

# PHM Group

## Meeting Presentation

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7 June 2021

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For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Notes.

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# Issuer characteristics and description of confirmation/verification processes

## Issuer characteristics

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### Business Overview

- PHM Group Holding Oy (the “Issuer” and together with PHM Group TopCo Oy (the “Parent”) and the Parent’s subsidiaries (“PHM”, “PHM Group”, the “Company”, or the “Group”) is a leading residential property maintenance company

### Ownership

- The Issuer and the Parent are privately held companies, currently owned by Norvestor & Limited Partners (69%), Intera Partners (8%), and advisors, management, key personnel, and founders (23%)

### Listing Status

- The Group’s shares or bonds are not publicly listed. The Bonds issued in connection with the Transaction will be listed on Frankfurt Open Market and on Nasdaq Helsinki (or any other regulated exchange) within 60 days and 12 months after the issue date, respectively

### Previous capital market experience

- Management has not previously been involved in capital market activities. The main shareholder Norvestor has previously been involved in capital market activities

### Other issuer characteristics

- Country or registry: Finland
- Headquarter: Helsinki, Finland
- Country of operations: Finland, Sweden, Norway, and Denmark

## Verification work conducted

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- The Issuer signed a “Declaration of Completeness” and concluded a “Bring down due diligence call”, confirming to the Joint Bookrunners, amongst other things that the marketing material in all aspects is complete, and that all matters relevant for evaluating the Issuer and the Bond Issue are properly disclosed in all the marketing material
- A commercial due diligence was conducted in January 2020 by a top tier strategy consultancy firm with the scope of assessing the market dynamics and outlook, competitive landscape, company overview, and business plan validation in relation to the acquisition of Kotikatu
- PWC completed a commercial due diligence report in March 2020 in relation to Norvestor’s acquisition of PHM Group
- KPMG has conducted a financial review with the scope of producing Like-for-Like (“LfL”) financials for PHM Group for the periods FY’19, FY’20, Q1’21, and LTM March ’21
- The Joint Bookrunners have conducted several interviews with the management and sponsor during the preparation phase to gain a better understanding of the relevant risks related to the business model, the market, and the financials

## Overview of advisors to the Joint Bookrunners and the Issuer

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- The law firm White & Case acts as legal counsel to the Joint Bookrunners
- The law firm Borenius acts as legal counsel to the Issuer
- KPMG is the auditor of the Issuer. The most recent audited annual report available for the Group covers the fiscal year of 2020

# Agenda

**1** Transaction overview and introduction

2 Company overview

3 Industry overview

4 Key credit highlights

5 Financials

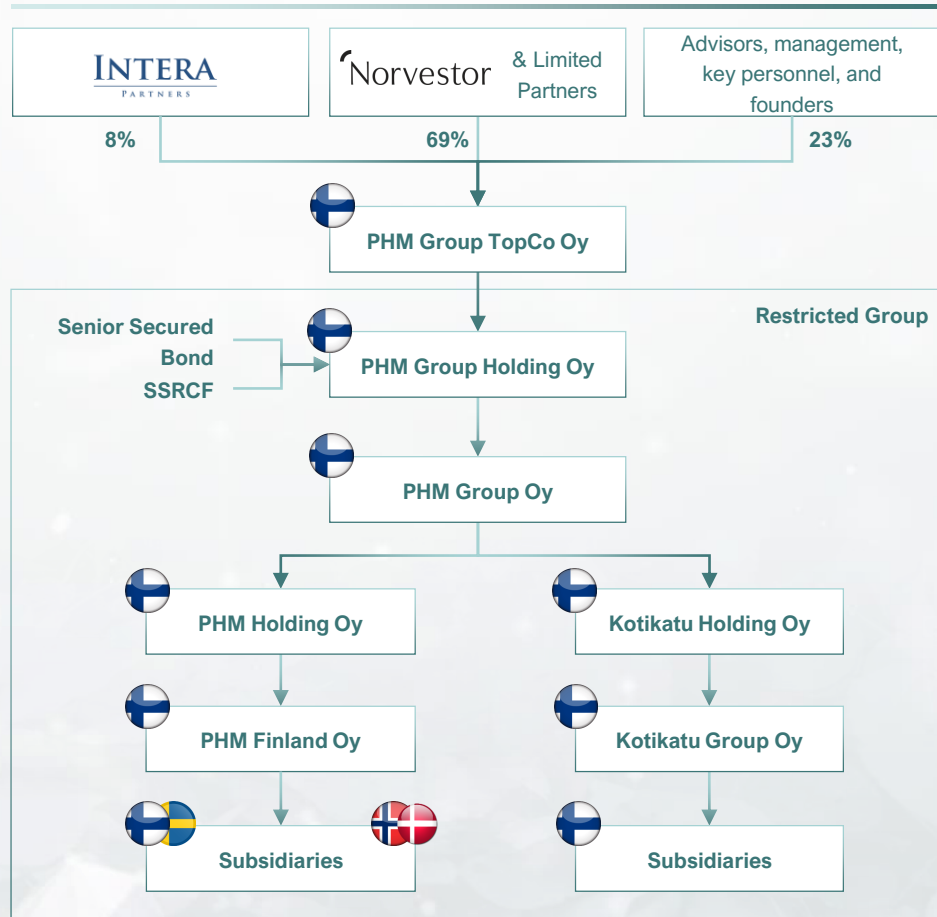
6 Appendix

# Transaction overview

## Background

- PHM Group, majority-owned by Norvestor & Limited Partners (the “Main Sponsor”), is contemplating a senior secured bond issue (the “Bond” or the “Bond Issue”) of EUR 300m
- Net proceeds from the Bond Issue will be employed towards (i) repaying existing bank facilities partly provided by Nordea; (ii) general corporate purposes; (iii) growth CAPEX including acquisition financing; and (iv) financing a one-time shareholder distribution of up to EUR 70m
- The Main Sponsor will still hold a significant equity ticket in the Company, with ~2/3 of invested equity remaining in the Company
- The Bonds Issue is intended to diversify the Company’s sources of financing by tapping the broader and more liquid international bond market, secure operational flexibility, and facilitate selective operational and financial accretive add-on opportunities
- The Bond will share security with a super senior RCF (“SSRCF”) of EUR 50m (intercreditor agreement applicable)
- No dividends or any other forms of shareholder return exceeding the maximum amount of EUR 2m annually are allowed

## Simplified legal structure<sup>1</sup>



# Sources & uses and pro-forma capitalization

## Sources & uses and pro-forma new capital structure

Sources and uses			
Sources	EURm	Uses	EURm
Senior Secured Bond	300	Repay existing debt	229
Cash on balance	5	Shareholder distribution	70
		Transaction costs <sup>1</sup>	6
<b>Total sources</b>	<b>305</b>	<b>Total uses</b>	<b>305</b>

Pro forma cap table Q1'21										
EURm	Current structure				Δ		PF Capital structure			
	Mar'21	LfL rr.	X LfL. adj. EBITDA <sup>3</sup>	X LfL. adj. rr. EBITDA <sup>4</sup>	Mar'21	LfL rr.	Mar'21	LfL rr.	X LfL. adj. EBITDA <sup>3</sup>	X LfL. adj. rr. EBITDA <sup>4</sup>
Term Loan A & B	191	191	4.2x	3.4x	(191)	(191)				
Capex Facility & RCF (drawn)	3	3	0.1x	0.1x	(3)	(3)				
Run rate adjustment <sup>2</sup>		35		0.6x		(35)				
Senior Secured Bond					300	300	300	300	6.6x	5.4x
<b>Total Senior Debt</b>	<b>194</b>	<b>229</b>	<b>4.3x</b>	<b>4.1x</b>	<b>107</b>	<b>72</b>	<b>300</b>	<b>300</b>	<b>6.6x</b>	<b>5.4x</b>
Cash on Balance	(21)	(21)	(0.5)x	(0.4)x	(31)	5	(52)	(17)	(1.1)x	(0.3)x
<b>Net Senior Debt</b>	<b>173</b>	<b>208</b>	<b>3.8x</b>	<b>3.7x</b>	<b>76</b>	<b>76</b>	<b>249</b>	<b>284</b>	<b>5.5x</b>	<b>5.1x</b>
Capex Facility & RCF	47	47	1.0x	0.8x	(47)	(47)				
New SSRFCF					50	50	50	50	1.1x	0.9x
<b>Total Gross Debt</b>	<b>241</b>	<b>276</b>	<b>5.3x</b>	<b>5.0x</b>	<b>110</b>	<b>75</b>	<b>350</b>	<b>350</b>	<b>7.7x</b>	<b>6.3x</b>
<b>Like-for-Like adjusted EBITDA<sup>3</sup></b>			<b>45.4</b>	<b>55.4</b>					<b>45.4</b>	<b>55.4</b>

Note: The numbers are prepared under local GAAP. (1) Transaction costs assumed to be ~2% of issuing amount; (2) Increase in net debt due to add-on acquisitions completed between 1 April 2021 – 14 May 2021; (3) LfL adj. EBITDA comprises LTM21 EBITDA of Mar21 group companies adjusted with one-offs. (4) LfL. adj. rr. EBITDA is adjusted with synergies and LTM EBITDA of the acquired companies between 1 April 2021 – 14 May 2021. See page 31 for details on EBITDA.

# Key terms of the Senior Secured Bond

## EUR 300m Senior Secured Bonds 2021/2026

<b>Issuer</b>	PHM Group Holding Oy ("PHM Group", "PHM", or the "Issuer")
<b>Initial Amount</b>	EUR 300m
<b>Maximum Amount</b>	EUR 450m
<b>Status</b>	Senior Secured
<b>Use of proceeds</b>	(i) Refinance existing debt; (ii) general corporate purposes; (iii) growth CAPEX including acquisition financing; (iv) finance a one-time shareholder distribution
<b>Tenor</b>	5 years
<b>Coupon Rate</b>	[●]%, semiannual payments, fixed
<b>Security and guarantees</b>	Subject to Agreed Security Principles, pledges of the shares and business mortgages in the Issuer and in the material subsidiaries, relevant intercompany loans and guarantees from material subsidiaries
<b>Amortizations</b>	Bullet
<b>Incurrence test</b>	<ul style="list-style-type: none"> <li>• <u>Incurrence test</u> of net debt/EBITDA &lt;5.5x for acquisitions and general corporate purposes</li> </ul>
<b>General undertakings and other key terms</b>	<ul style="list-style-type: none"> <li>• Negative pledge: Not provide security for any indebtedness other than Permitted Security</li> <li>• Information undertakings: Standard reporting requirements</li> <li>• Annual nomination of material subsidiaries, each representing minimum 5%, and in aggregate minimum 80%, of the total EBITDA/Total Assets of the Group</li> </ul>
<b>Permitted debt</b>	Carve out for, inter alia, hedging obligations, leases, factoring, Super Senior RCF of EUR 50m, general basket of the higher of EUR 5m and 10% of EBITDA
<b>Call structure</b>	Make-whole first 30 months, thereafter 50/25/10%/0% of initial coupon after 30/42/46/48 months, respectively
<b>Change of control</b>	Investor put @ 101
<b>Equity clawback</b>	40% at first call price in connection with an initial public offering
<b>Rating</b>	[ ] rating with [ ] outlook from [ ] and [ ]
<b>Listing</b>	Listing on Nasdaq Helsinki or any other regulated exchange within 12 months from the Issue Date and on the Frankfurt Open Market within 60 days of the Issue Date
<b>Agents</b>	Nordic Trustee (Bond Agent) and Intertrust (Security Agent)
<b>Governing law</b>	Finnish law
<b>Bookrunners</b>	Nordea and Pareto Securities



# Experienced management team supported by Norvestor



**Ville Rantala**

Chief Executive Officer

- At PHM since 2014
- Serial entrepreneur with business background from various corporations
- Previous roles include CEO of Ursuit, VP and CFO of L&T, CFO at UPM, CFO at Suunto, and CFO at Salomon Sport Finland. Main shareholder of Scandinavian Outdoor



**Petri Pellonmaa**

Chief Financial Officer

- At PHM since 2019
- CFO with strong background from M&A and experience from working across the Nordic countries
- Previous roles include CFO at Cabonline Finland, CFO at Finlayson, and Director and Head of Restructuring Finland at EY



**Karl Svozilik**

Partner, Norvestor

- Joined Norvestor in 2008
- Chairman of PHM Group
- Has extensive experience in investment banking from Bank of America and Merrill Lynch, the M&A department at CIBC World Markets and Evli Bank



Norvestor





# Norvestor has an extensive track record building Nordic businesses

## Norvestor in brief

- Norvestor is a private equity firm which since 1993 has partnered with Nordic businesses
- Firmly positioned in the Nordic mid-market, investing in companies typically with revenues in the EUR 25-250m range, with the goal of accelerating growth and creating sustainable profitability by improving strategic positioning
- In most investments, the founders and existing shareholders of the companies continue as co-owners in partnership with Norvestor, with a genuine influence on the direction of the company
- The Norvestor team has >200 years of combined experience in private equity and a diverse and complementary background encompassing executive roles in industry, investment banking and management consulting



## Norvestor in numbers<sup>1</sup>

<b>29%</b>	<b>8</b>	<b>75</b>	<b>2.1bn</b>	<b>24</b>
Gross IRR <sup>1</sup>	Investment vehicles	Control investments <sup>2</sup>	EUR committed capital	Portfolio companies <sup>2</sup>
<b>52</b>	<b>15</b>	<b>&gt;300</b>	<b>33</b>	<b>~10,900</b>
Completed exits <sup>3</sup>	Completed IPOs	Add-on acquisitions	Professionals	FTEs in portfolio companies

## Selected current and exited investments

**Selected current**

**Selected exited**

Note: As of March 2021. 1) Buyout and Control Minority Investments Fund I-VIII since 1993; 2) Includes Sentech, a remaining subsidiary of Advantec. Advantec was divested in 2015; 3) Includes Advantec

# Norvestor's investment thesis for PHM

<p>1</p> <p>Market position and dynamics</p>	<p><b>Market leader in a fragmented industry</b> PHM is the clear market leader with a strong position in the sizeable Nordic residential property maintenance market. The base of +12,900 contract customers includes mostly housing companies/associations buying essential services for maintenance of their building.</p>
<p>2</p> <p>Non-cyclicality</p>	<p><b>Residential property maintenance has no exposure to economic cycles</b> The market has grown throughout economical downturns, underscoring the highly resilient and must-have nature of the services that PHM provides.</p>
<p>3</p> <p>Large growth potential</p>	<p><b>Even after impressive growth there are several growth levers ahead</b> The combined group can continue to grow through add-on acquisitions, development of upselling and service concept as well as strengthening its digital offering across the Nordic countries.</p>
<p>4</p> <p>Nordic platform</p>	<p><b>The Nordic market offers further growth opportunities</b> PHM already has a sizable presence in Sweden and Norway and has recently entered Denmark. Sweden, Norway, and Denmark remain fragmented markets providing PHM an opportunity to strengthen its position as the only pan-Nordic platform.</p>
<p>5</p> <p>Operational improvement potential</p>	<p><b>Ability to share best practices and further develop the business concept</b> PHM will benefit from developing group functions that will enable it to leverage its platform. The industry as a whole has fallen behind in the development of the service offering, allowing PHM to generate growth and improve margins through economies of scale.</p>
<p>6</p> <p>Large synergy potential</p>	<p><b>Clear cost synergies combined with several strategic opportunities</b> The group can achieve significant cost synergies through combined headquarters, procurement processes, and operational/organizational setup. The combination of smaller entities offers substantial strategic benefits through larger scale and reach.</p>

# Agenda

1 Transaction overview and introduction

2 **Company overview**

3 Industry overview

4 Key credit highlights

5 Financials

6 Appendix



# PHM Group is a leading residential property maintenance company focused on the residential market

## Key facts

 <b>1989</b> Founded	 <b>~EUR 340m</b> LTM'21 LfL run-rate net sales
 <b>#1</b> Market leader in Finland	 <b>~EUR 55m</b> LTM'21 LfL adj. run-rate EBITDA
 <b>&gt;3,700</b> Professionals	 <b>+80%</b> Cash conversion <sup>1</sup>
 <b>&gt;12,900</b> Contract customers	 <b>~7%</b> Revenues from top 10 customers
 <b>53</b> Cities	 <b>91</b> Acquisitions <sup>2</sup>

## Broad service offering

 Property maintenance & management	 Small construction work
 Cleaning	 Smaller renovations
 Landscaping & outdoor maintenance	 Electricity, HVAC, plumbing
 Snow plowing & transport	 Waste management & transport
 <b>Traditional</b>	 <b>Add-on services</b>

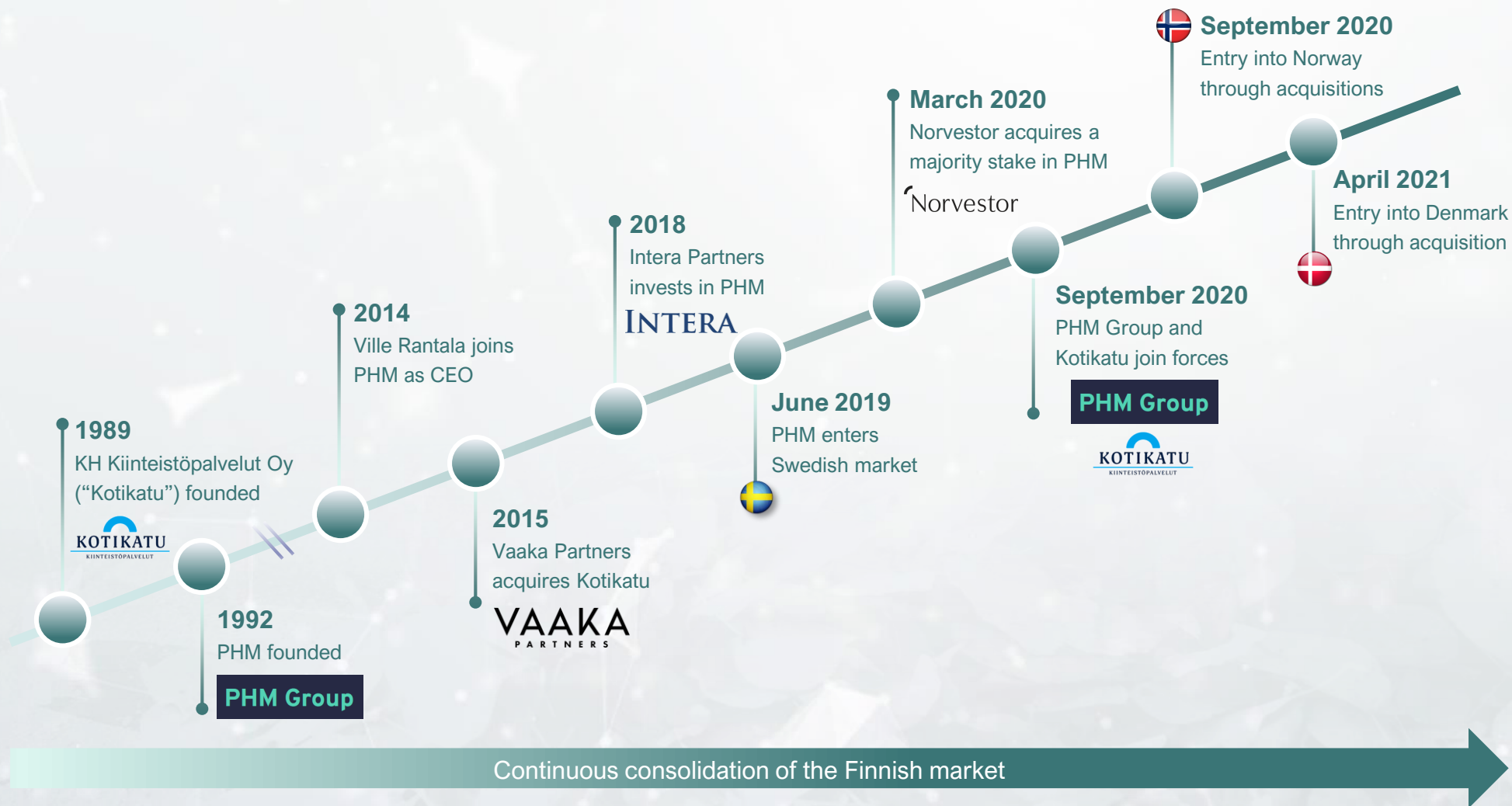
## Finnish market leader with a Nordic stronghold



