Interim Report: January–September 2023

Action program to strengthen profitability

Third quarter of 2023

- Net sales in the third quarter amounted to SEK 3,016 (2,766) million. Organic growth was 3 per cent and growth from acquisitions 4 per cent, while exchange rate effects accounted for 3 per cent.
- Adjusted EBITA amounted to SEK 126 (122) million and the operating margin was 4.2 (4.4) per cent.
- EBIT was SEK 78 (70) million. Profit after tax was SEK 28 (39) million.
- Earnings per share were SEK 0.3 (0.4).
- Cash conversion for the most recent 12-month period amounted to 93 (91) per cent.
- Leverage in relation to adjusted EBITDA was 2.4 (1.8).

Full period January–September 2023

- Net sales for the full period amounted to SEK 9,156 (8,701) million. Organic growth was 1 per cent and growth from acquisitions 2 per cent, while exchange rate effects accounted for 2 per cent.
- Adjusted EBITA amounted to SEK 439 (481) million and the operating margin was 4.8 (5.5) per cent.
- EBIT was SEK 278 (312) million. Profit after tax was SEK 125 (203) million.
- Earnings per share were SEK 1.3 (2.1).

Group earnings summary

	Jul-Sep		Jan-Sep		Rolling	Jan-Dec
	2023	**2022**	**2023**	**2022**	**12 mth.**	**2022**
Net sales, SEK m	3,016	2,766	9,156	8,701	12,244	11,789
Organic growth, %	*3*	*1*	*1*	*7*	*1*	*5*
Acquired growth, %	*4*	*10*	*2*	*11*	*3*	*9*
FX-effects, %	*3*	*3*	*2*	*2*	*2*	*3*
Adjusted EBITA, SEK m	126	122	439	481	592	634
Adjusted EBITA-margin, %	4.2	4.4	4.8	5.5	4.8	5.4
EBIT, SEK m	78	70	278	312	374	408
Income for the period, SEK m	28	39	125	203	179	257
Cash conversion, %	148	136	74	77	93	94
Earnings per share, SEK	0.3	0.4	1.3	2.1	1.9	2.7

See page 31 for definitions and calculations of key performance indicators. Items affecting comparability are presented in Note 3

Action program to strengthen profitability

Coor continues to grow during the third quarter and sales amount to SEK 3,016 million, corresponding to growth of 9 per cent. Over the last 12 months, the company has generated an operating margin of 4.8 per cent, which is not in line with the margin target of 5.5 per cent. Coor is therefore implementing an action program to accelerate profitability towards the financial target.

Program for margin improvement

Coor's growth journey over the last years has been highly successful even though a few large contracts have been ended. However, the growth in combination with external factors such as high inflation and rising interest rates has put pressure on the company's operating margin and cash flow.

To accelerate progress towards the company's long-term margin targets, Coor is implementing an action program to realize economies of scale and synergies to a greater degree, and to retain the company's position as a market leader in facility management in the Nordic region. This action program includes extended cost control, staff reductions through strengthened harmonisation and industrialisation of underlying processes with a focus on cleaning services, property management and food & beverages as well as an increased focus on procurement to better utilise Nordic economies of scale. The action program started in Denmark during the second quarter and is now being initiated in the remaining countries and staff functions.

Once fully implemented, the entire action program is expected to have an annual effect of approximately SEK 100 million. The total estimated cost of the program is approximately SEK 40 million, the majority of which will be included in earnings for the fourth quarter when the staff reductions are put into effect.

Decreased leverage

Leverage in the third quarter fell to 2.4x from the preceding quarter, driven by cash conversion that remains strong at 93 per cent. This level is very much in line with the company's target of a leverage below 3.0x. In a business environment with increasing interest expenses, where satisfactory dividend levels remain a priority, we are focusing on continued stable cash conversion while taking a more cautious approach to acquisitions. Along with measures to improve the margin, our ambition is to further reduce our leverage.

Activities in the customer portfolio

In late August, Coor won a new IFM contract with Swedbank. Coor will deliver broad, integrated services for all of Swedbank's offices in Sweden. The duration of the contract is four years with an option to extend, at an annual value of approximately SEK 220 million including estimates for variable project volumes. Activities to start up the contract on December 15 are progressing well.

Coor signs a new partnership agreement with ATP Ejendomme in Denmark. Through this partnership, ATP Ejendomme will offer its tenants customised facility management services.

During the third quarter, Coor secured a five-year extension of its contract with Aibel in Norway. The value of the contract is approximately SEK 200 million over the term of the contract, excluding additional variable project volumes. The agreement encompasses services such as cleaning, reception, restaurants and property management.

The integration of the acquired Swedish company Skaraborgs Städ is proceeding as planned and adds expected value.

Coor ended its delivery to Ericsson at the end of August but will continue delivering a smaller volume of advanced services to Ericsson until a new supplier can take over.

Satisfied customers

Coor conducts an annual customer satisfaction survey with the help of an external party, and this year we have once again achieved a strong index of 71, which is in line with the company's target. The results from the customer survey provide valuable input for the future with regard to the development of our customer relationships as well as Coor's internal development as a company.

Favorable outlook, with a focus on profitability

We are seeing strong interest and demand in the market as well as new business opportunities throughout the Nordic region. I believe that we have good prospects of achieving growth, profitability and cash flow in line with our targets over time. The coming year, focus will be on profitability and cash flow.

Stockholm, 25 October 2023
AnnaCarin Grandin
President and CEO, Coor

Our operations in three dimensions

Delivering on Coor's strategy and developing our business in line with our 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: business responsibility, social responsibility and environmental responsibility. Coor transparently reports on its progress toward its long-term targets in all three dimensions.

Business responsibility	Focus areas	Target
Coor is to achieve long-term business sustainability through sustained growth and profitability over time. At the same time, we are to maintain strong business ethics and sound customer relationships.	Organic growth	4-5%
	Adjusted EBITA margin	~5.5%
	Cash conversion	>90%
	Capital structure	<3.0x
	Dividend	~50% of adjusted net profit
	Customer satisfaction	≥70

Social responsibility		
Coor is to contribute to a better society and social development by acting as a responsible, inclusive and stimulating employer.	Employee motivation	≥70
	TRIF	≤3.5
	Equal opportunities	50% female managers

Environmental responsibility		
Coor is to contribute to a better environment by actively reducing its environmental impact and the resources used by the company and its customers.	Reduced Scope 1 and 2 emissions	-50% by 2025 and -75% by 2030
	SBTi signatory suppliers	75% by 2026
	Reduced emissions from food & beverages	-30% by 2025

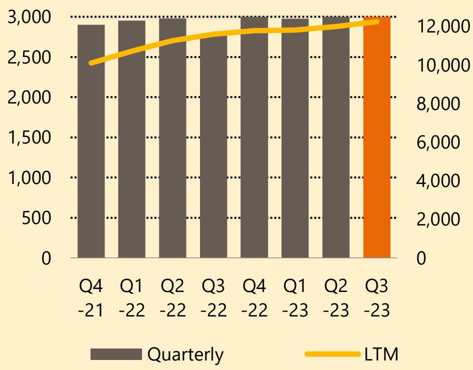
8 ANSTÄNDIGA ARBETSVILLKOR OCH EKONOMISK TILLVÄXT
17 GENOMFÖRANDE OCH GLOBALT PARTNERSKAP
3 GOD HÄLSA OCH VÄLBEFINNANDE
5 JÄMSTÄLLDHET
10 MINSKAD OJÄMLIKHET
12 HÅLLBAR KONSUMTION OCH PRODUKTION
13 BEKÄMPA KLIMATFÖRÄNDRINGARNA
14 HAV OCH MARINA RESURSER
7 HÅLLBAR ENERGI FÖR ALLA

Business responsibility

Net sales and profit

Key performance indicators	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Net sales, SEK m	3,016	2,766	9,156	8,701
Organic growth, %	*3*	*1*	*1*	*7*
Acquired growth, %	*4*	*10*	*2*	*11*
FX effects, %	*3*	*3*	*2*	*2*
Adjusted EBITA, SEK m	126	122	439	481
Adjusted EBITA-margin, %	4.2	4.4	4.8	5.5
EBIT	78	70	278	312
EBIT-margin, %	2.6	2.5	3.0	3.6
Number of employees (FTE)	10,896	10,192	10,896	10,192

Net sales (SEK m)



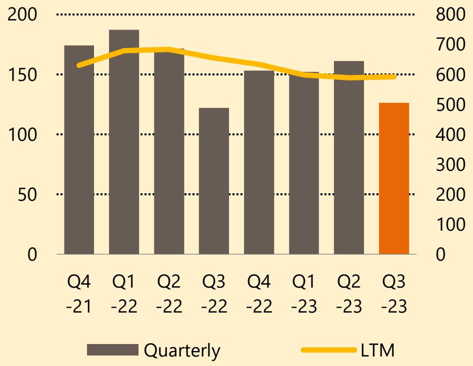
Third quarter (July–September)

Sales increased by 9 per cent compared with the year-earlier period. Organic growth was 3 per cent. Net growth was positively impacted by newly started contracts such as with Saint Göran Hospital and Alstom in Sweden as well as Studentsamskipnaden i Oslo and IKEA in Norway. The ended contract with Ericsson in Sweden had a negative impact. Acquired growth for the quarter was 4 per cent and pertained to the acquisition of Skaraborgs Städ in Sweden. Exchange rate effects were positive and amounted to 3 per cent.

