PRESS AND ANALYST PRESENTATION

On 15 July 2021, at 9:00 a.m. CEST, the company's CEO and CFO will give a presentation on developments in the second quarter via a webcast. To participate in the webcast, please register in advance using the following link: <https://onlinexperiences.com/Launch/QReg/ShowUUID=8CFB7CE1-228C-49A1-9987-30F3A99A763E>

To listen to the presentation by telephone, dial +46850558366 (Sweden), +4723963688 (Norway), +4578150110 (Denmark), +358981710521 (Finland) or +443333009267 (UK).

The briefing material and a recording of the webcast will be published on the company's website www.coor.com, under Investors/Reports and presentations, after the briefing.

FINANCIAL CALENDAR

9 November 2021	Interim Report January–September 2021
10 February 2022	Interim Report January–December 2021
29 April 2022	Interim Report January–March 2022
15 July 2022	Interim Report January–June 2022

This constitutes information which Coor Service Management Holding AB is required to publish under the EU's Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication through the above contact person on 15 July 2021 at 7:30 a.m. CEST.