Note: (1) Adj. EBITDA less maintenance capex and change in NWC; (2) Includes all acquisitions completed by both Kotikatu and PHM between 2015 and 7 June 2021; (3) LTM run-rate adjusted Like-for-Like net sales

# The PHM story

The amalgamation of two companies which have consolidated the Finnish market, and together are aiming to consolidate the Nordic market



# PHM offers a broad and diverse range of essential services

~92% of revenues stem from a contract base of +12,900 customers

## Contract maintenance services



### Property maintenance tasks

- ✓ Performed on a recurring basis
- ✓ Included in customer's annual budget

## Maintenance add-on services



### Seasonal and supplementary work

- ✓ Performed on a re-occurring basis
- ✓ Partially included in customer's annual budget

## Technical services



### Services for building technology

- ✓ Sold to contracted customer base (58%) as well as to other customers on an ad-hoc basis (42%)

### Example tasks




Contractual maintenance




Facility cleaning




Ground maintenance




Ad-hoc repairs




Conveyance system & window cleaning




Snow removal & sand gravelling



HVAC<sup>1</sup>

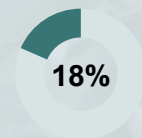
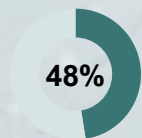


Plumbing



Small-scale construction

### Share of PHM's revenues<sup>2</sup>



Source: Management accounts, KPMG analysis. Note: (1) HVAC stands for heating, ventilation, and air conditioning; (2) LTM figures as of March 2021. Includes revenues from services performed in Finland, Sweden, and Norway (as the Danish acquisition was performed in April 2021)



# Leveraging local relationships, standardized operations, and national scale

## Why we are the clear market leader



### Local relationships

Local knowledge and close customer relationships through longstanding presence in the cities we are established in



### National scale

Decentralized operations with strong local network effects, procurement benefits, and practice building across geographies



### Standardized operations

Resource management and standardized local operational model allowing for swift integration into the group's operations



### Broad service offering

Widest service offering for general tangible assets, including a broad set of standardized and technical services

## What this entails for our customers



Quick response times and consistent delivery



Quality maintenance and cleaning



Local knowledge and presence



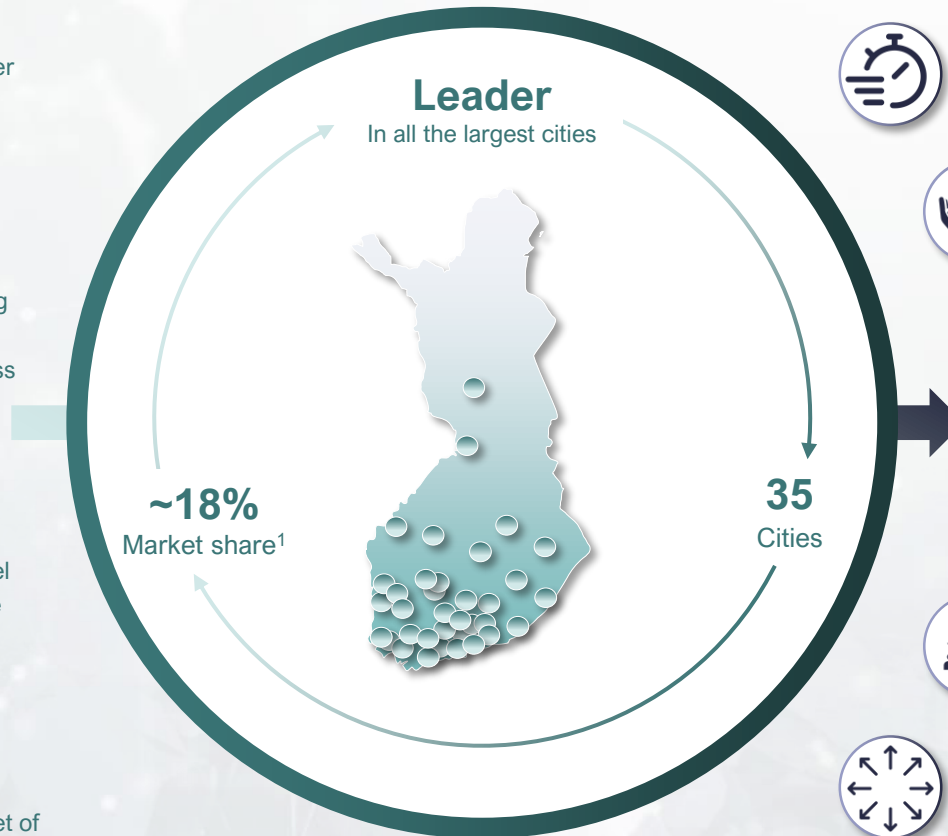
One-stop-shop for all services



Expert guidance of all service needs



Wide geographic scale of operations



# Pro-active ESG strategy

## Selected ESG initiatives and activities



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1 Transaction overview and introduction

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3 **Industry overview**

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# Residential property maintenance is an essential non-cyclical service

Characterized by a fragmented customer base mainly comprising buyers with low interest



## Low cyclicality

- ✓ The services are needed regardless of the economical cycle
- ✓ Price is only the 8th most important purchasing criteria
- ✓ Local competition-based pricing



## Fragmented customer base

- ✓ The customer base mainly comprises small housing companies and associations
- ✓ The customer base usually has a low-interest in the services
- ✓ A fragmented market creates low bargaining power for each housing company and association



## Low-interest services

- ✓ One of the most important aspects is getting the work done on time
- ✓ The tenant is not usually directly impacted
- ✓ The customer base is very sticky and a low percentage change contracts every year



## Low threat of wide tenders

- ✓ The fragmented market makes pooling less likely
- ✓ The housing board is the ultimate decision maker
- ✓ The property manager is often overworked

# The Nordic residential services market is large and growing



Population Millions	Apartment buildings #	Market size EURbn, 2018/'19	Market growth %
~5.5	~62,000	~1.0	~3%
~10.1	~80,000	~2.9 <sup>1</sup>	~3%
~5.5	~41,000	~0.5	~5%
~21.1	~183,000	~4.4 <sup>1</sup>	~3-4%

Source: 3<sup>rd</sup> Party Due Diligence. Note: (1) Including property management services for Sweden, which is not included in the market definitions for Norway and Finland



# PHM has the widest service offering amongst competitors

The only residential property service market player with a full focus on all market segments

Market	Company	EBITDA (%)	Standard services	Technical	Other	Customer segment				
			Maintenance	Cleaning	Outdoor	Broad tech. offering	Waste <sup>1</sup>	Security	Canteen	Core (Adjacent)
Residential market	PHM Group	15%	●	●	●	●	◐	○	○	Residential (small commercial)
	TAPIOLAN LÄMPÖ	11%	●	●	●	◐	◐	○	○	Residential
	HH kiinteistöpalvelut Oy	5%	●	●	●	○	○	◐	○	Residential
	Average mid-sized local player	5-15%	◐	◐	●	○	○	○	○	Residential
Broad facility management services	ISS	5-10%	●	●	●	●	●	●	●	Commercial
	I&T		●	●	●	●	●	○	○	Commercial, residential
	SOL		◐	●	◐	○	◐	◐	○	Commercial
	sodexo		◐	●	○	○	○	◐	●	Commercial
	RTK palvelu		●	●	●	●	◐	○	○	Commercial, residential

Source: 3<sup>rd</sup> Party Due Diligence provider. Note: Average mid-sized local player comprises an average of several smaller Finnish companies. Considerations for SODEXO and ISS are solely for its Finnish units. Tapiolan Lämpö Group and HH kiinteistöpalvelut EBITDA figures are from 2019. LTM adj. run-rate EBITDA margin excluding synergies for PHM. (1) Tapiolan Lämpö Group is no longer providing waste management services



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# Key credit highlights

1

## Providing essential and non-cyclical services

~82%

~73%

Revenues included in the customer's annual budget

Take 5 or more years to re-tender their contract<sup>1</sup>

Strong retention rates and low cyclicity

2

## Recurring revenue business model

~82%

~92%

Recurring or semi-recurring revenues

Revenues stemming from contract customers

Strong customer base with repeating business

3

## Growing and highly resilient market



~3%

Growth per year



~3%

Growth per year



~5%

Growth per year

Markets stable in adverse economic events

4

## Finnish market leader with a Nordic stronghold



~4-5x

The largest competitor

Strong presence with the aim to expand further

Established presence with the aim to expand further

5

## Low-risk consolidation strategy



Median EV/EBITDA multiple of ~4.9x (2015-'21YTD)<sup>2</sup>



Median EV/EBITDA multiple of ~6.5x post Norvestor's entry<sup>3</sup>



Strong ability to increase EBITDA performance of acquired entities

6

## Strong cash flow generation

15.5%

LTM EBITDA margin

~2.5-3.0%

Maintenance CAPEX

<0%

Net working capital

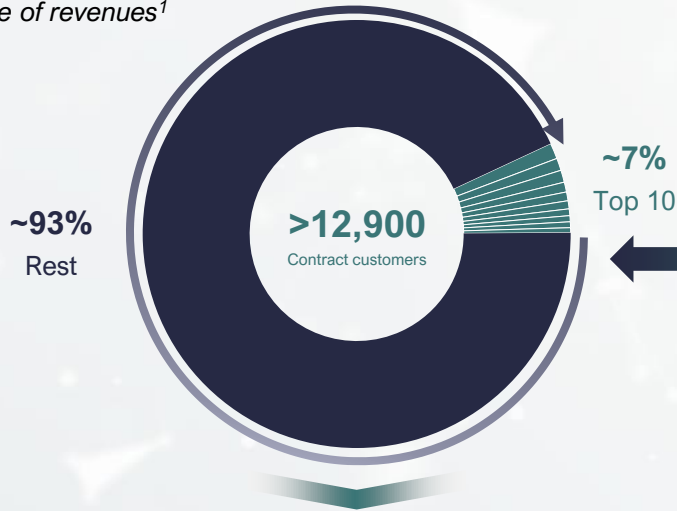
+80%  
Cash conversion<sup>4</sup>

Note: (1) See page 51 for details; (2) LTM multiples are used for acquisitions where both LTM and forward-looking multiples are available, (3) Includes 21 acquisitions made by PHM post entry in March 2020, and four acquisitions made by Kotikatu post merger in September 2020. Based on LTM EBITDA; (4) Adj. EBITDA less maintenance capex and change in NWC

# Highly diversified customer base with high retention

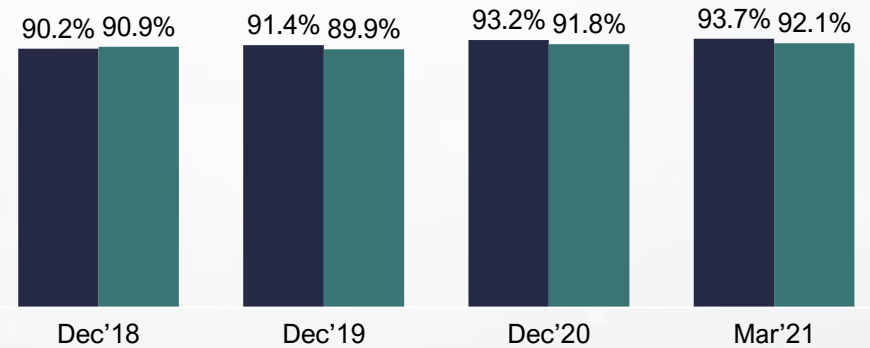
## No customer concentration

Percentage of revenues<sup>1</sup>



## Strong retention rates<sup>2</sup>

Retention housing companies<sup>3</sup>  
Retention incl. portfolio customers<sup>4</sup>



### Highly diversified customer base

No reliance on a single customer or customer concentration



~1%

Largest customer percentage of total revenues



### Low cyclicity

Revenues split out across a wide customer group with a high share of recurring revenue



### Close local relationships

Ensuring knowledge of customer need and low time to fix



### The broadest service offering

To ensure all customer needs are met



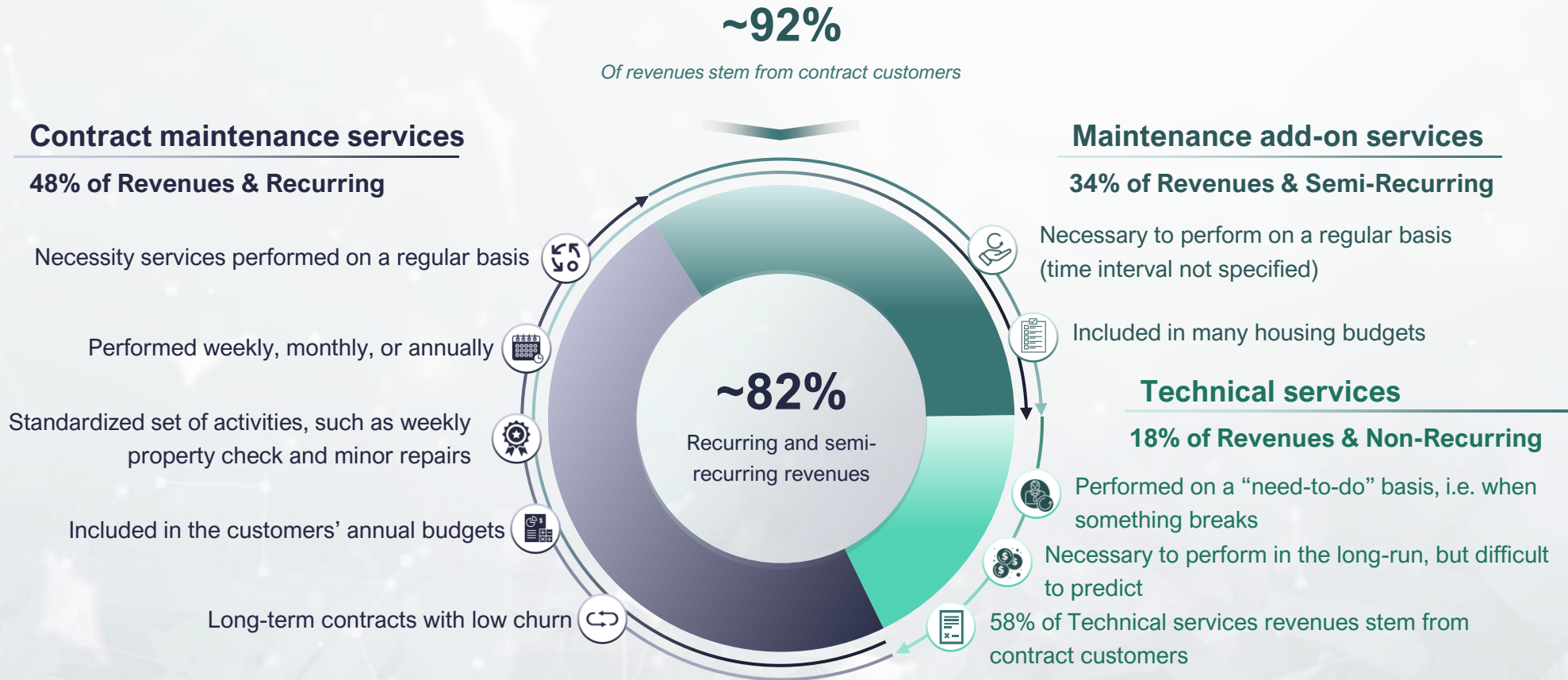
### Leading contract duration

Average contract lengths longer than the market average of 5-8 years

# Business model yields recurring service revenues

The bulk of revenues are either recurring or semi-recurring

## Revenue breakdown by recurring degree



Note: LTM figures as of March 2021. Includes revenues from services performed in Finland, Sweden, and Norway. Denmark is not included as the acquisition was executed in April 2021. Excluding reconciliation difference. "Recurring revenues" refer to revenues that are predictable, stable, and can be counted to occur at regular intervals with a high degree of certainty. "Semi-recurring revenues refer to revenues that are predictable but when the time interval is not specified.