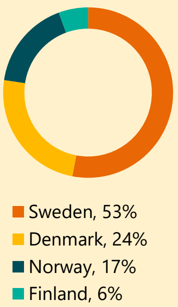
Operating profit (adjusted EBITA) amounted to SEK 126 (122) million. The operating margin (adjusted EBITA margin) for the quarter was 4.2 (4.4) per cent. The operating margin in the Swedish operation was negatively impacted by the union-agreed low-wage initiative and the discontinued state subsidy for social security contributions for young employees, which have not yet fully been transferred to customers via indexation. The lost contract with Ericsson ended in August, and negatively impacts the comparison with the year-earlier period. This effect was amplified during the quarter by lost synergies with other operations, which the Swedish operation is gradually managing. The operation in Norway displayed poor profitability in the quarter, driven by initially high staffing costs in newly started contracts as well as increased raw materials costs for food & beverages.

EBIT totalled SEK 78 (70) million. In addition to changes in operating profit (adjusted EBITA), the change compared with the previous year is primarily due to fewer items affecting comparability.

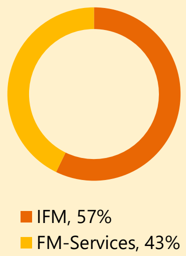
Adjusted EBITA (SEK m)



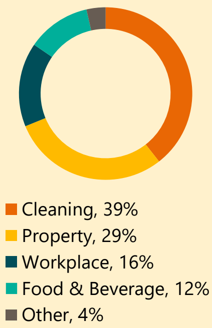
Net sales by country (LTM)



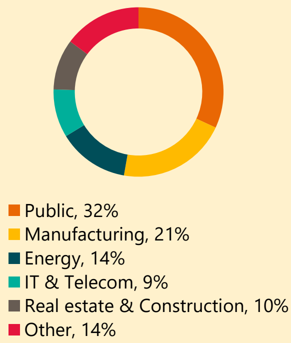
Net sales by type of contract (LTM)



Net sales by service category (LTM)



Net sales by customer segment (LTM)



Full period (January–September)

Sales increased 5 per cent compared with the year-earlier period. Organic growth was 1 per cent and growth from acquisitions 2 per cent, while foreign exchange effects accounted for 2 per cent.

Operating profit (adjusted EBITA) amounted to SEK 439 (481) million and the operating margin (adjusted EBITA margin) was 4.8 (5.5) per cent. EBIT was SEK 278 (312) million.

Financial net and profit after tax

Net financial items amounted to SEK -104 (-49) million, an increase from the year-earlier period. The increase compared with the previous year is linked to higher liabilities to credit institutions and a higher interest rate compared with the preceding year.

The tax expense was SEK -49 (-60) million, corresponding to 28 (23) per cent of profit before tax. The higher tax rate compared with the previous year is mainly linked to higher interest expenses with limited tax deductibility in Sweden. Profit after tax was SEK 125 (203) million.

	Jan-Sep	
Financial net (SEK m)	**2023**	**2022**
Net interest, excl leasing	-84	-38
Net interest, leasing	-6	-6
Borrowing costs	-3	-2
Exchange rate differences	1	2
Other	-11	-5
Total financial net	**-104**	**-49**
Profit before tax	**174**	**263**
Tax	-49	-60
Income for the period	**125**	**203**

Financial position

Consolidated net debt at the end of the period was SEK 1,987 (1,584) million.

The company's leverage, defined as net debt to adjusted EBITDA (rolling 12 months), was 2.4 (1.8) at the end of the period, which is in line with the Group's target of a leverage below 3.0.

Equity at the end of the period amounted to SEK 1,829 (2,103) million, and the equity/assets ratio was 25 (30) per cent. During the second quarter, the company paid an ordinary dividend of SEK 228 million to shareholders.

At the end of the period cash and cash equivalents amounted to SEK 471 (504) million and the Group had undrawn credit lines totalling SEK 620 (650) million.

	30 Sep		31 Dec
Net debt (SEK m)	**2023**	**2022**	**2022**
Liabilities to credit institutions	1,122	847	848
Corporate bond	1,000	1,000	1,000
Leasing, net	350	279	301
Other	-15	-39	-36
	2,458	**2,088**	**2,113**
Cash and cash equivalents	-471	-504	-484
Net debt	**1,987**	**1,584**	**1,629**
Leverage, times	2.4	1.8	1.9
Equity	1,829	2,103	1,938
Equity/assets ratio, %	25	30	27

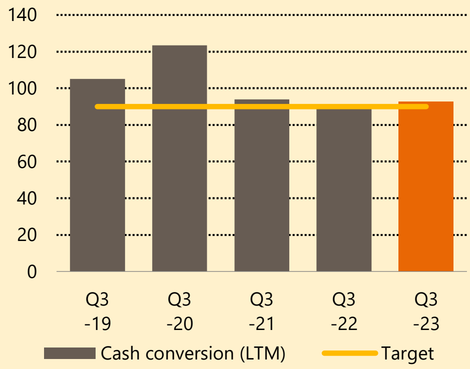
Cash flow

Operating cash flow varies from one quarter to the next. The key parameter to follow is the rolling 12-month change in working capital. During the last 12 months, working capital declined by SEK 62 (7) million, driven by ongoing focused efforts across the entire organisation.

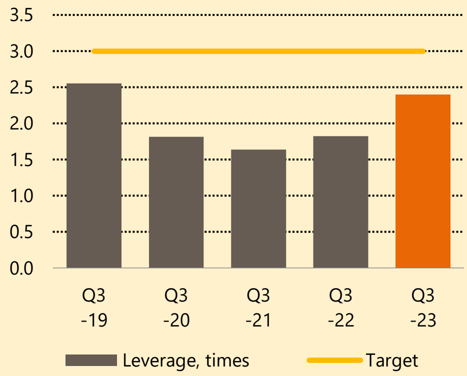
The most important key performance indicator for Coor's cash flow is cash conversion, which is defined as the ratio of a simplified operating cash flow to adjusted EBITDA. Cash conversion for the most recent 12-month period amounted to 93 (91) per cent, which is in line with the Group's target of a cash conversion of over 90 per cent.

	Rolling 12 mth.		Jan-Dec
Cash conversion (SEK m)	**2023**	**2022**	**2022**
Adjusted EBITDA	828	869	851
Change in net working capital	62	7	47
Net investments	-122	-81	-95
Cash flow for calculation of cash conversion	**768**	**794**	**803**
Cash conversion, %	**93**	**91**	**94**

Cash conversion, %



Leverage, times



Customer relationships

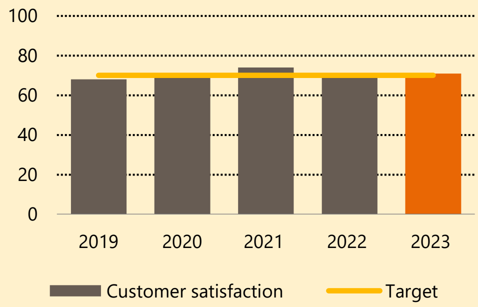
Customer satisfaction

Every year, Coor conducts a customer survey with the help of an external research firm with the aim of monitoring its performance as a service provider. The number of respondents to the 2023 customer satisfaction survey totalled 1,068, which is in line with the preceding year. The results remain at a high level of 71 (71), which is in line with the company's target of 70 or higher. The customer satisfaction survey also measures our Net Promoter Score (NPS), which remains at a high level of +11. From a benchmarking perspective, values of between -10 and +10 are considered good.

The results from the customer survey provide valuable input for the future, with regard to the development of our customer relationships as well as Coor's 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 pulse surveys, for example.

Customer satisfaction index



Significant events during the quarter

- On 29 August 2023, it was announced that Coor had signed a new IFM contract with Swedbank. The contract extends for four years with an option to extend, at an annual value of approximately SEK 220 million including estimates for variable annual project volumes.

Significant events after the end of the period

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

Social responsibility

Coor's most important asset is its employees. Coor aims to have committed and motivated employees that are treated fairly and respectfully and can develop within the company by being provided with equal opportunities. Coor works actively to promote the well-being of its employees and a safe work environment free from work-related injuries and long-term sick leave. The aim is that our work will contribute positively to the development of society through central and local initiatives.

Organisation and employees

At the end of the period, the number of employees was 13,379 (12,672), or 10,896 (10,192) on a full-time equivalent basis. In the second quarter, about 800 employees were added through the acquisition of Skaraborgs Städ.

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, the distribution of men and women in managerial positions was in line with the company's ambition.

Employee motivation

Each year, Coor carries out an 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. The 2023 survey was conducted in the second quarter. The survey was answered by 77 (79) per cent of all employees and showed that our Employee Motivation Index (EMI) remains very high at 76 (76), which more than meets the company's target of 70 or higher. We also measure our Employee Net Promoter Score (eNPS), which remains at a high level of +25. From a benchmarking perspective, values over 0 are considered good.