# The residential property service market is highly resilient

Stable and growing non-discretionary demand, as well as resilience through market downturns

The market maintains a steady growth curve and maintains growth through economic downturns

Index = 100 in 1995



Change (%) in given period	IT crash			Financial crisis			Economic slowdown		
	1	2	3	1	2	3	1	2	3
	1.1%	2.9%	2.9%	3.8%	(8.5)%	(8.5)%	10.2%	10.7%	(2.7)%

Source: PwC. Note: (1) Index is comprised of the average general maintenance/repairs, facility cleaning, and ground maintenance costs

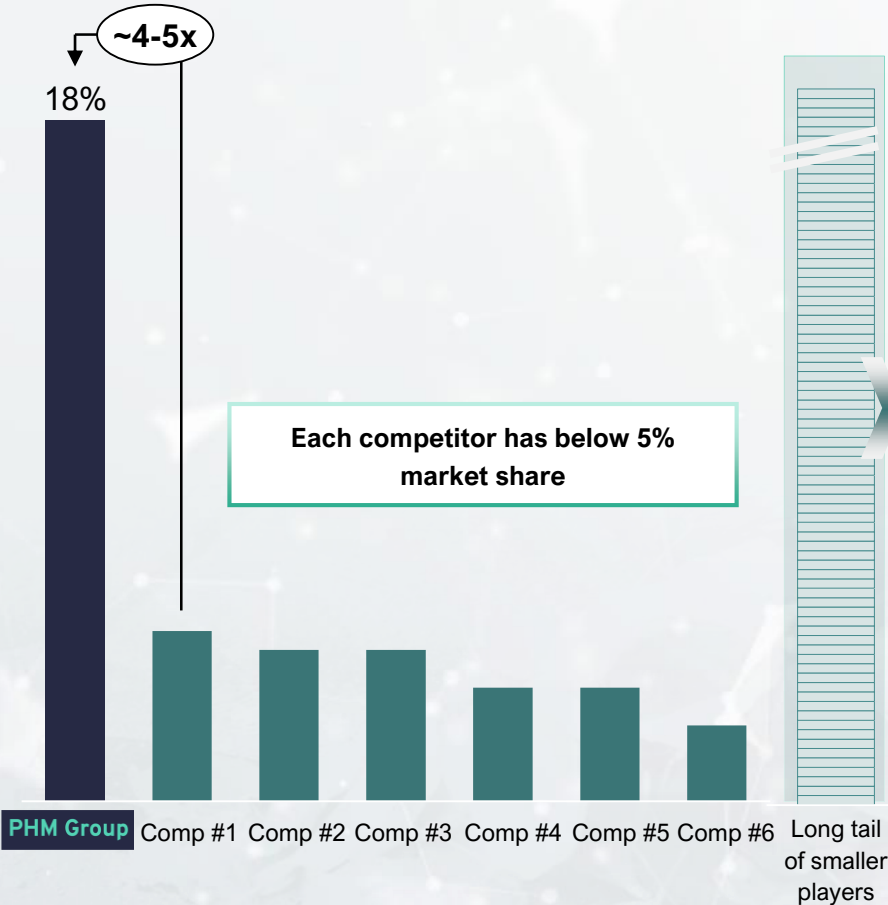


# PHM is the clear leader in a highly fragmented market

Roughly ~4-5x the size of the closest competitor

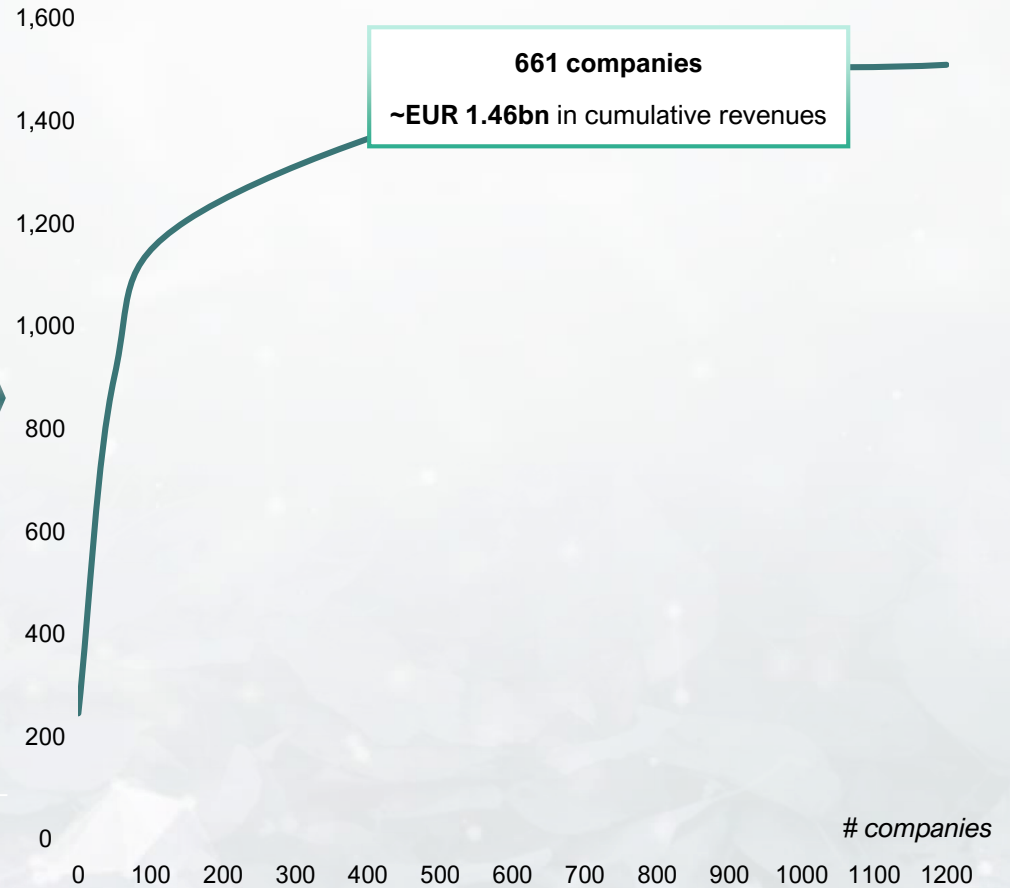
## Residential property services market share

Pureplay residential property services market share (%)<sup>1</sup>



## The industry has ~700 players with > EUR 0.2m in revenue

Cumulative revenue by # of companies, 2018 (EURm)



Source: Management estimates, PwC. Note: (1) Only includes companies with a pureplay focus on the residential property services market. Market share for PHM includes Jurvelin, which was recently acquired

# Proven integration and EBITDA uplift abilities

Despite acquiring entities often with lower margins than the combined Group, PHM manages to lift EBITDA

## Key initiatives in streamlined integration model



**Increased sales of add-on services**  
Increasing the overall contract value



**Optimize contract portfolios**  
Ensuring that local units do not outbid each other



**Streamline organization**  
Role reductions to eliminate overlapping costs among units



**Procurement savings**  
Improved prices as a group using volume advantages

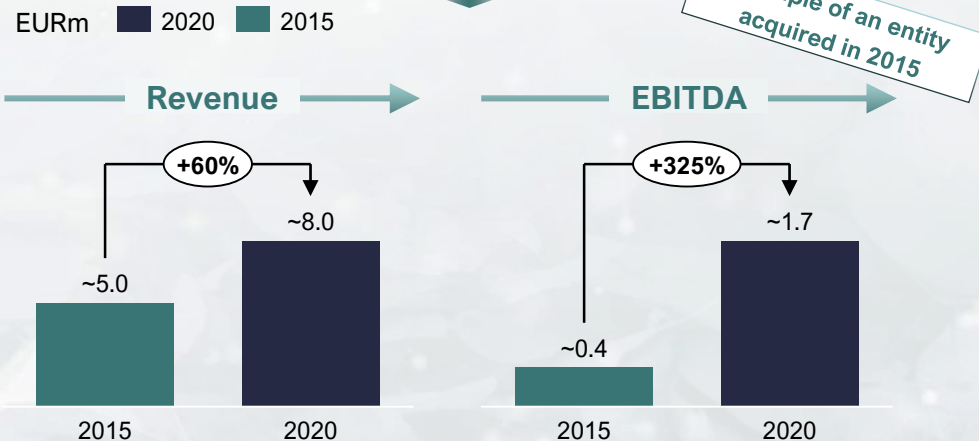
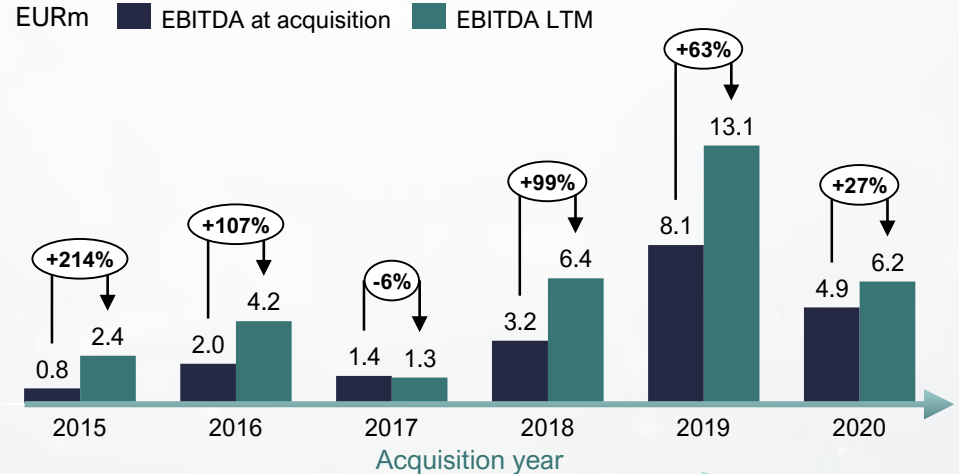


**Accelerate market access**  
In order to accelerate sales of the smaller entities



**Implementation of best practices**  
Ensuring that each unit operates as efficiently as possible

## Proven ability to drive EBITDA uplifts



Note: Only acquisitions made until year-end 2020 are included. When both forward-looking and LTM EBITDA figures are available, LTM figures are used. 14 companies are not included due to unavailability of LTM EBITDA. For Kotikatu acquisitions, not all EBITDA numbers are fully comparable as LTM EBITDA in few cases might include contributions from merged entities

# Industry-leading margins paired with low maintenance capex and negative NWC yielding a strong cash flow generation

Operating cash flow, Like-for-Like Group (EURm)



## Industry leading EBITDA margins

15.5% LTM adj. EBITDA  
~4% higher than the industry average



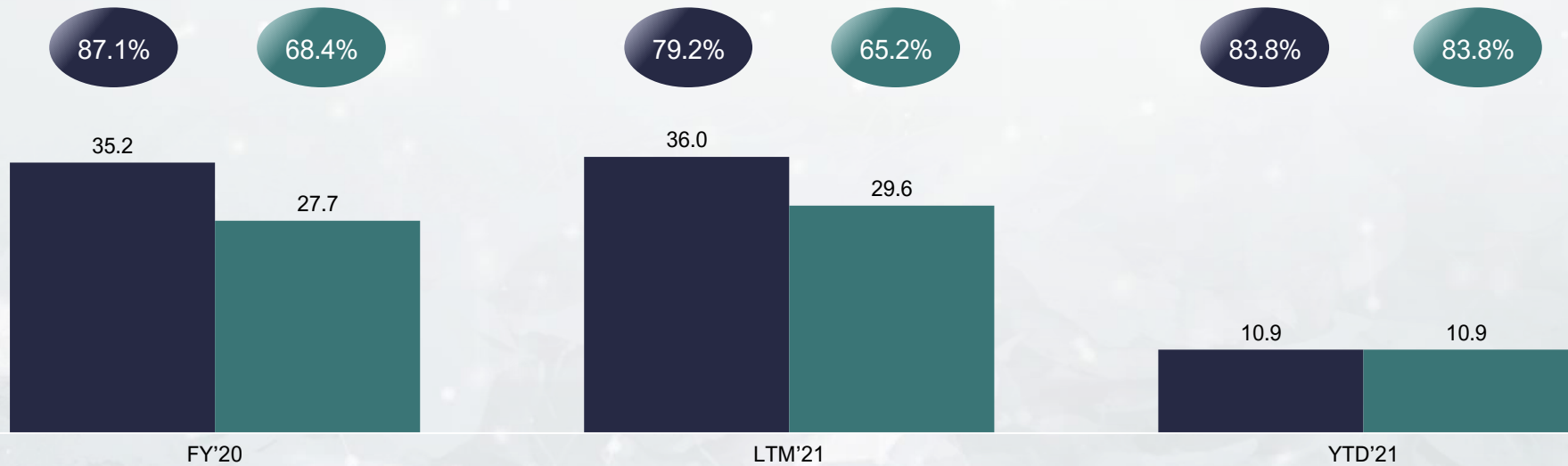
## Low maintenance capex

Asset light business model:  
Maintenance capex typically ~2.5-3.0% of net sales per annum



## Negative net working capital

Driven by a low share of short-term assets



■ Operating cash flow before Growth Capex, adj. ■ Operating cash flow, adj. ● Cash conversion<sup>1</sup> ● Cash conversion<sup>1</sup>

Source: Management information, Management accounts, unconsolidated PHM Group including companies acquired during Q1/2021 (Combined LfL), unconsolidated Kotikatu Group figures including companies acquired during Q1/2021 (Combined LfL), KPMG analysis. Note: (1) As a percentage of LfL adj. EBITDA; (2) As a percentage of LfL EBITDA; (3) According to management normal level of maintenance capex is roughly 3% of net sales. We have used this as a proxy for the maintenance capex



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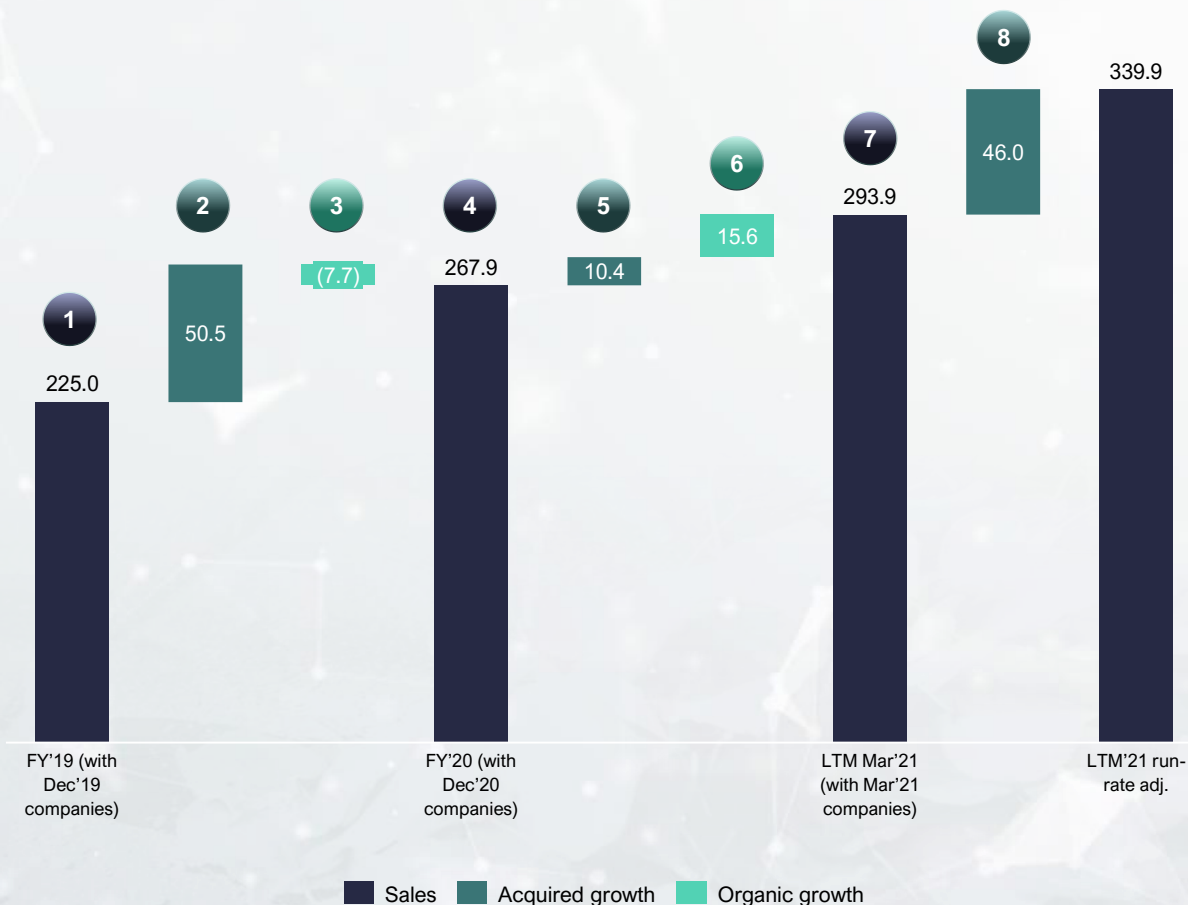
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# Run-rate net sales bridge

## LTM run-rate adj. net sales

EURm



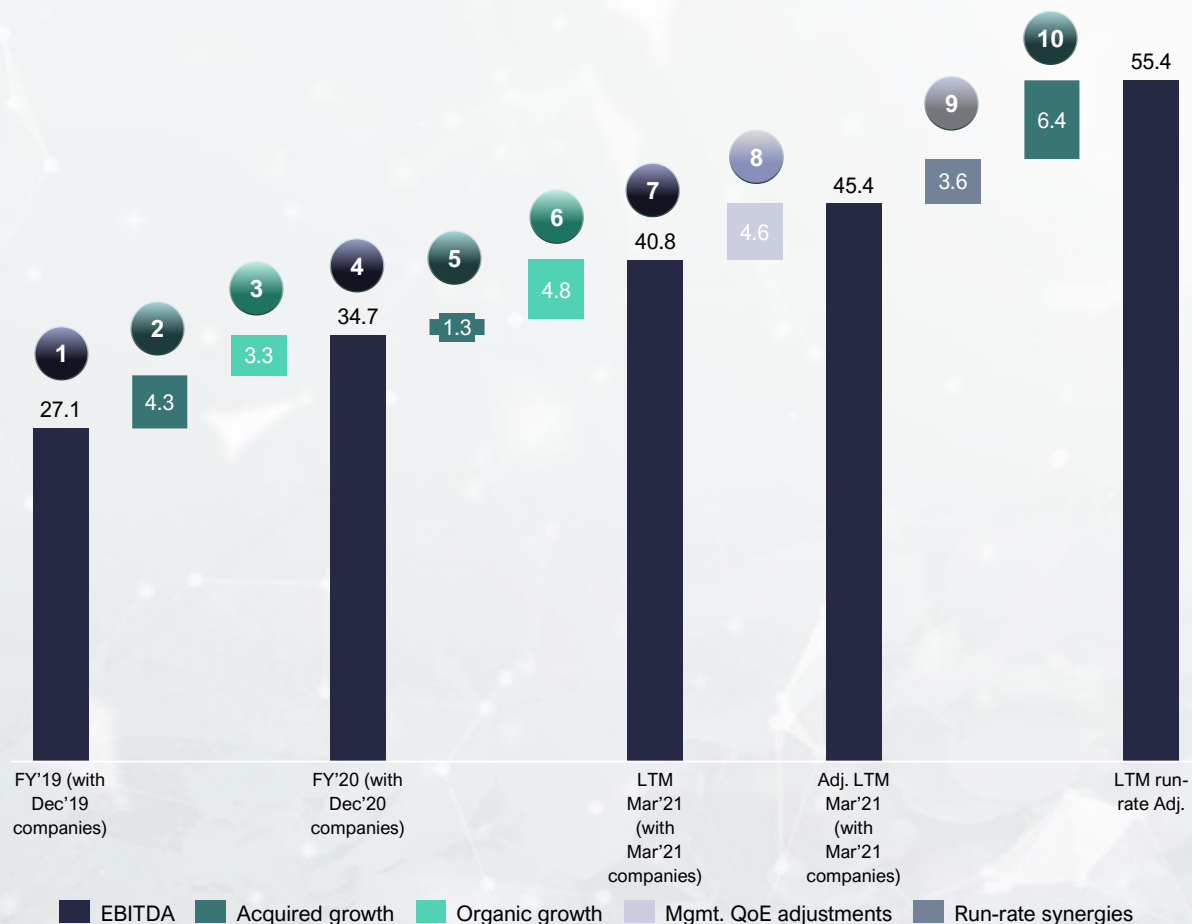
## Commentary

- 1 Includes FY'19 combined net sales of the companies that were consolidated to either Kotikatu or PHM prior to 2020 and have not been disposed thereafter
- 2 FY'20 acquired growth includes combined LTM net sales of the companies acquired in FY'20. LTM net sales of an acquired entity comprise net sales from the twelve months prior to consolidation to either Kotikatu or PHM
- 3 FY'20 organic growth comprise net sales growth of group companies that were part of Kotikatu or PHM prior to FY20, as well as post-consolidation net sales growth of the companies acquired in FY'20
- 4 Includes FY'20 combined net sales of the companies that were consolidated to either Kotikatu of PHM prior to Jan'21 and have not been disposed thereafter
- 5 YTD21 acquired growth includes combined LTM net sales of the companies acquired in YTD21
- 6 YTD21 organic growth comprise net sales growth of group companies that were part of Kotikatu or PHM prior to Jan'21, as well as post-consolidation net sales growth of the companies acquired in YTD21
- 7 Comprises LTM21 net sales of Mar'21 group companies
- 8 LTM net sales of the acquired companies in 1 Apr 2021 – 14 May 2021 (see page 73 for details on acquisitions)

# LTM run-rate adj. EBITDA bridge

## LTM run-rate adj. EBITDA

EURm

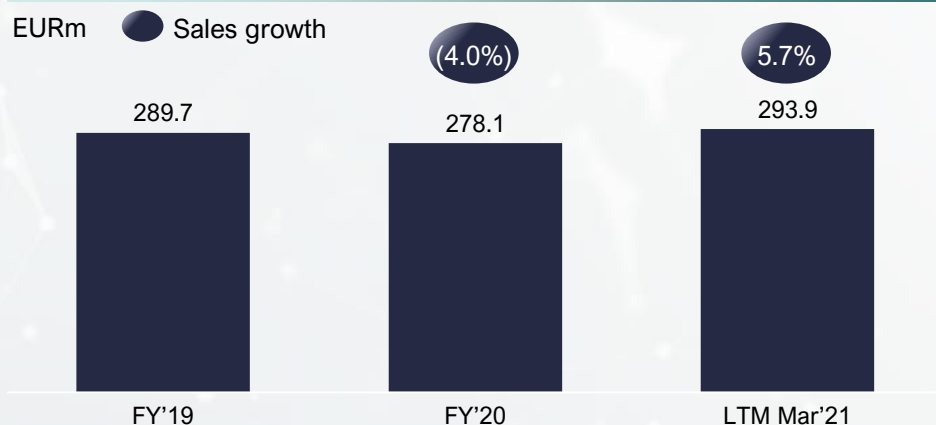


## Commentary

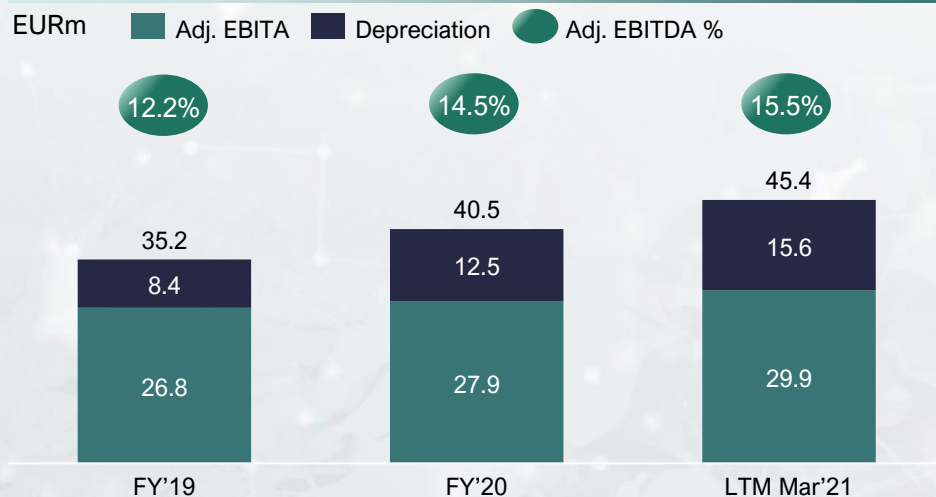
- Includes FY'19 combined EBITDA of the companies that were consolidated to either Kotikatu of PHM prior to 2020 and have not been disposed thereafter
- FY'20 acquired growth includes combined LTM EBITDA of the companies acquired in FY'20. LTM EBITDA of an acquired entity comprise EBITDA from the twelve months prior to consolidation to either Kotikatu or PHM
- FY'20 organic growth comprise EBITDA growth of group companies that were part of Kotikatu or PHM prior to FY'20, as well as post-consolidation EBITDA growth of the companies acquired in FY'20
- Includes FY'20 combined EBITDA of the companies that were consolidated to either Kotikatu of PHM prior to Jan'21 and have not been disposed thereafter
- YTD'21 acquired growth includes combined LTM EBITDA of the companies acquired in YTD'21
- YTD'21 Organic growth comprise EBITDA growth of group companies that were part of Kotikatu or PHM prior to Jan'21, as well as post-consolidation EBITDA growth of the companies acquired in YTD'21
- Comprising LTM Mar'21 EBITDA of Mar'21 group companies. Realized synergies (EUR 760 thousand) are included in the figure
- Mgmt QoE adjustments includes one-off adjustments identified by management for LTM'21 period (see page 64 for details on adjustments)
- Run-rate synergies of actions taken. According to management most of these will be realized during FY'21 (see page 65 for details on synergies)
- LTM EBITDA of the companies acquired in 1 Apr 2021 – 14 May 2021 added (see page 73 for details on acquisitions)

# Like-for-Like net sales and profitability development

## LfL net sales development



## LfL adj. EBITDA development



## Commentary

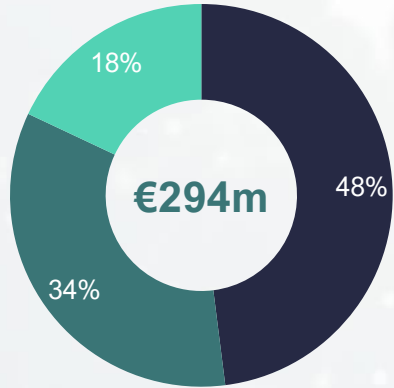
- The main reason for the modest LfL growth from 2019 to LTM Mar'21 is that snow clearance revenues were particularly high in 2019, while 2020 on the contrary had a very soft winter and hence no additional winter related revenues. COVID-19 also caused a slowdown in 2020, as some customer groups delayed their investment decisions, in particular services that are performed on a “need-to-do-basis”
- LTM Mar'20 to LTM Mar'21 provided a LfL growth of 5.0%, with LTM Mar'21 figures positively impacted by a better winter and activity picking up. The positive development in 2021 is expected to continue as the economical activity across the Nordics is picking up as well as by a generally increased customer base since 2020
- Due to operational efficiencies gained in newly acquired entities, FY'20 adj. EBITDA increased despite the decrease in revenues the same year. Further, the strong growth in LTM Mar'21 adj. EBITDA was driven by the higher volumes of good margin winter related work, as well as early synergies from the Kotikatu merger
- FY'20 and LTM Mar'21 depreciation figures are unusually high due to double depreciation allowed in taxation due to COVID-19 in 2020 and 2021 as well as a change in depreciation policy and related asset write downs in Q1/21
- PHM generally acquires companies with lower EBITDA margins as they often are less operationally efficient and do not have the same sales strength as PHM. Hence, EBITDA margins often modestly decline temporarily when new entities are consolidated into the Group. However, through operational efficiency programs and extraction of synergies, the EBITDA margins of the acquired entities tend to improve within a couple of years



# Net sales and profitability splits

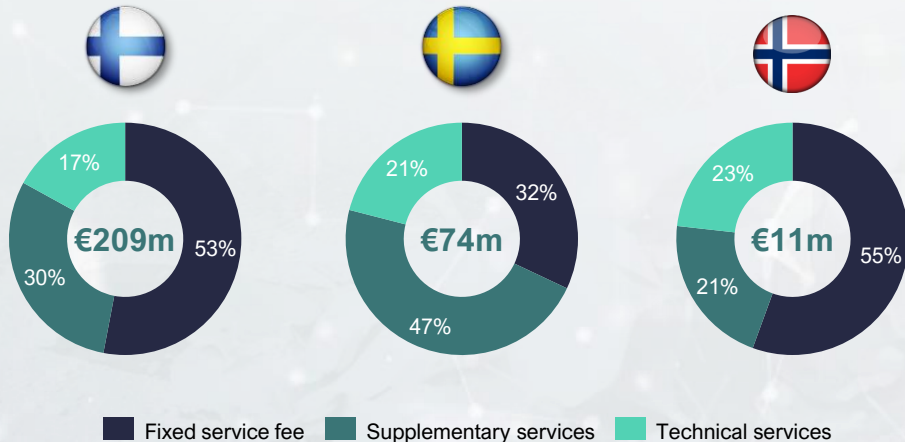
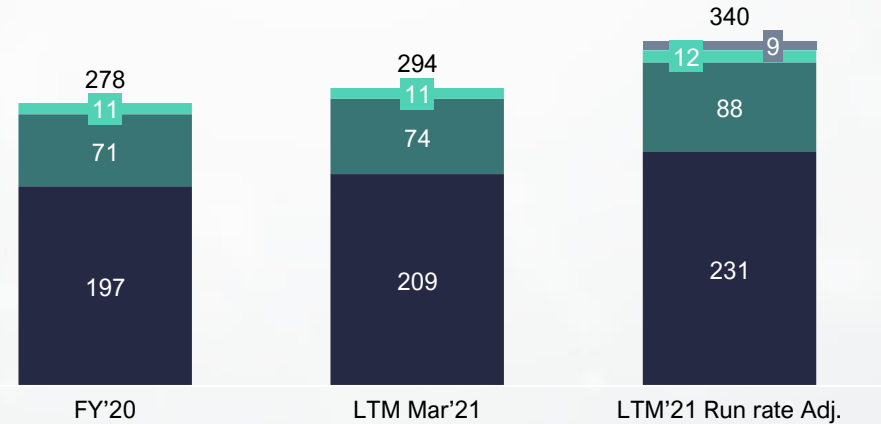
## Net sales by service type, LTM Mar'21

LTM Like-for-Like net sales (EURm)<sup>1</sup>

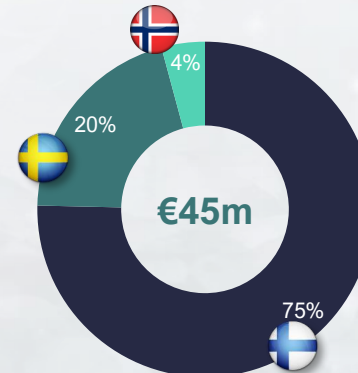


## Net sales development by country

Like-for-Like net sales (EURm) ■ Finland ■ Sweden ■ Norway ■ Denmark



## Profitability by country, LfL adj. EBITDA - LTM Mar'21<sup>2</sup>



Source: Management accounts, KPMG analysis. Note: (1) Excluding reconciliation difference of EUR 4m; (2) Administration's EBITDA impact is included in Finland's LfL EBITDA

# Key takeaways



## **A Nordic leader in the fragmented residential property maintenance services market**

- Diversified business model with exposure to a number of end markets, geographies, and customers
- Proven ability to gain and expand market presence and customer base



## **Operates with a scale and customer reach which are hard for competitors to replicate**

- Large and diversified customer base with no concentration and high retention across all verticals
- Unparalleled customer reach across the Nordics with the service broadest offering



## **Strong historical track record of delivering on integrations**

- Robust financial performance through economic cycles including COVID-19
- Completed >80 successful and low-risk M&A transactions with a systematic integration process to extract cost synergies and expand margins



## **Highly committed sponsor and management**

- The sponsor is highly committed to support the Company in its continued journey towards becoming a Pan-Nordic leader
- Management and key personnel are shareholders in PHM, and together with the founders, hold a stake of ~20%



## **A solid and deliverable business plan**

- Several strategic and operational avenues identified to drive continued growth and margin improvements
- Sponsor with a strong experience in buy-and-build cases across the Nordics

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# ESG questionnaire (1/2)

## General industry

In the residential property services sector, the ESG industry risk can be considered as medium

From an external perspective (based on materiality assessment frameworks including SASB and MSCI), companies operating in the residential property services sector are primarily exposed to risks relating to occupational health & safety (H&S), labour conditions, and regulatory adherence & corporate governance

PHM has implemented a Responsibility Programme that aims to be an overarching governance policy, which includes statements related to sustainability, H&S, business ethics, gifts, and diversity

The average accident rate has been above the industry average, but the Company is in process of harmonising H&S procedures across the Group. In Q2 2019, a groupwide risk assessment was performed, stating corrective actions

Since Norvestor's investment, PHM Group participates in an annual ESG review assisted by an external ESG consultant and a Norvestor ESG manager, which will result in an ESG report as well as stated annual improvement goals and actions

## E

## Environment

PHM has a large fleet of vehicles, resulting in a relatively large carbon footprint (compared to other Norvestor portfolio companies). The fleet is relatively new, however it does not contain any EVs, which is seen as a possible future climate-related investment. PHM has implemented company-wide purchasing guidelines for fleet investments (incl. brand, model, cost ceilings)

Information on energy consumption of (leased) warehouses and premises is not monitored at this point in time

Residential property service companies can optimize the use of operational resources (e.g. energy & water), which can potentially result in greater resource efficiency. They can also minimize the impact of waste in the local environment and contribute to improved quality of living in residential areas, all while lowering costs for building owners, operators and municipalities. PHM is exploring potential business opportunities that align with sustainable trends (e.g. enabling the energy transition through the installation of solar PV, heat pumps, and thermal insulation)

PHM's primary risk related to climate change is related to the snow removal services it provides (possibly lower amounts of snow due to warming of the planet)

The Company does not rely on any scarce resources for its operations. It does not anticipate any risks or major opportunities in the transition to a carbon neutral society



## ESG questionnaire (2/2)

### S

#### Social

The average accident rate has been above the industry average, but the Company is in a process of harmonising H&S procedures across the Group. In Q2 2019 a groupwide risk assessment was performed, stating corrective actions. In addition, a H&S policy and an employee handbook are in place

Employee satisfaction surveys are conducted on an annual basis

Due to the nature of the business (services), PHM's operations are not very material-intensive. However, the Company aims at reducing waste and recycling as much as possible

### G

#### Governance

The Company has an understanding of the material risks related to regulatory adherence, and monitors regulations updates constantly. Certain business units have an operating license and certain employees hold certificates in a range of qualifications (e.g. for trafficking goods, business security, handling refrigerants). In addition, several environmental permits are in place

The firm's business tax residence (i.e. where the firm pays tax) is where its operations are. i.e. Finland, Sweden, Norway, and Denmark

Two out of six members on the Board of Directors are independent

The Company has no transactions with related parties

The remuneration of the CEO and other members of the management team is in line with industry peers and is assessed annually by the Board of Directors

The share of women is approximately 30% at the Company level, 4% in middle management 17% in top management, and 17% in the Board of Directors

The person responsible for sustainability is a member of the management team, and reports to the CEO

The Company has the following policies or agreements in place: (i) Union agreement; (ii) Code of Conduct; (iii) Diversity policy; (iv) Anti-corruption policy

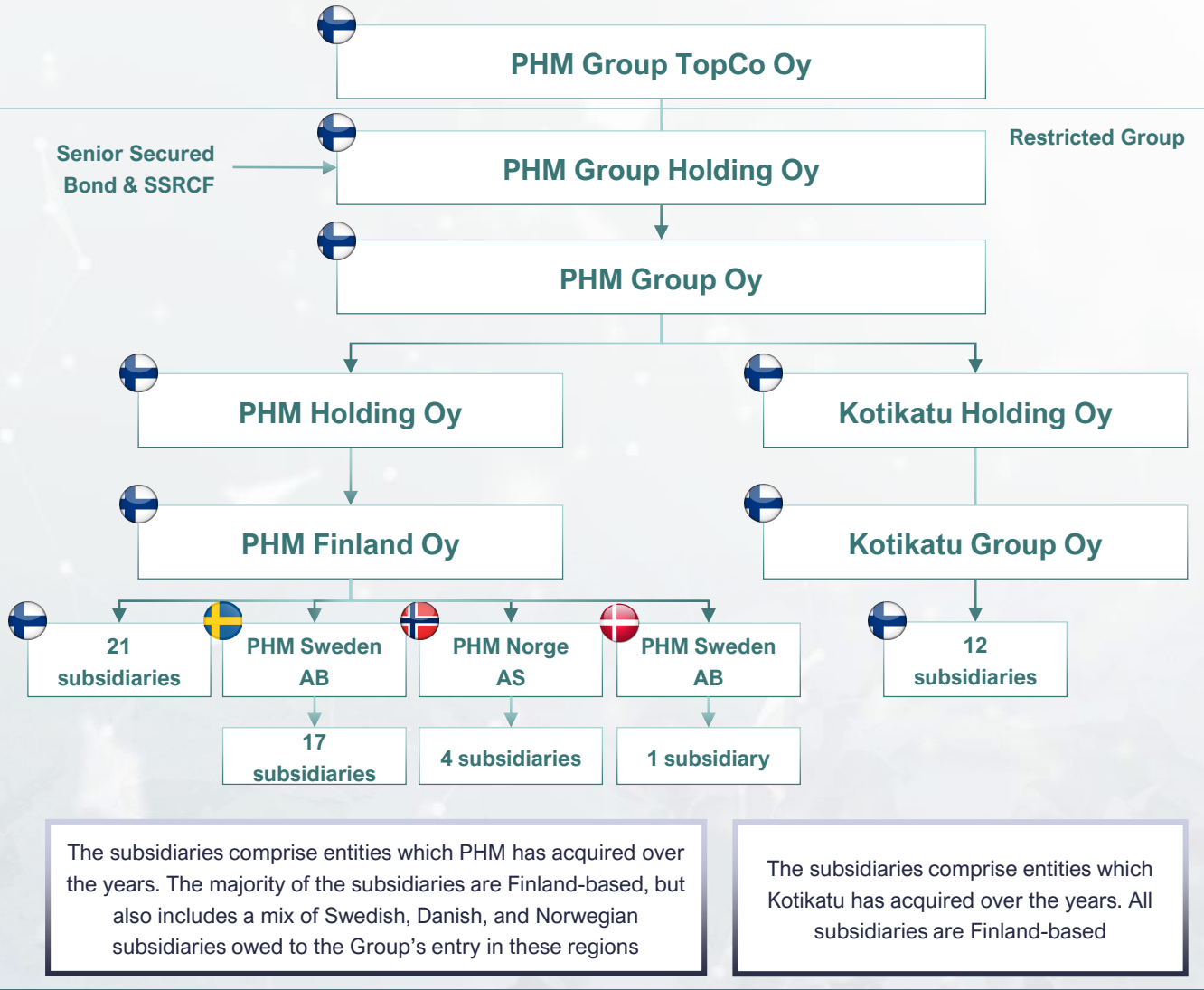
Internal and external whistle-blower function will be implemented by the end of 2021

# Norvestor has a successful track-record of developing Nordic champions

## Selected exited investment examples

Company	Ownership summary	EBITDA CAGR	Exit
 <p>Leading software asset management and cloud optimization player</p>	<ul style="list-style-type: none"> <li>Expanded into 14 new countries and acquired 11 companies</li> <li>Became a leading European supplier of software asset management, cloud and volume licensing, as well as consulting services</li> </ul>	<p><b>15-20%</b> 2012 to 2018</p>	<p>Listed on Oslo Stock Exchange in Nov'17</p> <p><b>2.0-2.5x</b> Money on Money</p>
 <p>SaaS company providing solutions for mobile workers</p>	<ul style="list-style-type: none"> <li>Strengthened market position in car fleet solutions and expanded its Nordic base into 5 new markets</li> <li>Completed six add-ons acquisitions</li> <li>Became the fourth-largest European company in the sector</li> <li>Installed base grew by 550%</li> </ul>	<p><b>20-25%</b> 2012 to 2017</p>	<p>Sold to <b>INVESTCORP</b></p> <p><b>5.5-6.0x</b> Money on Money</p>
 <p>Leading health and fitness chain in the Nordic region</p>	<ul style="list-style-type: none"> <li>Developed the largest and most profitable health &amp; fitness chain in Norway and Finland</li> <li>Sales tripled from 2006 to 2010</li> <li>More than doubled the membership base from 86k to 168k</li> <li>Doubled the number of clubs, and successfully expanded into Sweden</li> </ul>	<p><b>25-30%</b> 2006 to 2011</p>	<p>Sold to <b>ALTOR</b></p> <p><b>5.0-5.5x</b> Money on Money</p>
 <p>Pest control company</p>	<ul style="list-style-type: none"> <li>Consolidated the Swedish and Norwegian markets through seven acquisitions and established strategic position as 4<sup>th</sup> largest player in Europe at exit</li> <li>Consistently increased margins of targets post-acquisition</li> <li>Sales increased by more than 350% from 2014 to 2019</li> </ul>	<p><b>20-25%</b> 2014 to 2019</p>	<p>Sold to listed US trade buyer</p> <p> <b>ServiceMaster</b></p> <p><b>7.0-7.5x</b> Money on Money</p>