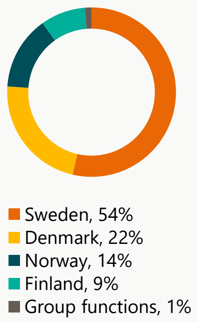
Health and safety

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.

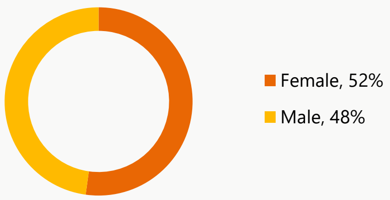
Systematic and ongoing work is taking place to further strengthen the culture of security work and achieve established targets through training initiatives and campaigns. One example is Coor's Life Saving Rules, in which we highlight our eight most common risk areas and describe how we will act to avoid injuries. Our Life Saving Rules can be compared with a Code of Conduct for health and safety.

Coor's medium-term target is for the Group's total recorded injury frequency rate (TRIF) to be less than 3.5. For the third quarter of 2023, the Group's TRIF amounted to 6.6 (7.9) on a rolling 12-month basis, which is a clear improvement compared with the year-earlier quarter and also a reduction compared with the outcome for full-year 2022.

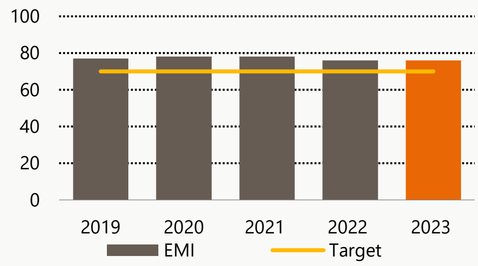
Distribution of employees (FTE at the end of the period)



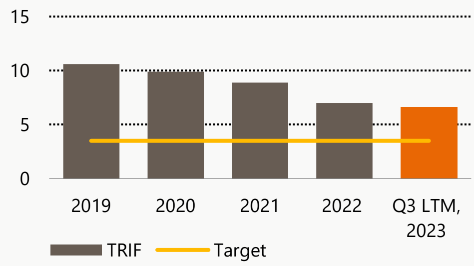
Equal opportunities (gender distribution of managers at the end of the period)



Employee motivation index (EMI)



Total recorded injury frequency (TRIF)



Environmental responsibility

Coor aims to promote responsible consumption and reduced emissions by conducting structured and proactive environmental work and actively minimising our customers' environmental impact.

Net-Zero 2040 strategy under development

In February 2023, Coor's Board of Directors resolved to commit to Net-Zero emissions of greenhouse gases (GHG) in accordance with the Science Based Targets initiative by 2040. This is ten years earlier than the Science Based Targets initiative's (SBTi) standard requirement for companies. To achieve Net-Zero, Coor needs to eliminate GHG emissions in its own operations and reduce emissions throughout the value chain by 90 per cent compared with the baseline (2018). The target has been sent for validation by the SBTi while Coor has commenced the transition.

Emissions from operations are divided into Scope 1 (direct emissions from our vehicle fleet), Scope 2 (indirect emissions from premises where Coor has operational control over energy consumption) and Scope 3 (mainly emissions from purchased goods and services). Coor calculates GHG emissions according to the definitions and guidelines adopted by the GHG Protocol.

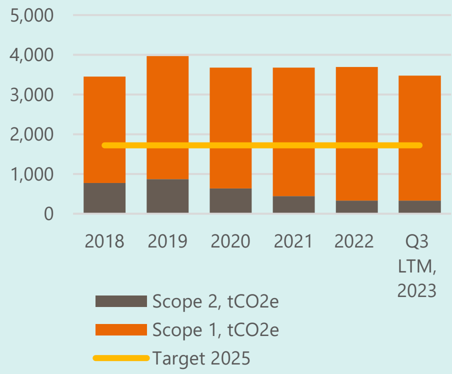
SCIENCE BASED TARGETS

Scope 1 and 2

Coor's aim is to reduce its absolute Scope 1 and 2 emissions by 75 per cent by 2030 compared with the baseline year (2018). The interim target is to reduce emissions by 50 per cent by 2025.

Emissions at the end of the third quarter of 2023 (3,473 tCO2e, LTM) increased by 1 per cent compared with 2018 (3,450 tCO2e). Total Scope 1 and 2 emissions have declined 6 per cent compared with full-year 2022.

CO_2e from our vehicles and premises (Scope 1 and 2)



Scope 1 – Our vehicle fleet

Scope 1 emissions are generated by our vehicle fleet and machinery. 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 aim of having a fossil-free vehicle fleet requires a combination of increased electrification and a transition to HVO fuel wherever the use of electric vehicles is not yet possible. The availability of HVO varies between countries. For example, it is not possible to use HVO in Norway, and in our other countries, its availability is limited outside of major cities. In parallel with the transition to an electrified vehicle fleet, the operations and their dedicated fleet managers are working actively with the rotation of the existing fleet to optimise the phase out of fossil-fuel vehicles.

Emissions (LTM) in the third quarter decreased compared with both the first and second quarters. Even though we have seen an absolute increase of 17 per cent in greenhouse gas emissions from the vehicle fleet since 2018, we are seeing that increase fall over time and the margin for the base year 2018 decreasing. This increase is largely a result of challenges related to infrastructure for electric vehicles, which varies between the Nordic countries and between cities and the countryside. Coor is taking measures to improve the infrastructure for charging where we have the opportunity to do so. The combination of the infrastructure for electric vehicles, long delivery times for new electric vehicles and high growth in the company resulting in a larger fleet has led to an increase in total emissions. The acquisition of Skaraborgs Städ encompassed a total of approximately 180 vehicles, of which a large share comprises petrol and diesel vehicles that are included in the figures as of the third quarter.

Scope 2 – Our premises

Scope 2 measures emissions generated from energy consumption in the form of electricity, heating and cooling in the premises where Coor has operational control. The Group's target is 100 per cent renewable electricity and entails that the 2018 emissions levels from heating and cooling may not be exceeded, despite the company's growth. Measurements are taken annually and were last taken in Q4 2022. Through energy-enhancement measures and a transition to renewable energy, Coor has reduced the absolute level of tCO_2e by 57 per cent compared with base year 2018.

Scope 3

Most of Coor's climate impact is attributable to purchased goods and services used in our service delivery (Scope 3), which are mainly related to food & beverages. To be able to analyse the climate impact from service deliveries, Coor has developed a climate calculation tool to support more data-driven decisions when it comes to reducing Coor's climate impact. To achieve our targets in the area, Coor is primarily working with activities that target the supply chain and reducing emissions in food & beverages.

Scope 3 – The supply chain

Coor's target is for 75 per cent of emissions from purchased goods and services to come from suppliers who have had their targets approved by the SBTi or an equivalent body. This target is to be achieved by 2026.

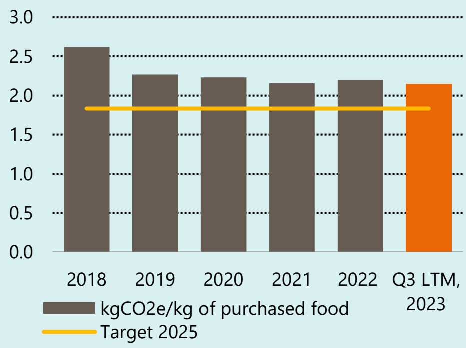
Since this is an important factor for Coor when selecting suppliers, a supplier dialogue has been initiated where suppliers are challenged to follow the ambition of limiting global warming to 1.5 °C and committing to the SBTi. A measurement showed that 12 per cent of Coor's suppliers had been validated by the SBTi at the end of the third quarter of 2023, an increase of 8 percentage points compared with full-year 2022.

Scope 3 – Food & beverages

Coor provides restaurant and café services across the Nordic region, which makes Coor a major buyer of food. Of Coor's emissions in the base year 2018, approximately 40 per cent of greenhouse gases came directly from these operations.

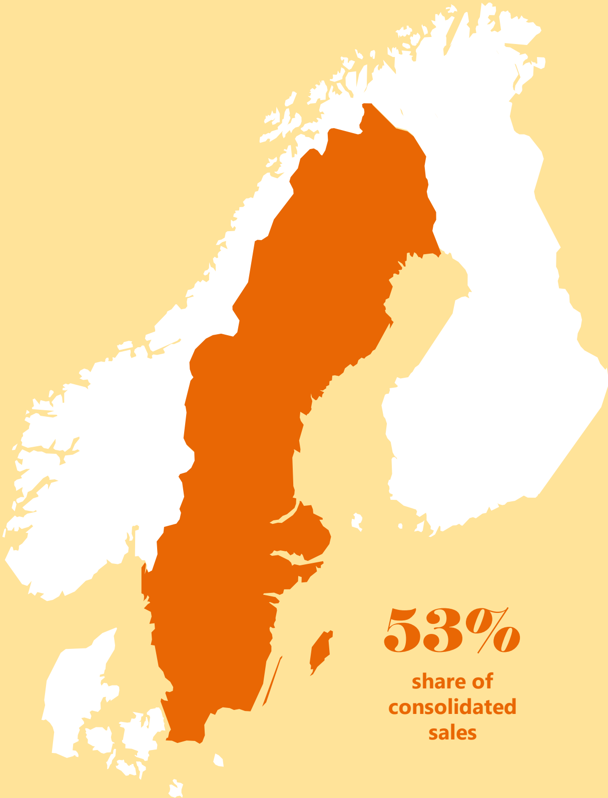
Coor's goal is to reduce emissions from food & beverages by 30 per cent by 2025 compared with the base year 2018. This is being achieved in part through climate-smart menu planning, which has reduced emissions by 18 per cent compared with the base year. For the third quarter of 2023, the value was 2.15 (2.21) $kgCO_2e/kg$.