# Group structure as of 1 June 2021



**Issuer**

- The Senior Secured bond will be issued by PHM Group Holding Oy
- The Senior Secured bond will have first priority over certain transaction security, subject to super senior ranking of the RCF and hedging obligations in accordance with intercreditor agreement

**Guarantor coverage**

- The Guarantors include the Issuer and other material group companies, including all the Group’s subsidiaries
- The entity above the Issuer is not a part of the guarantor coverage. It is a holding company with no/limited assets

**Transaction Security Documents**

- The relevant members of the Group and certain shareholders will enter into security documents pursuant to which the following security will be granted to the Secured Parties:
  - Share pledge in respect of the shares of the Issuer
  - Share pledge in certain material subsidiaries in the Issuer
  - Business mortgages from certain material subsidiaries of the Issuer
  - Guarantees from certain material subsidiaries
  - Loan pledge in respect of certain material and long-term intra group loans
- The security package will be shared with the Super Senior RCF as well as potential hedging providers

**Ownership structure**

- Norvestor, together with its Limited Partners, owns a clear majority. Minority shareholders include Intera Partners, advisors, management, key personnel, and founders

The subsidiaries comprise entities which PHM has acquired over the years. The majority of the subsidiaries are Finland-based, but also includes a mix of Swedish, Danish, and Norwegian subsidiaries owed to the Group’s entry in these regions

The subsidiaries comprise entities which Kotikatu has acquired over the years. All subsidiaries are Finland-based

# Management team composition (Cont'd)



**Ville Rantala**

*CEO*

- At PHM since 2014
- Serial entrepreneur with background from various corporations



**Joni Paananen**

*Group Legal Counsel*

- At PHM since 2018
- Previously Associate Lawyer at Hannes Snellman and Senior Legal Counsel at Fondia Oy



**Mikko Mäkikyrö**

*Operational Director, Northern*

- At PHM since 2015
- Previously RD at KH-Kiinteistöpalvelut



**Petri Pellonmaa**

*CFO*

- At PHM since 2019
- CFO with strong background from M&A and experience from working across the Nordic countries



**Vesa Koljonen**

*Operational Director, Helsinki*

- At PHM since 2014
- Previously studied Master of Military Science



**Markku Sevón**

*Business Director, Cateva*

- CEO of Cateva since 2016
- Previously RD at KH-Kiinteistöpalvelut and Unit Manager at Lassila & Tikanoja



**Juha Allonen**

*CIO*

- At PHM since 2019
- Strong IT experience from various Nordic corporations



**Kai Hintz**

*Operational Director, Eastern*

- At PHM since 2019
- Previously MD for Nokian Kiinteistöhuolto



**Johannes Müllner**

*Country Director, Sweden*

- At PHM since 2019
- Previously Chairman for Cemi AB



**Toni Mannila**

*Country Manager, Finland*

- At PHM since 2021
- Previously MD of OP Systems Finland, CD at Stena Recycling Finland, and RD at ISS Palvelut



**Eeva Tielinen**

*HR Director (ESG responsible)*

- At PHM since 2018
- HR experience from Alko Oy and Hong Kong Group Oy



**Sakari Pietilä**

*Operational Director, Western*

- At PHM since 2019
- Previously CEO of Espoon Kiinteistöpalvelut, Rewest, and Unit Manager at Lassila & Tikanoja



# Board of Directors



## Karl Svozilik

- Chairman of the Board since 2020
- Partner at Norvestor
- Currently Chairman of the Board at First Camp and Board Member of VENI Energy Group
- Previously a Board Member of Nomor, Life Europe, 4SERVICE, Phonerio, Robust, and Sortera
- Previous experience from EVLI, CIBC World Markets, Merrill Lynch, and Bank of America



## Ståle Angel

- Board Member since 2020
- Currently a partner at FAM Vekst and Ingvarda, Chairman of the Board of XPLORA Smartwatch, Board Member of First Camp, 4SERVICE, and Solcellespesialisten
- Previously Board Member at Fitness Brands Nordic, Chairman of the Board at Recover Nordic Norway, Nimor, United Bloggers, as well as CEO of Elixia Nordic



## Marika af Enehjelm

- Board Member since 2020
- Partner at Norvestor
- Currently a Board Member of Minimax Viking, FVCA – Pääomasijoittajat, Envera Oy, Veni Services, and Foxway Group
- Previously a Board Member of Tesi and Wexus Gruppen  
Previous experience from Intermediate Capital Group, FORUM Family Office, and Boston Consulting Group



## Janne Näränen

- Board Member since 2018
- Partner at Intera Partners
- Currently a Board Member of Kreate and Renta Group
- Previously a Senior Associate at Booz Allen Hamilton



## Stein Olav Stølen

- Board Member since 2020
- Currently Chairman of the Board at Nomor and PELIAS Skadedyrforvaltning, as well as Member of the Board at Presto
- Founder of Nomor and previously CEO of the company
- Previously COO of Espresso House Sweden



## Tuomas Sarkola

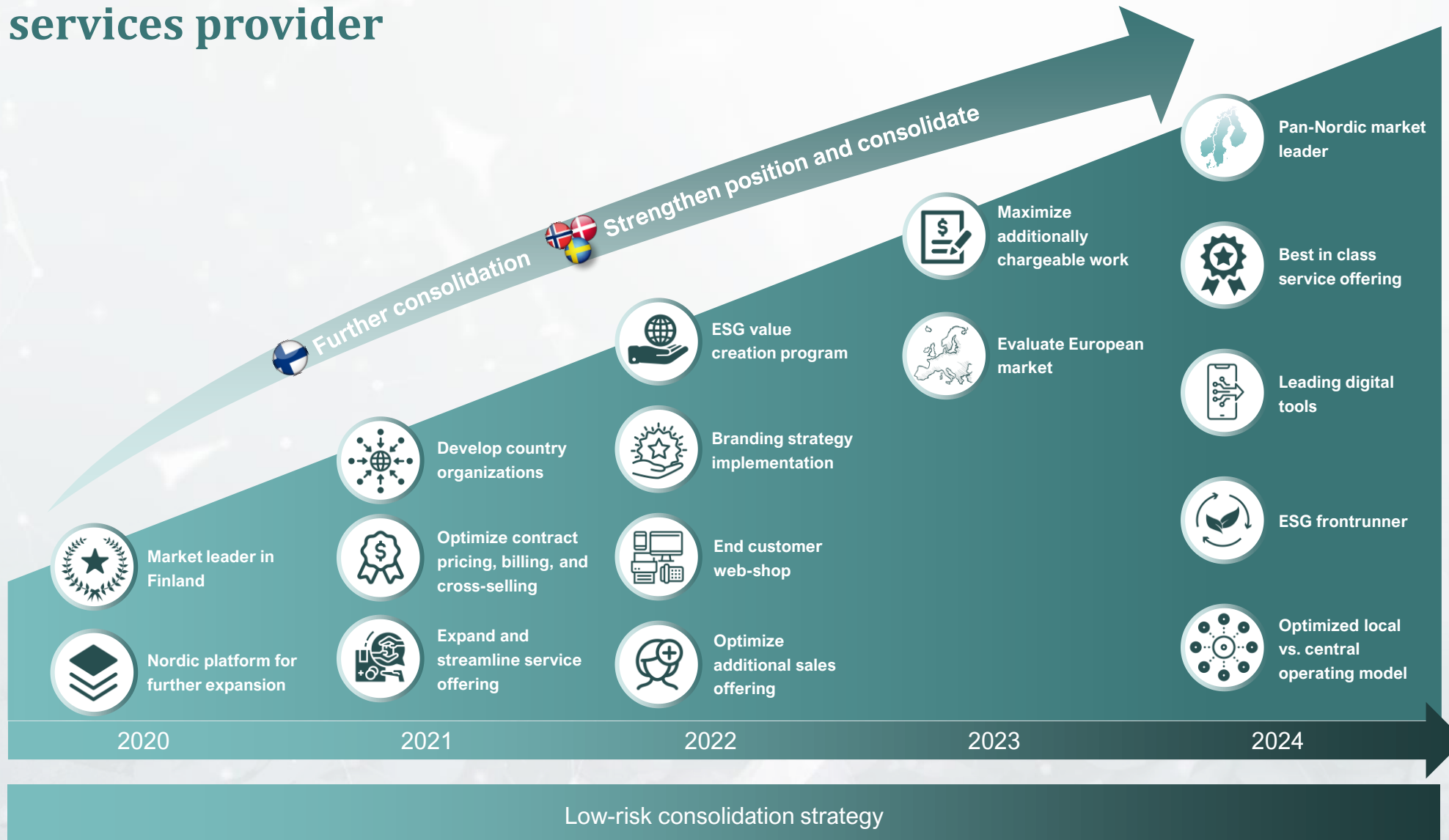
- Board Member since 2018
- Partner at Intera Partners
- Previous Board memberships include Silmäasema and Psykoterapiakeskus Vastaama Oy
- Experience from McKinsey & Company and Boston Consulting Group

# Swift and successful response to COVID-19

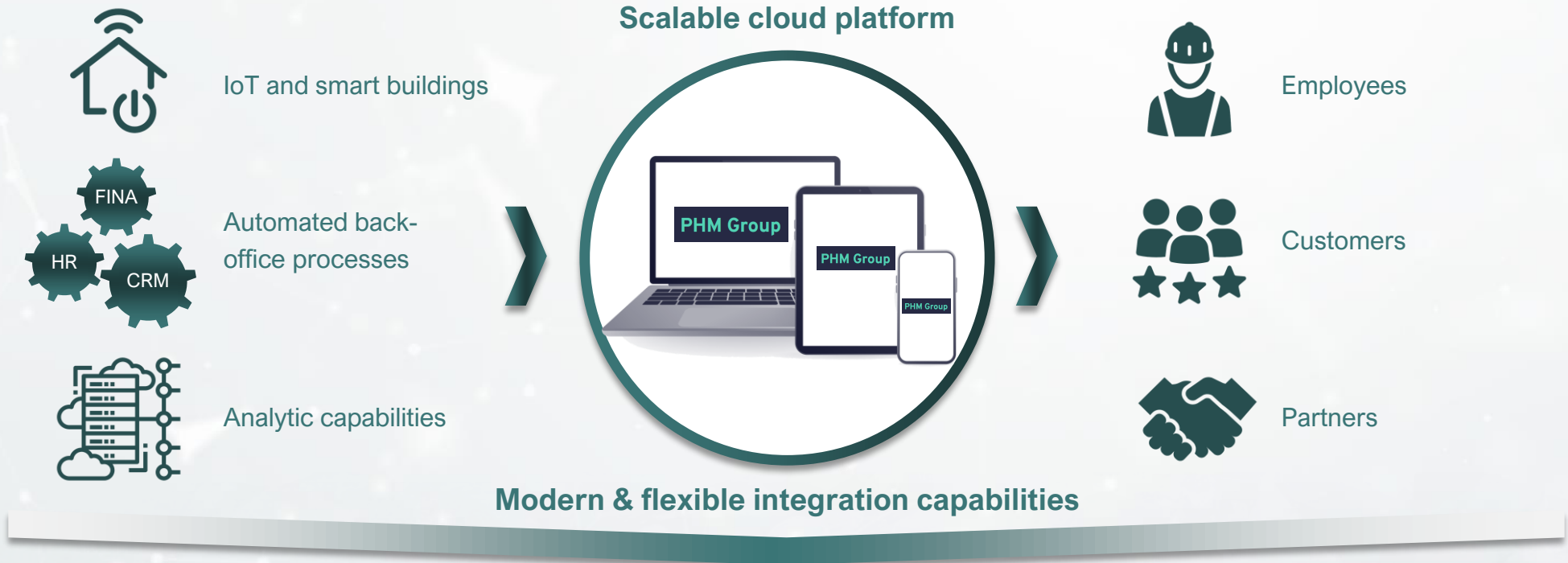
Topic	Action	Details
General	<b>Continuous communication to staff from hands-on management</b>	<ul style="list-style-type: none"> <li>• PHM continuously monitoring the situation and updating employee instructions related to Covid-19</li> <li>• Weekly follow-ups on Teams with management team and operating directors, with the agenda to go through the situation per area and the latest on how to protect all employees against the virus</li> <li>• Whatsapp “Covid-19” group where all cases and exposures are reported</li> </ul>
Employee safety and awareness	<b>COVID-instructions written and distributed to all supervisors</b>	<ul style="list-style-type: none"> <li>• Operating instructions relating to operating during the pandemic, how to react to special situations such as when an employee gets infected, refuses to work, etc. Administrative instructions such as payment of salaries during quarantine, travel instructions, etc.</li> <li>• Keep a good hand hygiene at all times</li> <li>• Greet your colleagues and customers without shaking hands or hugging them</li> <li>• Meetings are held by Teams and phone</li> </ul>
	<b>COVID-instructions written and gone through for all employee groups<sup>1</sup></b>	<ul style="list-style-type: none"> <li>• Do not needlessly move between our different units (depots and offices)</li> <li>• People must not gather at the depot or other unit facilities for task coordination. Instead, this should be done over the phone</li> <li>• Breaks and lunch breaks are staggered so that people do not gather in one place all at once. Employees are recommended to eat their packed lunch outside of the depot facilities whenever possible</li> <li>• We aim to keep customers and outside visitors away from the staff facilities wherever possible</li> </ul>
Financial impacts	<b>Furlough/temporary lay-offs</b>	<ul style="list-style-type: none"> <li>• Minimal temporary lay-offs used mostly in Sweden, where ~2.5% of total labour force has been temporarily laid off for an average period of 6 months. In Finland only occasional lay offs</li> </ul>
	<b>Utilization of COVID-19 support schemes</b>	<ul style="list-style-type: none"> <li>• Both in Finland and Sweden companies have in general paid reduced social charges during parts of 2020</li> <li>• Kotikatu companies have utilised longer payment time for pension contributions during 2020</li> </ul>
	<b>General impact</b>	<ul style="list-style-type: none"> <li>• Overall net financial impacts have been minor</li> <li>• Loss of revenue experienced especially in Sweden and Norway where the share of variable revenues is higher</li> <li>• Higher costs relating to purchases of protective equipment for staff</li> <li>• Lower social charges having a positive impact on cost base offsetting the above</li> </ul>

Note: 1) Non-exhaustive list

# Aim of becoming the leading Pan-Nordic residential property services provider



# A robust and modern technology platform to support and drive growth and operational efficiency



## OPERATIONAL EFFICIENCY

- Simplifying business processes and helping PHM manage data efficiently
- Collect and analyze data to predict when new services are needed



## CUSTOMERS

- Customers integrated into the platform, allowing them to swiftly order services
- Fostering long-term relationships and increasing customer stickiness



## SALES

- User-centric sales with high level of customer engagement to solve customer needs quickly
- Increases sales of add-on services and drive the opportunity for new services



# Diversified service offering reaching multiple customer groups

Property type		Customer	Soft residential property maintenance			Hard residential property maintenance			Property management				
			Maintenance 	Cleaning 	Outdoor 	Small renovations 	HVAC & Electricity 	Energy mgmt. 	Admin 	Financial 	Technical 	Legal 	
Residential	Apartment buildings	Housing companies/ associations	   							 			
		Private & public portfolio owners											
	Row houses	Housing companies/ associations											
	Detached houses	Individuals											
Non-residential	Small commercial	Tenant company/ property owner											
	Public spaces	Municipalities											
	Large commercial	Tenant company/ property owner											

# PHM has low-interest and sticky customers

## Overview of PHM's key stakeholders

### Housing manager

The housing manager's main interest is to keep the board and the residents happy – while balancing the required amount of effort needed. Housing managers tend to choose service providers that they have used before and know are reliable

### Resident

Main interest of the residents is to have a clean, safe, and well-maintained building that will retain its value. Therefore, residents communicate their needs and requests to the board when they feel that these criteria are not met



### Implications

Housing managers often use providers with whom they have an existing relationship in order to minimize the effort when selecting service providers

However, the board and residents are less concerned with which provider does the work – as long as the quality meets their standards

Agency problems can occur, as housing managers might not have the incentives to actively seek new service providers to maximize the value for housing companies/associations and residents

### Board of the housing association

Main interest of the board is to promote resident satisfaction, and to keep costs at a reasonable level. Therefore, the board values customer service and perceived quality higher than housing managers

# PHM’s core customers, housing companies and associations, have an attractive mix of buyer sophistication, value, and stickiness





## Overview of customer characteristics across subsegments

Property type		Customer	Buyer sophistication	Contract value	Customer stickiness
Residential property	Apartment buildings	Housing companies/ associations	●	◐	●
		Private portfolio owners	●	●	◐
		Public portfolio owners	●	◑	◐
	Row houses	Housing companies/ associations	●	◑	●
	Detached houses	Individuals	●	●	◐
Non-residential property	Small commercial	Tenant company	◐	◐	◐
		Property owners	●	●	◐
	Public spaces	Municipalities	●	◑	◐
	Large commercial, industrial office	Tenant company	◐	◐	◐
		Property owner	●	◑	◐

## Commentary

- Housing companies/associations is an attractive customer group as:
  - The purchasing group is generally non-professional
  - It does not exist any systematic tendering or evaluation of the maintenance provider –when customer complaints are kept at low levels, the customers are highly sticky
- In Finland, PHM mainly serves apartment building housing companies with minor presence in row houses and small commercial properties located in residential areas
  - Some of PHM’s subsidiaries also serve large commercial properties. However, this is not PHM’s key service offering
- In Sweden, PHM’s customer portfolio is more diverse including public spaces
- In Norway, customers mainly comprise housing associations, but also commercial customers
- In Denmark, PHM has so far mainly larger real-estate owners as customers, but also housing associations