CO_2e from food & beverages (Scope 3)



Sweden

Key performance indicators	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Net sales, SEK m	1,564	1,478	4,830	4,689
Organic growth, %	*-1*	*6*	*-1*	*10*
Acquired growth, %	*7*	*21*	*4*	*22*
FX-effects, %	*0*	*0*	*0*	*0*
Adjusted EBITA, SEK m	120	124	434	471
Adjusted EBITA-margin, %	7.7	8.4	9.0	10.0
Number of employees (FTE)	5,842	5,357	5,842	5,357



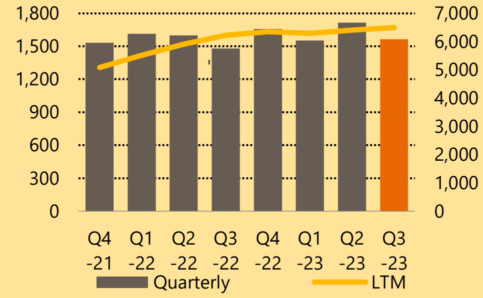
Third quarter (July–September)

During the third quarter, sales in the Swedish operations increased by 6 per cent. Organic growth was -1 per cent and growth from acquisitions was 7 per cent. Organic growth was positively impacted by new contracts, such as those with Saint Göran Hospital and Alstom, while lower variable volumes in property and the ended contract with Ericsson had a negative impact. Acquired growth was attributable to the acquisition of Skaraborgs Städ that took place on 9 May 2023.

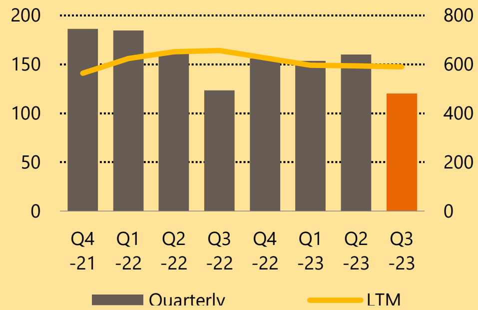
During the quarter, operating profit (adjusted EBITA) decreased by 3 per cent year-on-year to SEK 120 (124) million. The operating margin (adjusted EBITA margin) was 7.7 (8.4) per cent. The operating profit was positively impacted by newly started contracts and the acquisition of Skaraborgs Städ. The delivery to Ericsson ended in August, and negatively impacted the comparison with the year-earlier period. This effect was amplified during the quarter by lost synergies with other operations, which the operation is gradually managing. Furthermore, operating profit and the margin were negatively impacted by the union-agreed low-wage initiative and the discontinued state subsidy for social security contributions for young employees. These effects have not yet fully been transferred to customers via indexation.

During the third quarter, an IFM contract was signed with Swedbank. The duration of the contract is four years with an option to extend, at an annual value of approximately SEK 220 million including estimates for variable annual project volumes.

Net sales (SEK m)



Adjusted EBITA (SEK m)



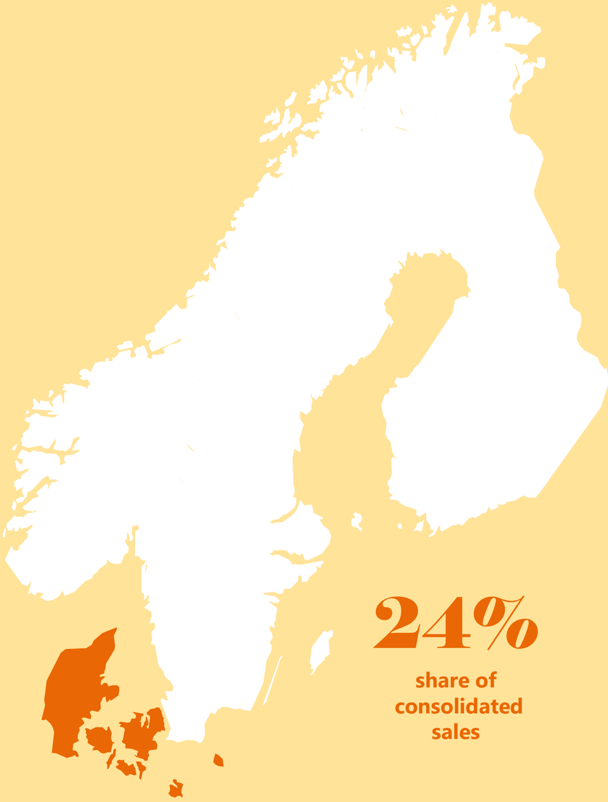
Full period (January–September)

During the full period, sales in the Swedish operations grew by 3 per cent, with negative organic growth accounting for -1 per cent and acquired growth accounting for 4 per cent.

Operating profit (adjusted EBITA) for the full period decreased by 8 per cent year-on-year to SEK 434 (471) million. The operating margin (adjusted EBITA margin) was 9.0 (10.0) per cent.

Denmark

Key performance indicators	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Net sales, SEK m	728	659	2,252	1,920
Organic growth, %	*-0*	*24*	*8*	*25*
Acquired growth, %	*0*	*0*	*0*	*0*
FX-effects, %	*11*	*5*	*10*	*5*
Adjusted EBITA, SEK m	27	18	93	79
Adjusted EBITA-margin, %	3.8	2.8	4.1	4.1
Number of employees (FTE)	2,447	2,493	2,447	2,493



24%

share of consolidated sales

Third quarter (July–September)

During the third quarter, sales in the Danish operations increased by 10 per cent compared with the year-earlier period, primarily through positive exchange rate effects. Lower variable volumes in property compared with the year-earlier period as well as a few smaller ended contracts impacted organic growth negatively, while indexation had a positive impact.

Operating profit (adjusted EBITA) for the quarter amounted to SEK 27 (18) million. The operating margin (adjusted EBITA margin) was 3.8 (2.8) per cent. The stronger operating profit and margin are attributable primarily to positive effects of indexation as well as certain effects from the adaptation of the Danish organisation that was implemented during the second quarter of the year.

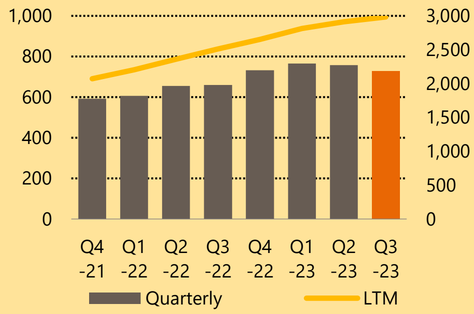
Coor signed a new partnership agreement with ATP Ejendomme. Through this partnership, ATP Ejendomme will offer its tenants customised facility management services.

Full period (January–September)

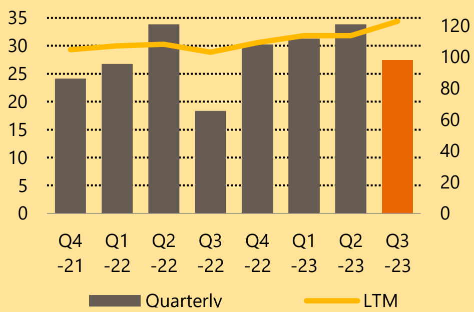
During the full period, sales in the Danish operations increased by 17 per cent compared with the year-earlier period, with organic growth of 8 per cent and positive exchange rate effects of 10 per cent.

Operating profit (adjusted EBITA) for the full period amounted to SEK 93 (79) million. The operating margin (adjusted EBITA margin) was unchanged year-on-year and amounted to 4.1 (4.1) per cent.

Net sales (SEK m)

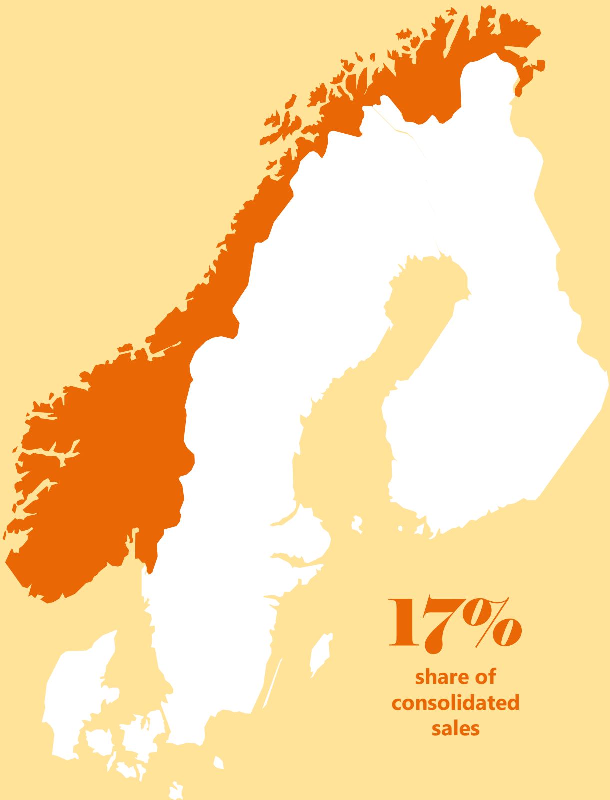


Adjusted EBITA (SEK m)



Norway

Key performance indicators	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Net sales, SEK m	547	475	1,556	1,610
Organic growth, %	*18*	*-27*	*0*	*-12*
Acquired growth, %	*0*	*-0*	*0*	*1*
FX-effects, %	*-3*	*5*	*-4*	*5*
Adjusted EBITA, SEK m	18	18	58	77
Adjusted EBITA-margin, %	3.3	3.9	3.7	4.8
Number of employees (FTE)	1,535	1,338	1,535	1,338



Third quarter (July–September)

During the third quarter, sales in the Norwegian operations increased by a total of 15 per cent. Organic growth totalled 18 per cent and was primarily linked to newly started contracts, such as with Drammen Municipality, Studentsamskipnaden i Oslo and IKEA. The foreign exchange effect was negative, totalling -3 per cent.

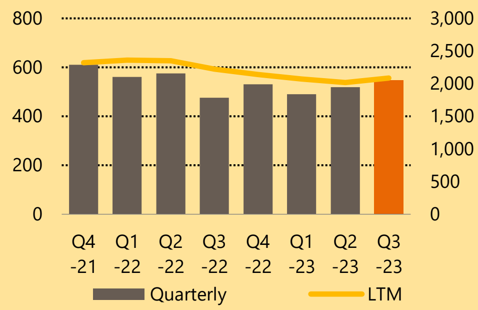
Operating profit (adjusted EBITA) for the quarter amounted to SEK 18 (18) million. The operating margin (adjusted EBITA margin) was 3.3 (3.9) per cent. The decrease in the operating margin is attributable to initial high staffing costs in newly started contracts as well as increased raw materials costs for food & beverages during the quarter.

The IFM contract with Aibel was extended by five years during the third quarter. The value of the contract is approximately SEK 200 million over the term of the contract, excluding additional variable project volumes. The agreement encompasses services such as cleaning, reception, restaurants and property management.

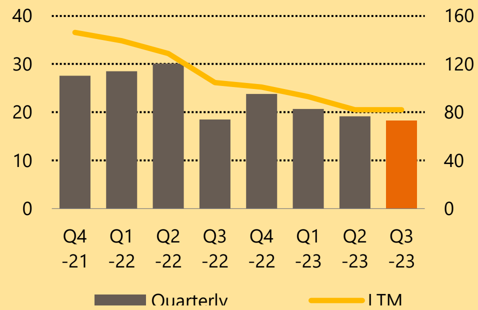
Full period (January–September)

During the full period, sales in the Norwegian operations declined by 3 per cent, mainly as a result of negative foreign exchange effects of -4 per cent. Operating profit (adjusted EBITA) amounted to SEK 58 (77) million. The operating margin (adjusted EBITA margin) was 3.7 (4.8) per cent.

Net sales (SEK m)

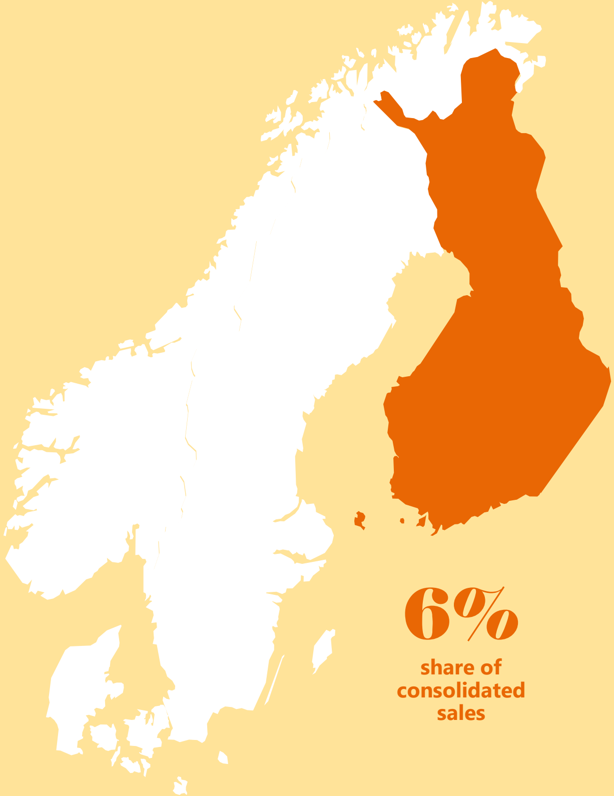


Adjusted EBITA (SEK m)



Finland

Key performance indicators	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022
Net sales, SEK m	176	154	519	484
Organic growth, %	*4*	*-5*	*-2*	*-1*
Acquired growth, %	*0*	*0*	*0*	*0*
FX-effects, %	*11*	*4*	*9*	*4*
Adjusted EBITA, SEK m	10	8	13	13
Adjusted EBITA-margin, %	5.8	5.0	2.6	2.6
Number of employees (FTE)	932	868	932	868



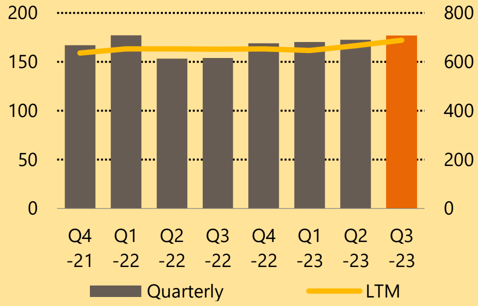
6%
share of consolidated sales

Third quarter (July–September)

During the third quarter, sales in Finland increased by 15 per cent compared with the year-earlier period. Organic growth amounts to 4 per cent and was connected to increased variable volumes and a few smaller new contracts that were partly offset by a couple of smaller terminated loss-making contracts in northern Finland. Foreign exchange effects were positive and amounted to 11 per cent.

Operating profit (adjusted EBITA) amounted to SEK 10 (8) million. The operating margin (adjusted EBITA margin) was 5.8 (5.0) per cent. The increased margin is attributable primarily to a couple of smaller terminated loss-making contracts in northern Finland that had a negative impact on profitability during the same period in the preceding year.

Net sales (SEK m)

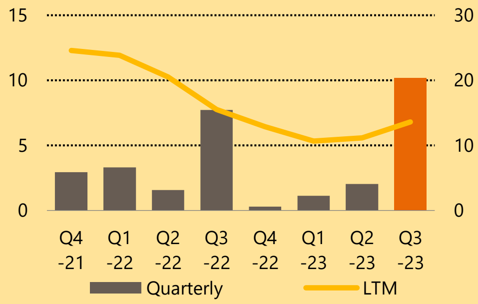


Full period (January–September)

During the full period, sales in the Finnish operations increased by 7 per cent compared with the year-earlier period, with negative organic growth of -2 per cent and positive exchange rate effects of 9 per cent.

Operating profit (adjusted EBITA) for the full period amounted to SEK 13 (13) million. The operating margin (adjusted EBITA margin) was 2.6 (2.6) 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.

The Group's interest expenses are largely hedged in an interest rate swap that extends to the first quarter of 2024. In the fourth quarter of 2022, Coor signed an agreement on sustainability-linked financing of the company's existing revolving credit facility that secured in advance the option of refinancing the company's non-redeemable bonds which mature in March 2024. The refinancing addresses upcoming maturities ahead of time, providing continued flexibility in Coor's financing.

There is currently a great deal of uncertainty in the world that is resulting in price increases and supply chain disruptions, which in turn are impacting Coor's operations and those of its customers. Coor is working continuously to implement mitigating measures.

Acquisitions and sales

On 4 April 2023, an agreement was signed for the acquisition of Skaraborgs Städ in Sweden. The acquisition expands Coor's geographic coverage in Västra Götaland, Värmland and Småland. Skaraborgs Städ has 800 employees and annual sales of approximately SEK 400 million. The purchase consideration (on a cash and debt free basis) amounts to SEK 250 million. The acquisition was financed entirely within the framework of Coor's existing financing. The acquisition was finalised on 9 May 2023 after a customary review by the Swedish Competition Authority. 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 -105 (profit: 1,254) million. Total assets in the parent company at the end of the period amounted to SEK 7,848 (7,985) million. Equity in the parent company amounted to SEK 5,590 (6,110) million.

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 the First Swedish National Pension Fund (AP1), Mawer Investment Management and Nordea Funds.