# Activity all year round

	Winter			Spring			Summer			Fall		
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Revenue share <sup>1</sup>	26.2%			24.2%			23.4%			26.2%		
Add-on activities <sup>2</sup>	<ul style="list-style-type: none"> <li>• Delivery of odor control</li> <li>• Christmas saunas execution</li> <li>• Emptying of attics</li> <li>• Filling of sandboxes</li> </ul>			<ul style="list-style-type: none"> <li>• <b>Spring waste invoicing</b></li> <li>• Liming</li> <li>• Garage washing</li> <li>• Asphalt patching</li> <li>• Repair of plowing damages</li> <li>• Yard trash can removal</li> <li>• Handling of yard furniture</li> <li>• Renewal of bicycle racks</li> <li>• Inspection of roof wells</li> <li>• Changing of filters</li> <li>• Waste station washing</li> <li>• Changing of “playbox” sand</li> </ul>			<ul style="list-style-type: none"> <li>• Shrub cutting</li> <li>• Weed control</li> <li>• Washing of carpets</li> <li>• Flag/flagpole washing/renewal</li> <li>• Cleaning of rainwater cells</li> <li>• Painting of parking lines</li> <li>• Painting of square stones</li> <li>• Changing of “playbox” sand</li> <li>• Odor control supplies</li> <li>• Washing of carpets</li> </ul>			<ul style="list-style-type: none"> <li>• <b>Fall waste invoicing</b></li> <li>• Cleaning of mud filter</li> <li>• Changing of stove stones</li> <li>• Garage washing</li> <li>• Inspection of extinguishers</li> <li>• Door lubrication</li> <li>• Filling of sandboxes</li> <li>• Waste station washing</li> <li>• Preparation of Christmas saunas</li> <li>• Fire alarm group change</li> <li>• Purchases of winter security devices</li> </ul>		
												

Source: Management accounts, KPMG analysis. Note: (1) Figures are for the year 2019 as the winter season had an unusual low amount of snow, leading to lower activity; (2) Non-exhaustive list



# Facility maintenance and management services can be grouped into three main categories

Soft residential property maintenance			Hard residential property maintenance			Property management				
<p><b>Maintenance</b></p>  <ul style="list-style-type: none"> <li>• General surveillance and maintenance of structures, components and equipment e.g. light bulb changes, faucet adjustments, meter readings</li> <li>• Door openings</li> </ul>	<p><b>Cleaning</b></p>  <ul style="list-style-type: none"> <li>• Removal of dirt, trash and waste<sup>1</sup></li> <li>• Maintenance and protection of surfaces</li> </ul>	<p><b>Outdoor</b></p>  <ul style="list-style-type: none"> <li>• Outdoor cleaning</li> <li>• Snow clearance, de-icing, sanding</li> <li>• Lawn moving, raking</li> <li>• Landscape maintenance</li> </ul>	<p><b>Small renovations</b></p>  <ul style="list-style-type: none"> <li>• Small renovations and modifications</li> <li>• Not including large property-wide renovations projects e.g. plumbing, roof, facade</li> </ul>	<p><b>HVAC &amp; Electricity</b></p>  <ul style="list-style-type: none"> <li>• Fixes and installations related to heating, ventilation, air conditioning, plumbing and electricity</li> </ul>	<p><b>Energy mgmt.</b></p>  <ul style="list-style-type: none"> <li>• Energy consulting, audits and planning</li> <li>• Adjustments to HVAC systems resulting in lower energy consumption</li> </ul>	<p><b>Admin</b></p>  <ul style="list-style-type: none"> <li>• Preparing board meetings and AGMs<sup>2</sup></li> <li>• Official declarations</li> <li>• Tendering renovations and service providers</li> <li>• Shareholder and repair registers maintenance</li> </ul>	<p><b>Financial</b></p>  <ul style="list-style-type: none"> <li>• Invoice handling</li> <li>• Accounting and financial statements</li> <li>• Financial and loan mgmt.</li> <li>• Budgeting</li> <li>• Book keeping</li> </ul>	<p><b>Technical</b></p>  <ul style="list-style-type: none"> <li>• Technical reviews</li> <li>• Project mgmt.</li> <li>• Renovation project planning and surveillance</li> </ul>	<p><b>Legal</b></p>  <ul style="list-style-type: none"> <li>• Legal counselling</li> <li>• Support in contract negotiations</li> </ul>	
Typically requires lower education, or on-job training			Typically requires upper education or special skills							
Blue-collar tasks							White-collar tasks			

Source: PwC. Note: 1) The waste management is typically covered by specialized waste management companies, but cleaning typically includes emptying of trash bins at real estates; 2) Annual General Meeting

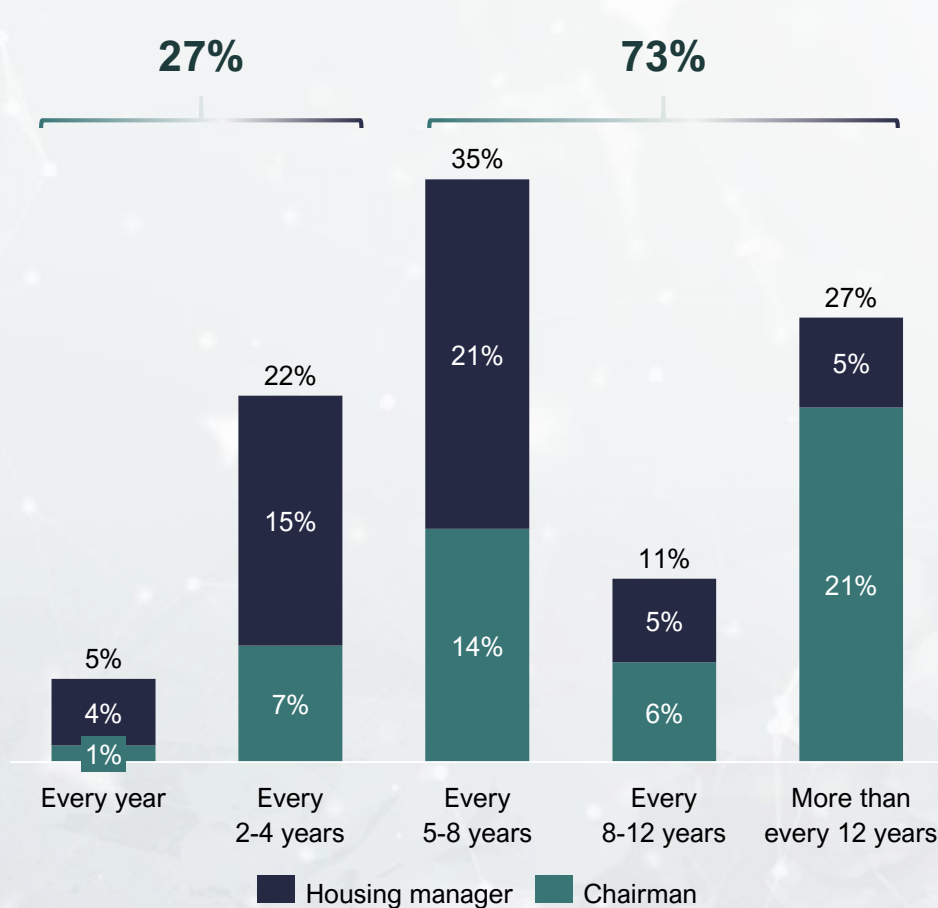
# Housing associations' purchase dynamics differ slightly across Finland, Sweden, and Norway

	Soft residential property maintenance			Hard residential property maintenance			Property management			
	Maintenance	Cleaning	Outdoor	Small renovations	HVAC & Electricity	Energy mgmt.	Admin	Financial	Technical	Legal
										
	<ul style="list-style-type: none"> <li>Typically purchased as a recurring service from single provider</li> <li>Provider can subcontract services</li> </ul>			<ul style="list-style-type: none"> <li>Typically purchased on-demand</li> <li>Can be purchased from single or separate hard residential property maintenance providers, or subcontracted to soft real residential property maintenance providers</li> </ul>			<ul style="list-style-type: none"> <li>Typically purchased as a recurring service from a single provider</li> <li>Can be purchased from some soft residential property maintenance providers, but this is more rare</li> </ul>			
	<ul style="list-style-type: none"> <li>Typically purchased as a recurring service from a single provider or in combination with other providers</li> <li>The provider can subcontract some services</li> </ul>			<ul style="list-style-type: none"> <li>Typically purchased on-demand</li> <li>Can be purchased either from single or separate hard residential property maintenance providers, or subcontracted to soft residential property maintenance providers</li> </ul>			<ul style="list-style-type: none"> <li>Typically purchased by all associations and as a recurring service from a single provider</li> <li>Legal services are purchased on-demand</li> <li>Property management players typically offer maintenance services</li> </ul>			
	<ul style="list-style-type: none"> <li>Generally purchased as a recurring service from a single provider: cleaning may be purchased from another provider</li> <li>Housing associations in buildings built by a housing co-op typically buy these services from the housing co-op</li> </ul>			<ul style="list-style-type: none"> <li>Typically purchased on-demand</li> <li>Often purchased from existing residential property maintenance provider, whereof some subcontract some or all of the work from an external provider</li> </ul>			<ul style="list-style-type: none"> <li>Typically purchased as a recurring service from a single provider, while legal is purchased as a separate on-demand service</li> <li>The co-ops normally provide all of these services</li> </ul>			

# Residential property customers are sticky and have high retention rates

## Low percentage changing contracts each year

How often do you on average sign a new contract or renegotiate contracts? <sup>1</sup>



## Quality dissatisfaction driving the majority of changes

Percentage of cases driving change of service provider



Source: 3<sup>rd</sup> Party Due Diligence provider. Note: (1) Sample comprises 203 respondents



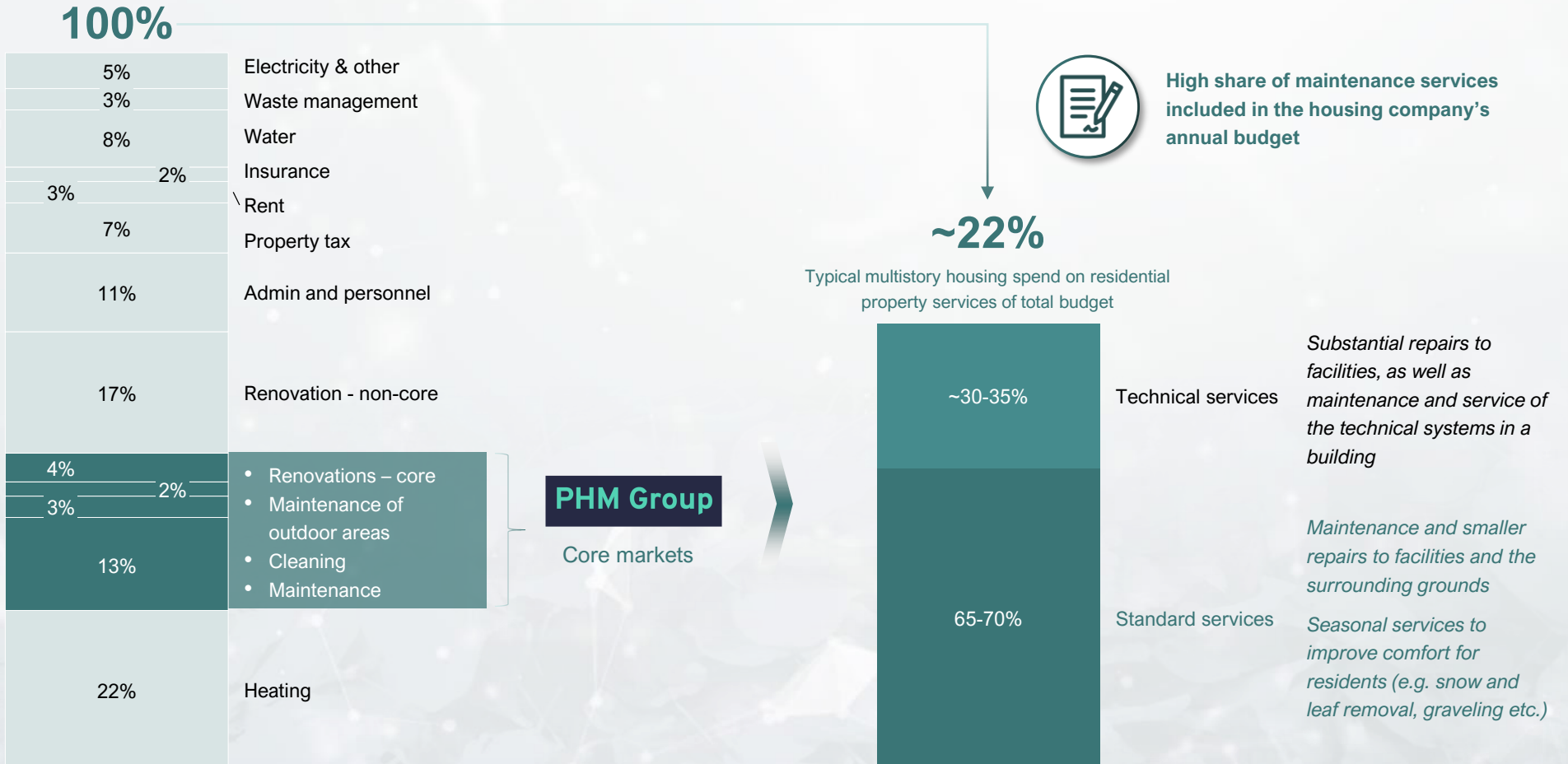
# Maintenance services are typically included in housing companies' budgets and represent a modest share of operating costs

## Breakdown of overall spend for multistory housing companies

% based on spending per square meter per month

## ~22% of annual housing spend used on maintenance services

% based on spending per square meter per month

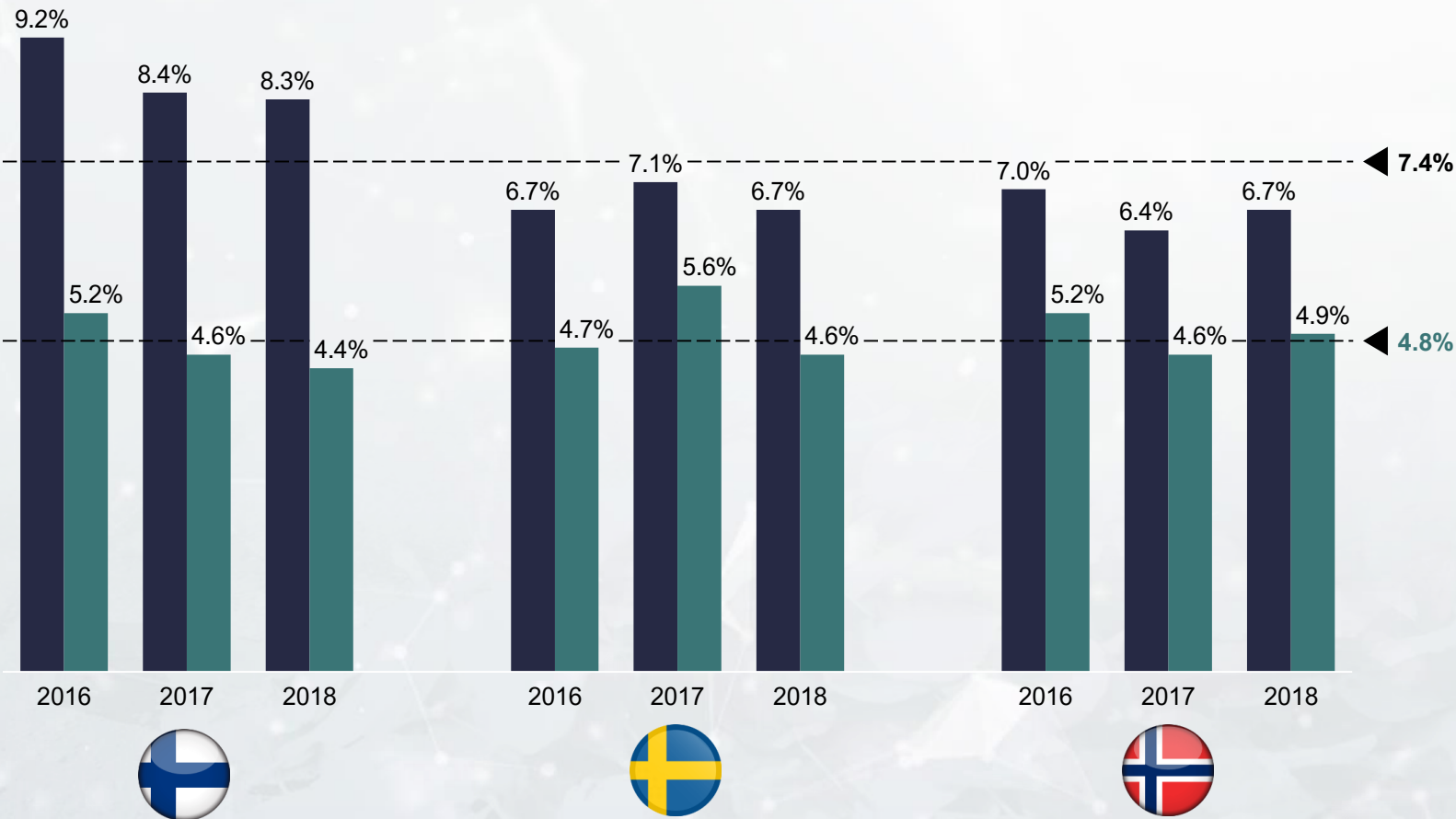




# Industry-wide weighted average EBIT margins are similar across all countries

Industry-wide profitability (national, regional, and local providers) weighted average EBITDA and EBIT, 2016-'18

% ■ EBITDA margin ■ EBIT margin



### Commentary

- The average EBITDA in Finland is higher due to a higher share of owned equipment
- The decrease in profitability in Finland from 2016 to 2018 was driven by lower profitability for larger companies, such as L&T and ISS
- The companies included in the selection are not necessarily relevant to PHM as they serve different customer groups, many of which serving customer groups where margins tend to be lower

# The Finnish residential property services market at a glance



## Breakdown of facility management services market

### Residential property services market

- Facility management services to residential properties, usually residential multi-story buildings
- Typically offered by a local service provider or a nationwide multi-service provider

**~EUR 1.0bn**  
Market size (2018)

**~3.0-3.5%**  
CAGR 18-'23F

## Adjacent markets

### Institutional property services market

- Facility management services to public properties, i.e. care facilities, hospitals etc.
- Typically served by municipality-backed service providers

**~EUR 1.1bn**  
Market size (2018)

**~2.0-2.5%**  
CAGR 18-'23F

### Commercial property services market

- Facility management services to commercial spaces, i.e. retail spaces and offices
- Typically served by large-scale facilities management companies

**~EUR 0.4bn**  
Market size (2018)

**~3.0-3.5%**  
CAGR 18-'23F

## Breakdown of the residential property services market

Category	Description	Market size
<p><b>Standard services</b></p>	<p>Includes maintenance, facility cleaning, and smaller repairs indoors and outdoors</p> <p style="text-align: center;"><b>Example services</b></p> <div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="text-align: center; margin: 5px;">  Facility cleaning                     </div> <div style="text-align: center; margin: 5px;">  Grounds maintenance                     </div> <div style="text-align: center; margin: 5px;">  Maintenance &amp; repairs                     </div> <div style="text-align: center; margin: 5px;">  Snow and leaf blowing                     </div> <div style="text-align: center; margin: 5px;">  Landscaping                     </div> </div>	<div style="background-color: #006666; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto 10px auto;"> <span style="font-size: 12px;">65-70%</span> </div> <div style="background-color: #006666; color: white; padding: 5px; margin: 0 auto; width: 60%; text-align: center;"> <b>EUR 0.7bn</b> </div>
<p><b>Technical services</b></p>	<p>Larger repairs, as well as maintenance and technical service of properties' technical systems</p> <p style="text-align: center;"><b>Example services</b></p> <div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="text-align: center; margin: 5px;">  HVAC                     </div> <div style="text-align: center; margin: 5px;">  Building automation                     </div> <div style="text-align: center; margin: 5px;">  Electrical &amp; lighting                     </div> <div style="text-align: center; margin: 5px;">  Small-scale plumbing                     </div> </div>	<div style="background-color: #006666; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto 10px auto;"> <span style="font-size: 12px;">30-35%</span> </div> <div style="background-color: #006666; color: white; padding: 5px; margin: 0 auto; width: 60%; text-align: center;"> <b>EUR 0.3bn</b> </div>

Source: 3<sup>rd</sup> Party Due Diligence provider. Note: HVAC stands for heating, ventilation, and air conditioning



# PHM is uniquely positioned as a national player with strong local presence and customer intimacy

## Overview of competitive landscape in Finland





# The only residential property service market player with a full focus on all market segments

Market	Company	Standard services		Technical	Property management		Customer segment
		Maintenance indoor	Maintenance outdoor	Technical services	Financial management	Technical management	Core (Adjacent)
		Strength of product offering					
		Not focusing on segment					
Not main competitors							
Broad offering, residential market	<b>PHM Group</b>						Residential, commercial, public
	<b>flow</b> <small>FASTIGHETSVÄRDEN</small>						Residential
	<b>BREDABLICK GRUPPEN</b>						Residential
	Average mid-sized local player						Residential
Mainly property management providers							Residential
	<b>Riksbyggen</b>						Residential
	<b>sbc</b>						Residential
Broad facility management services	<b>ISS</b>						Commercial
	<b>sodexo</b>						Commercial
	<b>I&amp;T</b>						Commercial

Source: Management views. Note: Average mid-sized local player comprises an average of several smaller Swedish companies.





# Competitive landscape in Sweden is also fragmented

## Overview of competitive landscape in Sweden



# Financials: Basis of preparation

## Constraints related to statutory information due to history

2020 was the first fiscal year of the Issuer, constituting only eight months of operations since the acquisition of PHM in April 2020. Kotikatu was consolidated into the group as of October 2020. Statutory consolidation for PHM and Kotikatu separately has not been made for fiscal year 2020. Historically, Kotikatu and PHM have had different fiscal years, with Kotikatu from April to March and PHM from January to December. Furthermore, PHM and Kotikatu have both grown strongly through M&A historically, hence historical statutory financials are not representative for the current business

## Like-for-Like (“Lfl”) figures produced and reviewed

The Lfl figures were prepared by management<sup>1</sup> and reviewed by KPMG to show the impact of the acquisitions of PHM and Kotikatu, as if the acquisitions had occurred on 1 Jan 2019. Lfl financials are available from January 2019 to March 2021. Note that Q1’21 Lfl does not include the impact of acquisitions carried out between 1 April to 14 May 2021; these are included separately

## Run-rate figures

Run-rate figures have been added to illustrate the current financial figures of the Company as if all acquisitions performed during the period 1 April to 14 May 2021 were consolidated. This includes a total of 10 companies. The run-rate figures have been prepared for both net sales and EBITDA, both of which are based on latest reported LTM figures from due diligence reports. Net sales and EBITDA have been converted into Euros by using the average rate of monthly average exchange rates between Apr’20 and Mar’21

## Basis of presented synergy adjustments

The synergy adjustments are presented on the basis of management follow up and KPMG’s analysis. They include both organizational synergies and other synergies. The Company has in addition provided its own management estimate on the synergies that can be extracted from various initiatives over the coming years. These figures have not been reviewed by KPMG

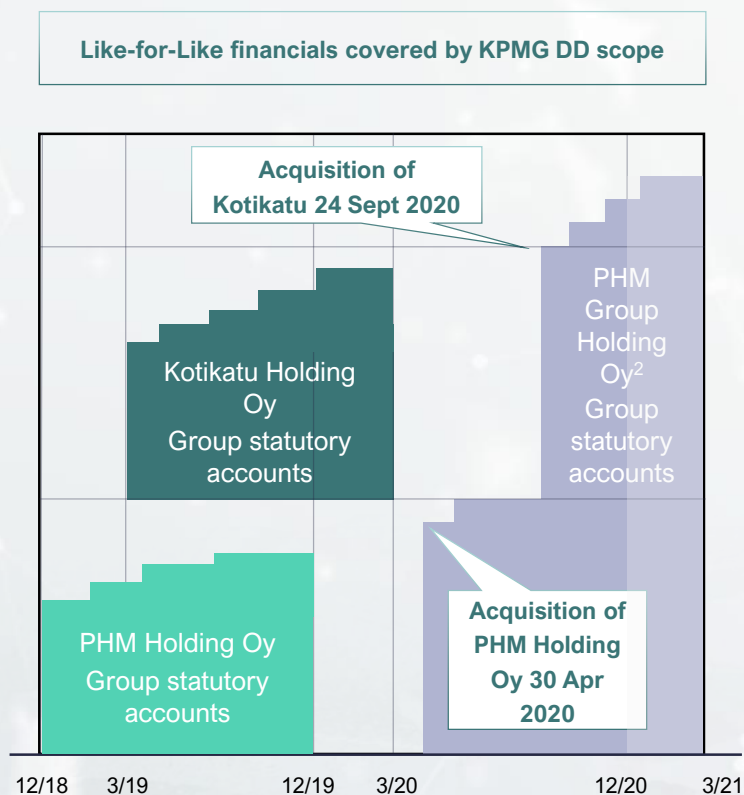
## Accounting standards

Lfl figures presented in the databook are based on Finnish Accounting Standards (“FAS”). However, the Company will move into IFRS before the listing of the bonds on a regulated marketplace

# Statutory historical data

Extensive Like-for-Like analysis to complement the partial coverage in terms of income and cash flow statements

## Statutory account coverage illustration



### Financial year end:

- PHM Group Holding Oy: December
- Kotikatu Holding Oy: March
- PHM Holding Oy: December

## Statutory financials

PHM Group Holding Oy <sup>2</sup>		
EURm	FY'20	Q1'21 <sup>1</sup>
Net sales	122.2	80.7
EBITDA	16.0	12.2
<i>EBITDA margin (%)</i>	13.1%	15.1%
EBITA	8.8	6.9
<i>EBITA margin (%)</i>	7.2%	8.5%

PHM Holding Oy	
EURm	FY'19
Net sales	63.8
EBITDA	7.9
<i>EBITDA margin (%)</i>	12.4%
EBITA	5.5
<i>EBITA margin (%)</i>	8.6%

Kotikatu Holding Oy		
EURm	FY'03/19	FY'03/20
Net sales	85.4	101.7
EBITDA	14.2	14.1
<i>EBITDA margin (%)</i>	16.7%	13.9%
EBITA	11.4	10.3
<i>EBITA margin (%)</i>	13.3%	10.1%

# Group Statutory P&L Statement

FY'20 – YTD'21

## P&L Statement – Group Statutory – PHM Group Holding Oy<sup>1</sup>

€m	FY'20	YTD'21
<b>Net sales</b>	<b>122.2</b>	<b>80.7</b>
Other operating income	0.7	0.6
Materials	(15.2)	(7.8)
External services	(17.9)	(14.3)
<b>Total materials and services</b>	<b>(33.1)</b>	<b>(22.1)</b>
Wages and salaries	(44.0)	(27.1)
Holiday pay	(1.6)	(2.2)
Pension expenses	0.0	(3.9)
Social security expenses	(9.3)	(2.8)
<b>Total personnel expenses</b>	<b>(54.8)</b>	<b>(36.0)</b>
Expenses of premises	(3.0)	(1.9)
Machinery and equipment expenses	(8.2)	(5.5)
Other operating expenses	(7.8)	(3.6)
Depreciation	(7.2)	(5.3)
Amortization	(18.8)	(10.7)
<b>EBIT</b>	<b>(10.0)</b>	<b>(3.8)</b>
Financial income and expenses	(12.4)	(2.9)
<b>Profit (loss) before appropriations and taxes</b>	<b>(22.4)</b>	<b>(6.7)</b>
Taxes	(0.9)	(1.9)
<b>Profit (loss) for the financial year</b>	<b>(23.3)</b>	<b>(8.6)</b>

Source: Audited consolidation sheets FY20 and auditor-reviewed consolidation sheets YTD21. Note: (1) Previously Ulla Real Estate Services Midco Oy



# Like-for-Like P&L Statement

2019 – LTM Mar'21

Like-for-Like P&L statement				
€m	FY'19	FY'20	LTM Mar'20	LTM Mar'21
<b>Net sales</b>	<b>289.7</b>	<b>278.1</b>	<b>280.0</b>	<b>293.9</b>
Other operating income	1.1	1.7	1.1	2.3
Materials, supplies and goods	(34.8)	(33.9)	(34.2)	(34.2)
External services	(45.9)	(34.4)	(38.9)	(41.4)
<b>Gross profit</b>	<b>210.1</b>	<b>211.5</b>	<b>207.9</b>	<b>220.7</b>
<i>Gross profit margin (%)</i>	73%	76%	74%	75%
Personnel expenses	(131.6)	(133.5)	(131.0)	(137.3)
Expenses of premises	(7.7)	(7.8)	(7.9)	(7.7)
Vehicle costs	(16.3)	(13.6)	(15.3)	(14.2)
Other expenses of machinery	(4.8)	(4.4)	(4.5)	(4.5)
Optional social security expenses	(3.3)	(2.7)	(3.2)	(2.8)
<b>Gross margin</b>	<b>46.4</b>	<b>49.3</b>	<b>46.2</b>	<b>54.1</b>
<i>Gross margin (%)</i>	16%	18%	16%	18%
Other operating expenses	(14.0)	(13.4)	(13.7)	(13.3)
<b>EBITDA</b>	<b>32.4</b>	<b>36.0</b>	<b>32.5</b>	<b>40.8</b>
<i>EBITDA margin (%)</i>	11%	13%	12%	14%
Depreciation	(8.4)	(12.5)	(9.1)	(15.6)
<b>EBITA</b>	<b>24.0</b>	<b>23.4</b>	<b>23.4</b>	<b>25.2</b>
Amortization of goodwill	(8.8)	(11.2)	(9.2)	(9.3)
<b>EBIT</b>	<b>15.2</b>	<b>12.2</b>	<b>14.2</b>	<b>15.9</b>
EBIT margin (%)	5%	4%	5%	5%

# Like-for-Like P&L Statement

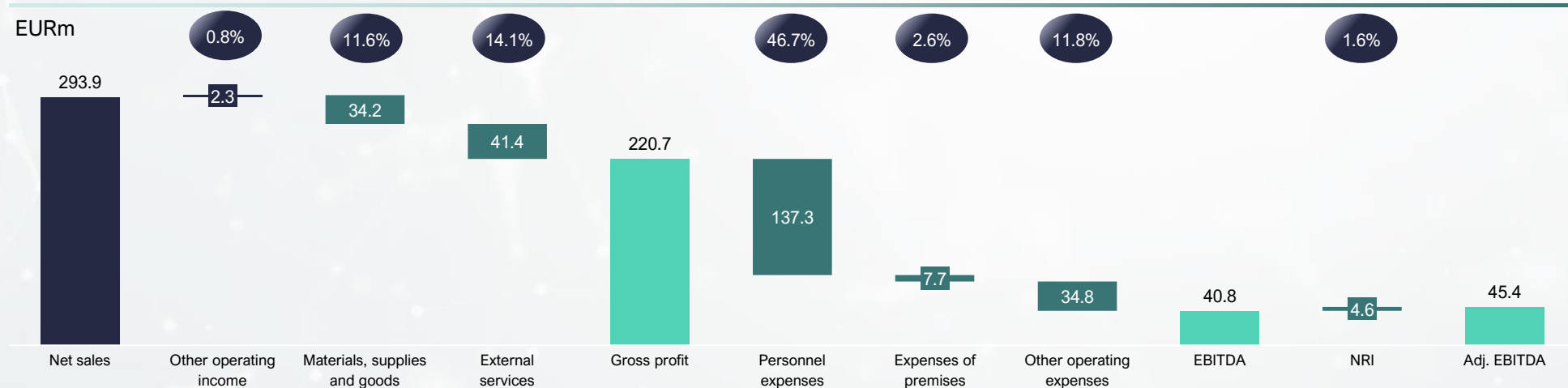
YTD Mar'19 – YTD Mar'21

Like-for-Like P&L statement			
€m	YTD Mar'19	YTD Mar'20	YTD Mar'21
<b>Net sales</b>	<b>75.9</b>	<b>66.2</b>	<b>82.0</b>
<i>Net sales YoY growth (%)</i>	<i>n.a.</i>	<i>(13)%</i>	<i>24%</i>
Other operating income	0.3	0.2	0.9
Materials, supplies and goods	(8.4)	(7.9)	(8.2)
External services	(14.4)	(7.4)	(14.4)
<b>Gross profit</b>	<b>53.4</b>	<b>51.2</b>	<b>60.4</b>
<i>Gross profit margin (%)</i>	<i>70%</i>	<i>77%</i>	<i>74%</i>
Personnel expenses	(33.7)	(33.1)	(36.9)
Expenses of premises	(1.9)	(2.0)	(1.9)
Vehicle costs	(4.7)	(3.6)	(4.2)
Other expenses of machinery	(1.5)	(1.2)	(1.3)
Optional social security expenses	(0.7)	(0.5)	(0.6)
<b>Gross margin</b>	<b>10.9</b>	<b>10.8</b>	<b>15.5</b>
<i>Gross margin (%)</i>	<i>14%</i>	<i>16%</i>	<i>19%</i>
Other operating expenses	(3.5)	(3.2)	(3.1)
<b>EBITDA</b>	<b>7.4</b>	<b>7.5</b>	<b>12.4</b>
<i>EBITDA margin (%)</i>	<i>10%</i>	<i>11%</i>	<i>15%</i>
Depreciation	(1.6)	(2.3)	(5.4)
<b>EBITA</b>	<b>5.9</b>	<b>5.2</b>	<b>7.1</b>
Amortization of goodwill	(2.1)	(2.4)	(0.5)
<b>EBIT</b>	<b>3.8</b>	<b>2.9</b>	<b>6.6</b>
<i>EBIT margin (%)</i>	<i>5%</i>	<i>4%</i>	<i>8%</i>

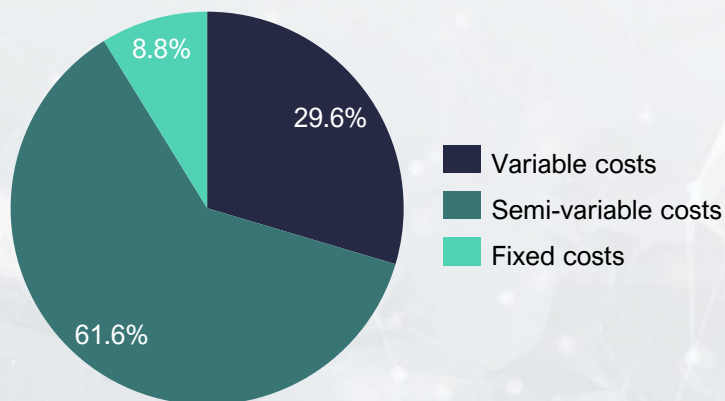
# Labor costs constitute the largest cost item

Like-for-Like LTM Mar'21

## Cost breakdown



## Fixed vs. variable costs

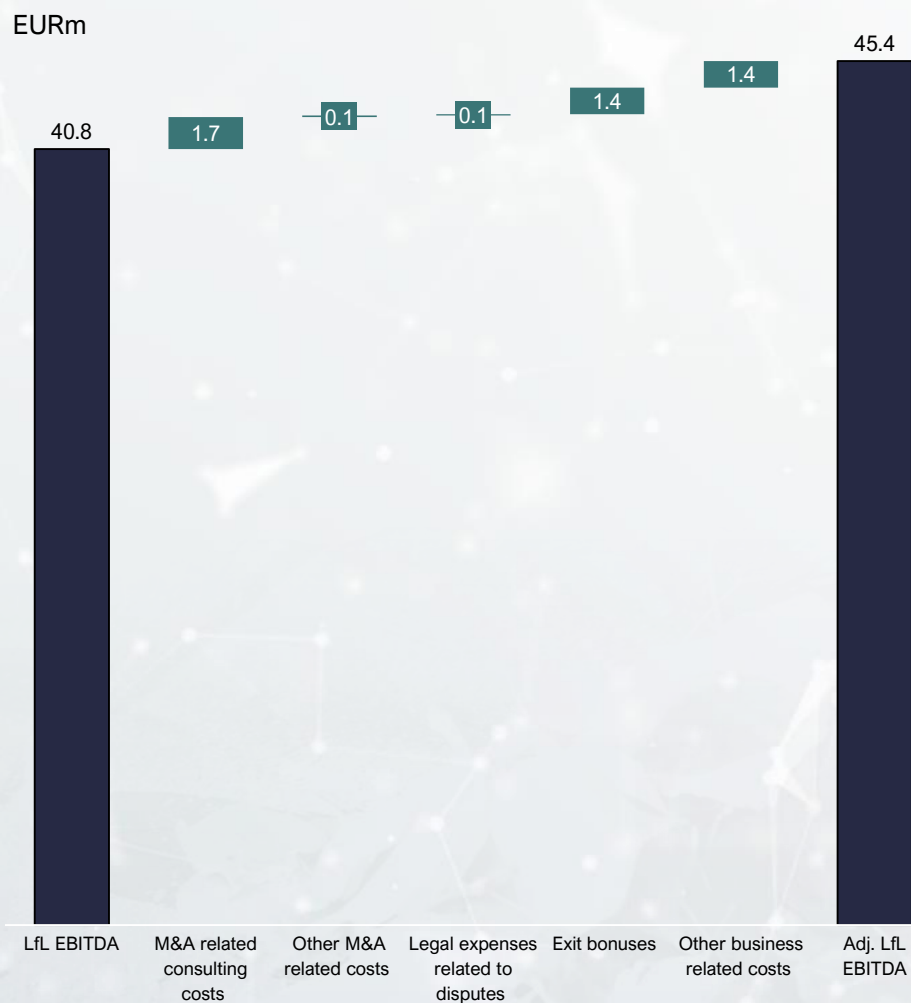


- Labor costs (external and own) comprise the largest cost item (60.8% of sales). Efficient use of own work force and minimizing outsourcing are hence key value creation levers for PHM. Labor costs are mostly variable, as the number of white collar workers is low and the workforce can be well optimized as there are fairly little peaks in the workload
- Direct purchases comprise materials sold to customers as part of the services provided. Material procurement synergies can be extracted due to PHM's scale in this category
- Other semi-variable costs include costs for machinery and cars, where costs such as leasing costs, insurances are mostly fixed, but fuel/repairs are variable. Scale benefits can be achieved by harmonizing insurances and insourcing machinery repairs
- Fixed costs can also be managed to some extent by e.g. optimizing the depot network, insourcing finance & accounting and by better procurement. Often, however, some extra spend in IT is required to run acquired entities more efficiently