Coor's fifteen largest shareholders 30 Sep 2023[1)]

Shareholder	Number of shares and votes	Shares and votes, %
Första AP-fonden	8,181,474	8.5
Mawer Inv. Management	6,680,668	7.0
Nordea Funds	6,014,203	6.3
Didner & Gerge Fonder	5,589,034	5.8
SEB-Stiftelsen	4,300,000	4.5
Andra AP-fonden	4,277,284	4.5
Taiga Fund Mgmt AS	3,890,027	4.1
SEB Fonder	3,757,014	3.9
Tredje AP-fonden	2,794,070	2.9
Swedbank Robur Fonder	2,494,033	2.6
Columbia Threadneedle	1,988,225	2.1
ODIN Fonder	1,700,000	1.8
Ennismore Fund Management	1,523,415	1.6
Dimensional Fund Advisors	1,441,919	1.5
Länsförsäkringar Fonder	1,371,640	1.4
Total 15 largest shareholders	**56,003,006**	**58.5**
Other shareholders	39,809,016	41.5
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.

The report for the period has been reviewed by the company's auditors.

Stockholm, 25 October 2023

For the Board of Directors of Coor Service Management Holding AB

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, Aibel, Alleima, the Danish Building and Property Agency, DNV, DSB, Equinor, ICA, IKEA, Karolinska University Hospital Solna, the Danish Police, Public Prosecution Authority and Prison and Probation Service, PostNord, Saab, SAS, Skanska, Telia Company, 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

Auditor's report

Coor Service Management Holding AB (publ) org nr 556742-0806

Introduction

We have reviewed the condensed interim financial information (interim report) of Coor Service Management Holding AB as of 30 September 2023 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 25 October 2023

Öhrlings PricewaterhouseCoopers AB

Authorised Public Accountant
Niklas Renström

Consolidated financial statements

Consolidated income statement

Income statement (SEK m)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 mth.	Jan-Dec 2022
Net sales	3,016	2,766	9,156	8,701	12,244	11,789
Cost of services sold	-2,715	-2,493	-8,232	-7,749	-11,032	-10,549
Gross income	**301**	**274**	**924**	**953**	**1,212**	**1,241**
Selling and administrative expenses	-223	-204	-646	-641	-837	-832
Operating profit	**78**	**70**	**278**	**312**	**374**	**408**
Net financial income/expense	-38	-19	-104	-49	-127	-72
Profit before tax	**40**	**51**	**174**	**263**	**247**	**336**
Income tax expense	-12	-12	-49	-60	-68	-79
INCOME FOR THE PERIOD	**28**	**39**	**125**	**203**	**179**	**257**
Operating profit	**78**	**70**	**278**	**312**	**374**	**408**
Amortisation and impairment of goodwill, customer contracts and trademarks	31	32	107	125	139	156
Items affecting comparability (Note 3)	18	21	54	44	79	69
Adjusted EBITA	**126**	**122**	**439**	**481**	**592**	**634**
Earnings per share, SEK, before and after dilution	**0.3**	**0.4**	**1.3**	**2.1**	**1.9**	**2.7**

Statement of comprehensive income (SEK m)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 mth.	Jan-Dec 2022
Income for the period	**28**	**39**	**125**	**203**	**179**	**257**
Items that may be subsequently reclassified to profit or loss						
Currency translation differences	-22	37	5	81	32	108
Cash flow hedges	-8	-3	-17	29	-20	26
Other comprehensive income for the period	**-30**	**33**	**-12**	**110**	**12**	**134**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-1**	**73**	**113**	**313**	**192**	**392**

The interim information on pages 17–30 is an integral part of this financial report.

Consolidated balance sheet

Balance sheet (SEK m)	30 Sep 2023	30 Sep 2022	31 Dec 2022
ASSETS			
Intangible assets			
Goodwill	3,851	3,682	3,700
Customer contracts	324	335	305
Other intangible assets	234	183	197
Property, plant and equipment			
Right-of use assets held via leases	359	286	309
Other property, plant and equipment	88	88	89
Financial assets			
Deferred tax receivable	16	52	39
Other financial assets	44	65	63
Total non-current assets	**4,916**	**4,690**	**4,702**
Current assets			
Accounts receivable	1,454	1,371	1,511
Tax receivables	0	0	0
Other current assets, interest-bearing	0	1	1
Other current assets, non-interest-bearing	423	448	424
Cash and cash equivalents	471	504	484
Total current assets	**2,348**	**2,323**	**2,419**
TOTAL ASSETS	**7,264**	**7,014**	**7,121**

Balance sheet (SEK m)	30 Sep 2023	30 Sep 2022	31 Dec 2022
EQUITY AND LIABILITIES			
Equity	**1,829**	**2,103**	**1,938**
Liabilities			
Non-current liabilities			
Borrowings (Note 2)	2,124	1,849	1,850
Lease liabilities (Note 2)	199	155	166
Deferred tax liability	6	6	9
Provisions for pensions	26	24	25
Other non-interest bearing liabilities	2	3	2
Total non-current liabilities	**2,359**	**2,036**	**2,052**
Current liabilities			
Lease liabilities (Note 2)	152	126	136
Current tax liabilities	29	35	29
Accounts payable	919	876	1,102
Other current liabilities	1,970	1,829	1,854
Short-term provisions	7	9	10
Total current liabilities	**3,077**	**2,874**	**3,131**
TOTAL EQUITY AND LIABILITIES	**7,264**	**7,014**	**7,121**

Consolidated statement of changes in equity

	Jan-Sep		Jan-Dec
Statement of changes in equity (SEK m)	**2023**	**2022**	**2022**
Opening balance at beginning of period	**1,938**	**2,003**	**2,003**
Income for the period	125	203	257
Other comprehensive income for the period	-12	110	134
Long-term incentive programs	6	10	13
Share swap for hedging of long-term incentive program [1]	0	4	4
Acquisition of own shares [2]	0	0	-18
Dividend	-228	-228	-457
Closing balance at end of period	**1,829**	**2,103**	**1,938**

[1] Coor undertook share swaps to secure its financial commitment under the Group's LTIP 2018 incentive program. As of 30 September 2023, the Group has no financial obligation remaining under LTIP 2018.

[2] In 2020, 2021 and 2022, Coor repurchased 1,040,000 of its own shares to secure its financial commitment under the Group's LTIP 2019, 2021 and 2022 incentive programs. During the second quarter of 2022, shares were allotted under LTIP 2019. As of 30 September 2023, Coor holds a total of 825,807 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)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 mth.	Jan-Dec 2022
Operating profit	**78**	**70**	**278**	**312**	**374**	**408**
Adjustment for non-cash items	90	91	291	288	383	380
Finance net	-37	-18	-85	-48	-116	-79
Income tax paid	-7	-4	-44	-71	-54	-80
Cash flow before changes in working capital	**124**	**139**	**439**	**481**	**587**	**629**
Change in working capital	115	92	-74	-88	62	47
Cash flow from operating activities	**239**	**230**	**365**	**392**	**649**	**676**
Net investments	-25	-28	-89	-59	-124	-93
Acquisition of subsidiaries (Note 5)	0	0	-230	-37	-230	-37
Cash flow from investing activities	**-25**	**-28**	**-319**	**-96**	**-353**	**-131**
Change in borrowings	-200	-150	280	-150	280	-150
Dividend	0	0	-228	-228	-457	-457
Net lease commitments	-43	-38	-123	-107	-163	-147
Other	0	0	0	4	-18	-13
Cash flow from financing activities	**-243**	**-188**	**-71**	**-481**	**-357**	**-767**
Total cash flow for the period	**-29**	**15**	**-25**	**-184**	**-62**	**-221**
Cash and cash equivalents at beginning of period	513	462	484	628	504	628
Exchange gains on cash and cash equivalents	-14	28	12	60	29	77
Cash and cash equivalents at end of period	**471**	**504**	**471**	**504**	**471**	**484**

Cash conversion	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 mth.	Jan-Dec 2022
EBIT	78	70	278	312	374	408
Depreciation and amortisation	92	87	286	285	374	373
Adjustment for items affecting comparability	18	21	54	44	79	69
Adjusted EBITDA	**187**	**178**	**619**	**641**	**828**	**851**
Net investments*	-25	-27	-89	-62	-122	-95
Change in working capital	115	92	-74	-88	62	47
Cash flow for calculation of cash conversion	**278**	**242**	**456**	**491**	**768**	**803**
Cash conversion, %	**148**	**136**	**74**	**77**	**93**	**94**

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

Reporting by segment

Geographical segments (SEK m)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 mth.	Jan-Dec 2022
Net sales						
Sweden	**1,564**	**1,478**	**4,830**	**4,689**	**6,487**	**6,346**
Total sales	*1,589*	*1,506*	*4,898*	*4,770*	*6,593*	*6,466*
Internal sales	*-25*	*-28*	*-68*	*-82*	*-106*	*-120*
Norway	**547**	**475**	**1,556**	**1,610**	**2,086**	**2,140**
Total sales	*551*	*478*	*1,568*	*1,617*	*2,100*	*2,150*
Internal sales	*-3*	*-2*	*-12*	*-7*	*-14*	*-10*
Finland	**176**	**154**	**519**	**484**	**688**	**653**
Total sales	*176*	*154*	*519*	*484*	*688*	*653*
Internal sales	*0*	*0*	*0*	*0*	*0*	*0*
Denmark	**728**	**659**	**2,252**	**1,920**	**2,984**	**2,652**
Total sales	*729*	*660*	*2,254*	*1,922*	*2,987*	*2,654*
Internal sales	*-1*	*-1*	*-2*	*-2*	*-3*	*-3*
Group functions/other	**-0**	**-0**	**-1**	**-0**	**-1**	**-1**
Total	**3,016**	**2,766**	**9,156**	**8,701**	**12,244**	**11,789**
Adjusted EBITA						
Sweden	120	124	434	471	590	627
Norway	18	18	58	77	82	101
Finland	10	8	13	13	14	13
Denmark	27	18	93	79	123	109
Group functions/other	-50	-46	-158	-159	-216	-216
Total	**126**	**122**	**439**	**481**	**592**	**634**
Adjusted EBITA is reconciled to profit before tax as follows:						
Amortisation and impairment of goodwill, customer contracts and trademarks	-31	-32	-107	-125	-139	-156
Items affecting comparability (Note 3)	-18	-21	-54	-44	-79	-69
Net financial income/expense	-38	-19	-104	-49	-127	-72
Profit before tax	**40**	**51**	**174**	**263**	**247**	**336**

Adjusted EBITA margin, %	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 mth.	Jan-Dec 2022
Sweden	7.7	8.4	9.0	10.0	9.1	9.9
Norway	3.3	3.9	3.7	4.8	3.9	4.7
Finland	5.8	5.0	2.6	2.6	2.0	2.0
Denmark	3.8	2.8	4.1	4.1	4.1	4.1
Group functions/other	-	-	-	-	-	-
Total	**4.2**	**4.4**	**4.8**	**5.5**	**4.8**	**5.4**

Net sales by type of contract (SEK m)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 mth.	Jan-Dec 2022
Net sales						
IFM	1,667	1,512	5,170	4,919	7,004	6,753
FM - services	1,349	1,255	3,986	3,783	5,240	5,037
Total	**3,016**	**2,766**	**9,156**	**8,701**	**12,244**	**11,789**

Segments – quarterly

Geographical segments (SEK m)	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4
Net sales, external								
Sweden	1,564	1,714	1,552	1,657	1,478	1,598	1,613	1,533
Norway	547	518	490	530	475	575	560	610
Finland	176	172	170	169	154	153	177	167
Denmark	728	758	766	732	659	655	606	591
Group functions/other	-0	-0	-0	-0	-0	-0	-0	-0
Total	**3,016**	**3,162**	**2,978**	**3,088**	**2,766**	**2,980**	**2,955**	**2,901**
Adjusted EBITA								
Sweden	120	160	154	156	124	163	185	186
Norway	18	19	21	24	18	30	28	28
Finland	10	2	1	0	8	2	3	3
Denmark	27	34	31	30	18	34	27	24
Group functions/other	-50	-54	-55	-58	-46	-57	-56	-67
Total	**126**	**161**	**152**	**153**	**122**	**172**	**187**	**174**
Adjusted EBITA-margin, %								
Sweden	7.7	9.3	9.9	9.4	8.4	10.2	11.5	12.2
Norway	3.3	3.7	4.2	4.5	3.9	5.2	5.1	4.5
Finland	5.8	1.2	0.7	0.2	5.0	1.0	1.9	1.8
Denmark	3.8	4.5	4.1	4.1	2.8	5.2	4.4	4.1
Group functions/other	-	-	-	-	-	-	-	-
Total	**4.2**	**5.1**	**5.1**	**5.0**	**4.4**	**5.8**	**6.3**	**6.0**

Type of contract (SEK m)	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4
Net sales, external								
IFM	1,667	1,835	1,668	1,834	1,512	1,693	1,714	1,765
FM-services	1,349	1,327	1,310	1,254	1,255	1,288	1,240	1,135
Total	**3,016**	**3,162**	**2,978**	**3,088**	**2,766**	**2,980**	**2,955**	**2,901**

Parent company financial statements

Parent company income statement

Income statement (SEK m)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 mth.	Jan-Dec 2022
Net sales	**1**	**1**	**3**	**5**	**5**	**6**
Selling and administrative expenses	-8	-8	-26	-27	-32	-33
Operating profit	**-7**	**-6**	**-23**	**-22**	**-27**	**-26**
Dividend from group companies	0	1,315	0	1,315	0	1,315
Other net financial income/expense	-28	-11	-74	-34	-88	-48
Profit/loss after financial items	**-35**	**1,297**	**-97**	**1,259**	**-115**	**1,241**
Group contribution	0	0	0	0	68	68
Profit/loss before tax	**-35**	**1,297**	**-97**	**1,259**	**-48**	**1,308**
Income tax expense	-4	-2	-9	-5	-11	-6
INCOME FOR THE PERIOD	**-38**	**1,296**	**-106**	**1,254**	**-58**	**1,303**

Parent company balance sheet

Balance sheet (SEK m)	30 Sep 2023	30 Sep 2022	31 Dec 2022
ASSETS			
Shares in subsidiaries	7,789	7,789	7,789
Deferred tax asset	51	51	51
Other financial assets	7	5	6
Total non-current assets	**7,847**	**7,845**	**7,846**
Receivables from Group companies*	0	119	73
Other trading assets	1	16	13
Cash and cash equivalents*	0	5	2
Total current assets	**1**	**140**	**88**
TOTAL ASSETS	**7,848**	**7,985**	**7,934**

Balance sheet (SEK m)	30 Sep 2023	30 Sep 2022	31 Dec 2022
EQUITY AND LIABILITIES			
Shareholders' equity	**5,590**	**6,110**	**5,925**
Liabilities			
Borrowings	2,122	1,847	1,848
Provisions for pensions	9	7	8
Total non-current liabilities	**2,132**	**1,854**	**1,856**
Liabilities to Group companies*	105	0	141
Income tax liability	0	11	0
Accounts payable	0	1	1
Other current liabilities	21	10	12
Total current liabilities	**126**	**21**	**153**
Total liabilities	**2,258**	**1,875**	**2,009**
TOTAL EQUITY AND LIABILITIES	**7,848**	**7,985**	**7,934**

* 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 (SEK m)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 mth.	Jan-Dec 2022
Net sales	3,016	2,766	9,156	8,701	12,244	11,789
Net sales growth, %	9.0	13.9	5.2	20.8	5.5	16.7
of which organic growth, %	*2.8*	*1.1*	*1.3*	*7.2*	*0.8*	*5.0*
of which acquired growth, %	*3.5*	*10.2*	*2.1*	*11.2*	*2.6*	*9.1*
of which FX effect, %	*2.7*	*2.7*	*1.9*	*2.5*	*2.1*	*2.6*
Operating profit (EBIT)	78	70	278	312	374	408
EBIT margin, %	2.6	2.5	3.0	3.6	3.1	3.5
EBITA	108	101	385	437	513	565
EBITA margin, %	3.6	3.7	4.2	5.0	4.2	4.8
Adjusted EBITA	126	122	439	481	592	634
Adjusted EBITA margin, %	4.2	4.4	4.8	5.5	4.8	5.4
Adjusted EBITDA	187	178	619	641	828	851
Adjusted EBITDA margin, %	6.2	6.4	6.8	7.4	6.8	7.2
Adjusted net profit	59	71	232	328	318	414
Net working capital	-993	-883	-993	-883	-993	-1,018
Net working capital / Net sales, %	-8.1	-7.6	-8.1	-7.6	-8.1	-8.6
Cash conversion, %	148	136	74	77	93	94
Net debt	1,987	1,584	1,987	1,584	1,987	1,629
Leverage, times	2.4	1.8	2.4	1.8	2.4	1.9
Equity/assets ratio, %	25	30	25	30	25	27

Data per share

Data per share	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Rolling 12 mth.	Jan-Dec 2022
Share price at end of period	44.4	75.6	44.4	75.6	44.4	64.3
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)]	-825,807	-525,807	-825,807	-525,807	-825,807	-825,807
No. of shares outstanding	**94,986,215**	**95,286,215**	**94,986,215**	**95,286,215**	**94,986,215**	**94,986,215**
No. of ordinary shares outstanding (weighted average)	94,986,215	95,286,215	94,986,215	95,184,218	95,012,516	95,159,790
Earnings per share, before and after dilution, SEK	0.30	0.41	1.32	2.13	1.89	2.70
Shareholders' equity per share, SEK	19.26	22.07	19.26	22.07	19.26	20.40

[1)]To secure its financial exposure in accordance with the LTIP 19, LTIP 21 and LTIP 22 long-term incentive programs, Coor undertook acquisition of own shares. In May 2022, shares were allotted under LTIP 2019 and during the fourth quarter 2022 Coor undertook acquisition of own shares to secure its financal exposure in the LTIP 22 program.

Notes to the accounts

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 2022.

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:

	Carrying amount			Fair value		
	30 Sep		31 Dec	30 Sep		31 Dec
(SEK m)	**2023**	**2022**	**2022**	**2023**	**2022**	**2022**
Lease liabilities	351	280	301	351	280	301
Liabilities to credit institutions	1,122	847	848	1,122	847	848
Corporate Bond	1,000	1,000	1,000	1,000	1,000	1,000
Other non-current liabilities	2	2	2	2	2	2
Total	**2,476**	**2,129**	**2,152**	**2,476**	**2,129**	**2,152**

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 in the quarter amounted to SEK 18 million, mainly related to start-up costs for both new organic contracts and the newly acquired Skaraborgs Städ as well as some additional cost for the adaptions made in the Danish organisation in the second quarter this year.

	Jul-Sep		Jan-Sep		Rolling	Jan-Dec
Items affecting comparability (SEK m)	**2023**	**2022**	**2023**	**2022**	**12 mth.**	**2022**
Integration	-10	-14	-33	-38	-46	-50
Restructuring	-8	-4	-19	-4	-33	-18
Acquisition related expenses	-0	0	-0	0	-0	0
Other	-0	-3	-2	-3	-1	-1
Total	**-18**	**-21**	**-54**	**-44**	**-79**	**-69**

Note 4 – Pledged assets and contingent liabilities

Pledged assets (SEK m)	30 Sep 2023	30 Sep 2022	31 Dec 2022
Bank guarantees	43	52	41
Total	**43**	**52**	**41**

Contingent liabilities (SEK m)	30 Sep 2023	30 Sep 2022	31 Dec 2022
Performance bonds	179	184	182
Total	**179**	**184**	**182**

Parent company

The parent company has provided a parent company guarantee of SEK 34 (33) million covering financial obligations of the Finnish subsidiary in respect of leases and bank guarantees. The parent company has no other pledged assets or contingent liabilities.

Note 5 – Acquisitions

On 9 May 2023, the acquisition of the Swedish company Skaraborgs Städ AB was completed. Skaraborgs Städ includes the subsidiaries Städtjänst i Värmland AB, Kristinehamns All Rent AB and Sanmix AB. The companies in the Skaraborg Group provide workplace services, primarily cleaning, to a large number of customers in Västra Götaland, Småland and Värmland. The acquisition expands Coor's geographic coverage in Sweden. The companies generate annual sales of around SEK 400 million and have about 800 employees. The consideration paid was SEK 297 million. Transaction costs for the acquisition were SEK 0.2 million.

In conjunction with the acquisition of Skaraborgs Städ AB, intangible assets were identified in the form of customer contracts valued at SEK 124 million, trademarks of SEK 4 million and goodwill of SEK 152 million. The goodwill arising from the acquisition is mainly attributable to the expertise of the employees. No portion of the recognised goodwill is expected to be tax-deductible. Skaraborgs Städ increased consolidated sales by SEK 163 million during the period from 1 January to 30 September 2023. If the acquisition had taken place on 1 January 2023, the acquired business would have increased consolidated sales by SEK 293 million on a pro forma basis for the period from 1 January to 30 September 2023.

Preliminary acquisition analysis (SEK m) 1)	Skaraborgs Städ AB
Consideration paid	**297**
The assets acquired and liabilities assumed that have been recognised as a result of the acquisitions are the following	
Customer contracts	124
Trade marks	4
Property, plant and equipment	11
Cash and cash equivalents	67
Accounts receivable and other current receivables	64
Deferred tax liability	-26
Lease liability	-8
Accounts payable and other current liabilities	-90
Acquired identifiable net assets	**145**
Goodwill	152
Total acquired net assets	**297**
Cash flow attributable to acquisitions for the period	
Consideration paid	297
Cash in acquired businesses	-67
Net outflow, cash and cash equivalents	**230**

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

Note 6 – Share-based incentive programs

In accordance with a resolution of the Annual General Meeting, the Group introduced a target- and performance-based incentive program (LTIP 2023) for senior executives and other key individuals in the Coor Group in September. LTIP 2023 has the same structure and framework as previous incentive programs.

To qualify for the program, participants will be required to own Coor shares that are allocated to the program. 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 2023 to 31 December 2025. 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 2026.

In total, the program comprised a maximum of 146,900 investment shares with a maximum allotment of 638,900 performance-based share rights. The take-up of the program was around 76 per cent, which meant that a total of 483,144 share rights were allotted on the issue date, comprising 108,236 share rights of series A, 266,672 of series B and 108,236 of series C. To ensure delivery of shares under the program, 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

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 31 for definitions of terms and the calculation of key performance indicators.

Growth

The Group considers 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.

Reconciliation of adjusted key performance indicators (SEK m)	Jul-Sep		Jan-Sep		Rolling	Jan-Dec
	2023	2022	2023	2022	12 mth.	2022
Operating profit (EBIT)	**78**	**70**	**278**	**312**	**374**	**408**
Amortisation and impairment of customer contracts and trademarks	31	32	107	125	139	156
EBITA	**108**	**101**	**385**	**437**	**513**	**565**
Items affecting comparability (Note 3)	18	21	54	44	79	69
Adjusted EBITA	**126**	**122**	**439**	**481**	**592**	**634**
Depreciation	61	55	179	161	236	217
Adjusted EBITDA	**187**	**178**	**619**	**641**	**828**	**851**
Income for the period	28	39	125	203	179	257
Amortisation and impairment of customer contracts and trademarks	31	32	107	125	139	156
Adjusted net profit	**59**	**71**	**232**	**328**	**318**	**414**

Specification of net working capital (SEK m)	Jul-Sep		Jan-Sep		Rolling	Jan-Dec
	2023	2022	2023	2022	12 mth.	2022
Accounts receivable	1,454	1,371	1,454	1,371	1,454	1,511
Other current assets, non-interest-bearing	423	448	423	448	423	424
Accounts payable	-919	-876	-919	-876	-919	-1,102
Other current liabilities, non-interest-bearing	-1,970	-1,829	-1,970	-1,829	-1,970	-1,854
Adjustment for accrued financial expenses	19	3	19	3	19	4
Net working capital	**-993**	**-883**	**-993**	**-883**	**-993**	**-1,018**

Specification of net debt (SEK m)	Jul-Sep		Jan-Sep		Rolling	Jan-Dec
	2023	2022	2023	2022	12 mth.	2022
Borrowings	2,125	1,849	2,125	1,849	2,125	1,850
Lease liabilities	351	280	351	280	351	301
Provisions for pensions	26	24	26	24	26	25
Cash and cash equivalents	-471	-504	-471	-504	-471	-484
Other financial non-current assets, interest-bearing	-44	-65	-44	-65	-44	-63
Other current assets, interest-bearing	-0	-1	-0	-1	-0	-1
Net debt	**1,987**	**1,584**	**1,987**	**1,584**	**1,987**	**1,629**

For a reconciliation of cash conversion, see page 20.

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 programs. 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.

R12/LTM
Rolling 12 months/Last 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.

NPS/eNPS
Net Promoter Score (NPS/eNPS) is a standardised measurement of customer/employee loyalty. The result comprises the percentage share of customers/employees who graded the company at nine or ten points (ambassadors) less the percentage share of employees who graded the company at zero to six points (critics).

Scope 1–3

Scope 1 encompasses all direct GHG 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).

TRIF (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 CO_2 emissions – vehicle fleet
Emissions of CO_2 equivalents from purchased fuel for owned and leased machinery and vehicles are reported in absolute terms (tCO_2e).

Scope 2 CO_2 emissions – premises
Emissions of CO_2 equivalents from electricity, heating and cooling in the premises where Coor has operational control over its energy use are reported in absolute terms (tCO_2e).

Scope 3 CO_2 emissions – food & beverages
Emissions of CO_2 equivalents from purchased food as part of service deliveries of food & beverages ($kgCO_2e$/kg purchased food).

Scope 3 CO_2 emissions in the supply chain
Total emissions from suppliers with science-based targets (for the reporting year) divided by the total emissions from purchased goods and services and upstream transportation and distribution (reporting year).

For further information

For questions concerning the financial report, please contact CFO and IR Director Andreas Engdahl (+46 10 559 54 63).

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 25 October 2023 at 10:00 a.m. CEST, the company's President and CFO will give a presentation on developments in the third quarter via a webcast.

To participate, please register using the link below. The audio link may be used if you only wish to listen to the presentation or if you wish to ask a question verbally. If you do not want to ask any questions but want to view the presentation, use the webcast link.

Webcast Audience URL (to register for the web presentation without asking questions):
https://onlinexperiences.com/Launch/QReg/ShowUUID=3341B363-C416-4267-8D75-985464E02870

Audio Conference Call Access (to register to listen to the presentation and to ask questions):
https://emportal.ink/3OU1SKq

Financial calendar

8 February 2024	Interim Report January–December 2023
24 April 2024	Interim Report January–March 2024
26 April 2024	2024 AGM
12 July 2024	Interim Report January–June 2024
24 October 2024	Interim Report January–September 2024

This constitutes information which Coor Service Management Holding AB is required to publish under the EU's Market Abuse Regulation. The information was submitted for publication through the above contact person on 25 October 2023 at 7:30 a.m. CEST.