Source: Management accounts, KPMG analysis % of net sales

# Like-for-Like EBITDA adjustments

## LfL adj. EBITDA bridge, LTM Mar'21



## LfL adj. EBITDA breakdown FY'19 – LTM Mar'21

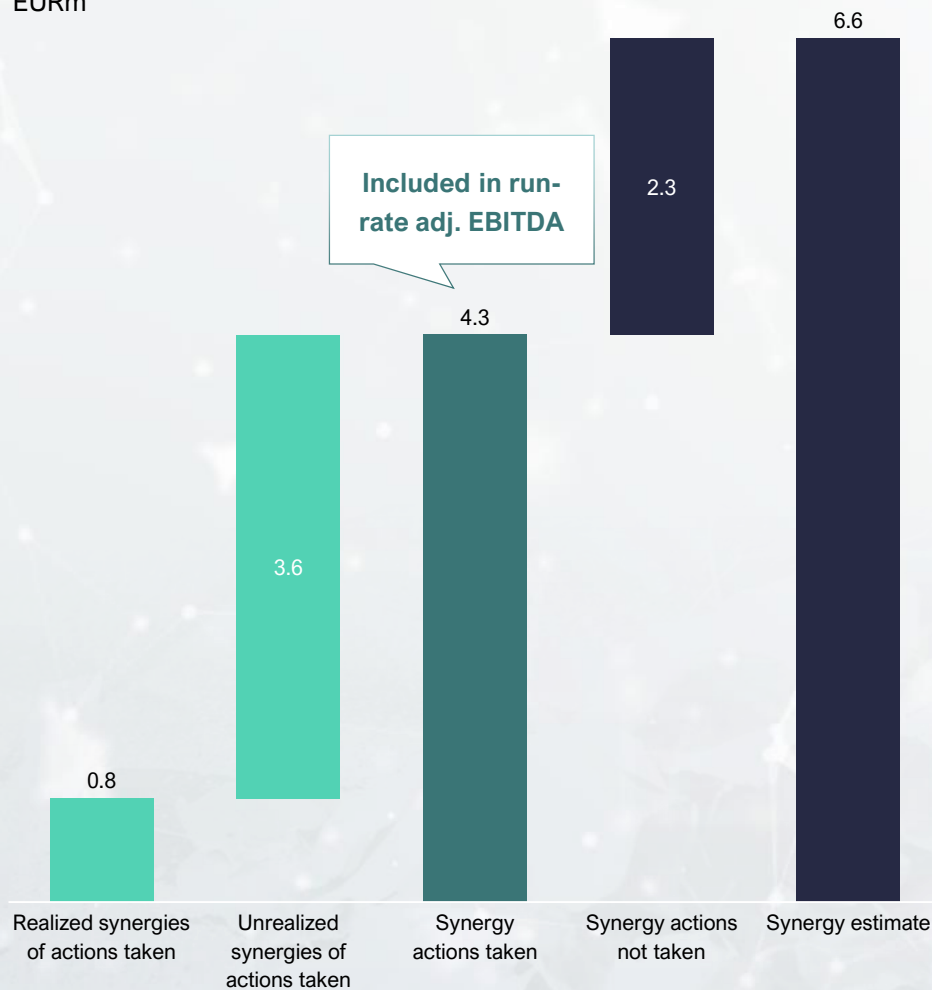
Like-for-Like adj. EBITDA breakdown				
EURm	FY'19	FY'20	LTM Mar'21	YTD Mar'21
<b>Like-for-Like EBITDA</b>	<b>32.4</b>	<b>36.0</b>	<b>40.8</b>	<b>12.4</b>
<b>Management adjustments</b>				
1) M&A related consulting costs	n.q.	1.5	1.7	0.2
2) Other M&A related costs	n.q.	0.1	0.1	-
3) Legal expenses related to disputes	n.q.	0.1	0.1	0.0
4) Exit bonuses	n.q.	1.4	1.4	-
5) Other business related costs	n.q.	1.3	1.4	0.4
<b>Total management adjustments</b>	<b>2.8</b>	<b>4.5</b>	<b>4.6</b>	<b>0.6</b>
<b>LfL adj. EBITDA</b>	<b>35.2</b>	<b>40.5</b>	<b>45.4</b>	<b>13.0</b>



# Synergies

## EBITDA adjustments

EURm



## Status of synergies

EURm	Realized synergies of actions taken in LTM21	Run-rate synergies of actions taken	Synergy actions taken	Total synergy estimate
Streamlining of admin. & support	0.3	0.8	1.2	1.3
Streamlining of oper. management				0.7
Streamlining of receivable collection				0.2
FTE reductions, Finance	0.1	0.2	0.2	0.2
FTE reductions, Accounting		0.0	0.0	0.1
FTE reductions, Payroll & HR	0.0	0.1	0.1	0.3
Depot optimization				0.2
Procurement	0.3	2.3	2.7	3.4
Cateva cost synergies	0.0	0.1	0.1	0.1
<b>Total</b>	<b>0.8</b>	<b>3.6</b>	<b>4.3</b>	<b>6.6</b>

Source: Management accounts, KPMG analysis.

# Group Statutory Balance Sheet

Dec'20 – Mar'21

## Balance sheet – Group Statutory – PHM Group Holding Oy<sup>1</sup>

€m	Dec'20	Mar'21
<b>Fixed assets</b>		
Intangible assets	352.8	351.0
Tangible assets	38.1	35.4
Investments	2.5	2.9
<b>Fixed assets total</b>	<b>393.4</b>	<b>389.2</b>
<b>Current assets</b>		
LT receivables	0.3	0.2
Inventories	1.0	1.0
Accounts receivables	21.2	23.0
Loan receivables	0.0	0.0
Other receivables	1.4	1.7
Prepayments and accrued income	4.4	5.3
Deferred tax assets	0.1	(0.1)
Intra-group receivables	(0.1)	(0.2)
Cash and cash equivalents	17.5	21.4
<b>Current assets total</b>	<b>45.8</b>	<b>52.3</b>
<b>Total assets</b>	<b>439.3</b>	<b>441.5</b>
<b>Equity and liabilities</b>		
Other equity	193.9	193.9
Retained earnings	(0.0)	(23.8)
Profit/loss for the period	(23.3)	(8.6)
<b>Equity</b>	<b>170.6</b>	<b>161.5</b>
Subordinated loans	-	0.0
LT loans from financial institutions	187.2	191.1
LT intra-group loans	18.7	20.5
Deferred tax liabilities	0.9	0.8
Other LT liabilities	(0.0)	0.1
ST loans from financial institutions	13.2	12.9
Advances received	0.0	0.0
Accounts payables	10.1	9.0
Other liabilities	29.1	33.7
Accruals and deferred income	9.5	11.6
<b>Total liabilities</b>	<b>268.7</b>	<b>279.9</b>
<b>Total equity and liabilities</b>	<b>439.3</b>	<b>441.5</b>

Source: PHM Group Holding statutory accounts. Note: (1) Previously Ulla Real Estate Services Midco Oy

# Group Statutory Net Debt Breakdown

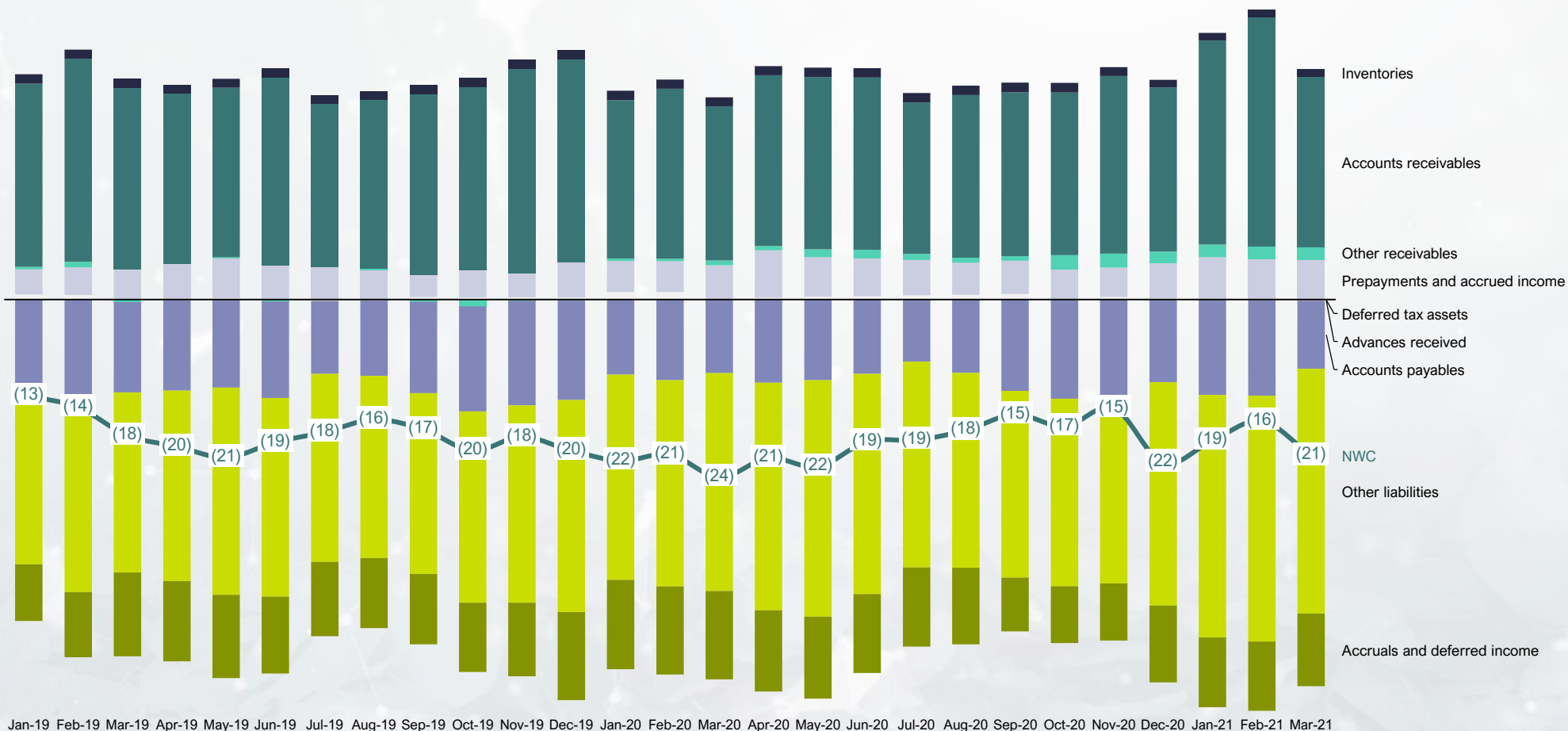
Dec'20 – Mar'21

Net debt – Group Statutory – PHM Group Holding Oy <sup>1</sup>		
€m	Dec'20	Mar'21
Cash and cash equivalents	17.5	21.4
Loan receivables	0.0	0.0
Subordinated loans	-	(0.0)
LT loans from financial institutions	(180.5)	(184.1)
LT hire purchase loans	(6.7)	(7.0)
LT intra-group loans	(18.7)	(20.5)
Deferred tax liabilities	(0.9)	(0.8)
ST loans from financial institutions	(12.4)	(11.8)
ST hire purchase loans	(0.8)	(1.1)
<b>Net debt, reported</b>	<b>(202.5)</b>	<b>(204.0)</b>
<b>Reclassifications from NWC</b>		
1. Deferred tax asset	0.1	(0.1)
2. Accrued interest liabilities	(1.5)	(0.6)
3. CIT liabilities	(1.4)	(2.9)
<b>Total reclassifications</b>	<b>(2.8)</b>	<b>(3.7)</b>
<b>Net debt, reclassified</b>	<b>(205.2)</b>	<b>(207.7)</b>
<b>Potential adjustments</b>		
4. Earn outs	-	(2.8)
<b>Total adjustments</b>	<b>-</b>	<b>(2.8)</b>
<b>Net debt, adjusted</b>	<b>(205.2)</b>	<b>(210.5)</b>
<b>Run rate net debt adjustments</b>		
EV less re-investment of companies acquired post Q1	-	(34.9)
Earn out Ejendomsvirke	-	(1.3)
<b>Total run rate adjustments</b>	<b>-</b>	<b>(36.2)</b>
<b>Net debt, run rate adjusted</b>	<b>(205.2)</b>	<b>(246.7)</b>

# Negative net working capital

Combined LfL Group Net working capital development per month – reported

EURm



Source: Management information, unconsolidated PHM Finland (previously PHM Group) including companies acquired during Q1/2021 (Combined LfL), unconsolidated Kotikatu Group figures including companies acquired during Q1/2021 (Combined LfL), KPMG analysis



# Operating Like-for-Like cash flow

Operating cash flow, LfL Group, adjusted			
€m	FY'20	LTM'21	YTD'21
<b>LfL adj. EBITDA</b>	<b>40.5</b>	<b>45.4</b>	<b>13.0</b>
Change in adjusted NWC	3.3	(0.5)	0.1
Maintenance Capex <sup>1</sup>	(8.5)	(9.0)	(2.2)
<b>Adj. Operating cash flow before Growth Capex</b>	<b>35.2</b>	<b>36.0</b>	<b>10.9</b>
<i>% of LfL Adj. EBITDA</i>	87.1 %	79.2 %	83.8 %
Growth Capex	(7.6)	(6.4)	-
Net capex, excluding M&A	(16.1)	(15.3)	(2.2)
<b>Adj. Operating cash flow</b>	<b>27.7</b>	<b>29.6</b>	<b>10.9</b>
<i>% of LfL Adj. EBITDA</i>	68.4%	65.2%	83.8%
<i>Maintenance Capex, as % of net sales</i>	(3.0)%	(3.0)%	(2.7)%
<i>Growth Capex, as % of net sales</i>	(2.7)%	(2.2)%	-
<i>Net Capex, as % of net sales</i>	(5.8)%	(5.2)%	(2.7)%

Source: Management information, Management accounts, unconsolidated PHM Group including companies acquired during Q1/2021 (Combined LfL), unconsolidated Kotikatu Group figures including companies acquired during Q1/2021 (Combined LfL), KPMG analysis. Note: (1) According to management normal level of maintenance capex is roughly 3% of net sales. This has been used this as a proxy for the maintenance capex

# Strong track-record of acquiring companies at attractive multiples

## Acquisition multiples development

# of acquisitions and EV/EBITDA<sup>1</sup> acquisition multiple per unit

	2015	2016	2017	2018	2019	2020	2021	Of all
Multiple high	4.1x	5.2x	6.7x	7.1x	11.4x	8.3x	10.9x	11.4x
Multiple average	3.4x	3.3x	3.5x	4.5x	5.5x	5.0x	6.1x	4.9x
Multiple low	3.1x	1.1x	1.3x	1.9x	2.8x	2.3x	3.4x	1.1x



Note: Includes all acquisitions made from 2015 to 7 June 2021. 1) LTM is used for acquisitions where both LTM and forward-looking multiples are available

# Strong M&A platform to further consolidate the Nordic market



Note: (1) Including both PHM and Kotikatu; (2) Including four acquisitions made by Kotikatu post-merger in September 2020. Based on LTM EBITDA.

# Strong current M&A pipeline with total revenues of ~EUR 117m



# Number of targets

Note: Pipeline is as of 7 June 2021 and only includes companies which PHM already has contacted or ongoing negotiations with. The pipeline does not include targets which are being screened



# Acquisitions made post March'21

## Included in Like-for-Like run-rate financials: Acquisitions made between 1 April 2021 - 14 May 2021

€m	Net sales	Adj. EBITDA	Enterprise value	Re-investment	EV less re-investment	Equity value
Company A	17.3	2.4	17.0	2.0	15.0	16.7
Company B	8.7	1.3	8.7	0.6	8.1	8.6
Company C	1.5	0.3	0.9	0.1	0.8	1.5
Company D	1.2	0.2	1.1	0.0	1.1	0.5
Company E	5.8	0.5	3.4	0.7	2.6	2.5
Company F	1.2	0.1	1.2	0.2	1.0	1.4
Company G	3.3	0.8	3.2	0.6	2.5	4.5
Company H	3.1	0.2	1.4	0.6	0.8	1.3
Company I	1.9	0.3	1.5	0.1	1.3	1.2
Company J	1.9	0.4	1.7	0.1	1.6	1.2
<b>Total (1 April – 14 May)</b>	<b>46.0</b>	<b>6.4</b>	<b>40.1</b>	<b>5.2</b>	<b>34.9</b>	<b>39.5</b>

## Not included in Like-for-Like run-rate financials: Acquisitions made between 15 May 2021 – 7 June 2021

€m	Net sales	Adj. EBITDA	Enterprise value	Re-investment	EV less re-investment	Equity value
Company K	24.2	2.0	21.7	2.5	19.2	n.a.
Company L	1.6	0.2	0.9	0.1	0.8	n.a.
Company M	4.4	0.9	5.7	1.6	4.1	n.a.
<b>Total (15 May – 7 June)</b>	<b>30.2</b>	<b>3.0</b>	<b>28.2</b>	<b>4.1</b>	<b>24.1</b>	<b>n.a.</b>

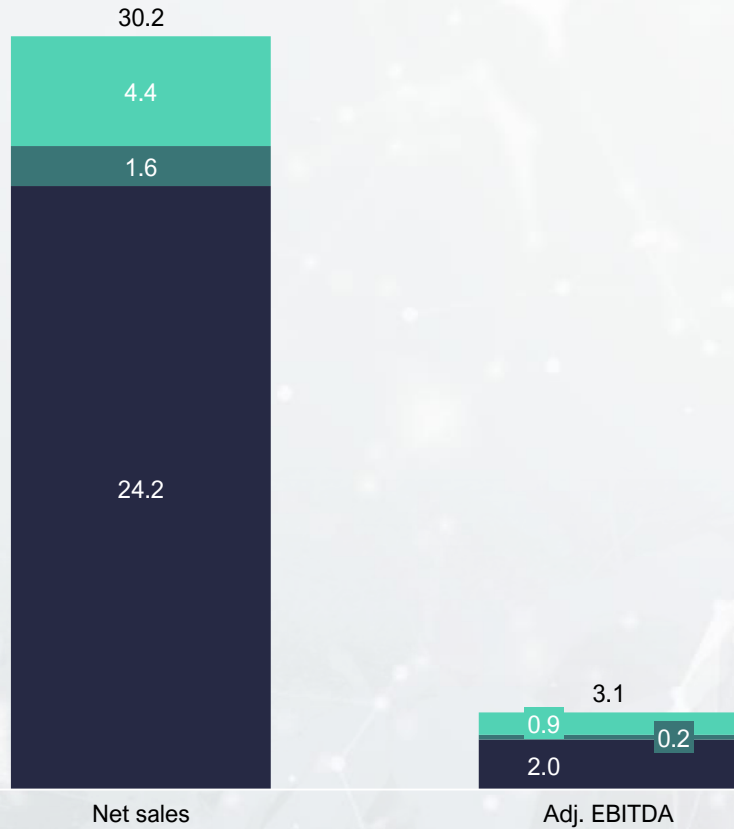
Source: Management accounts, KPMG analysis. Note: Net debt and enterprise values of foreign companies have been converted into Euros by using the monthly closing rates. Enterprise value is provided by management and might be from different date than net debt position. Net sales and EBITDA have been converted into Euros by using the average rate of monthly average exchange rates of Apr20 - Mar21. Company K is a Swedish company and the figures have been converted to EUR with an exchange rate of 10.11.

# Events after the period included in the financial review

3 acquisitions made between 15 May and 7 June 2021

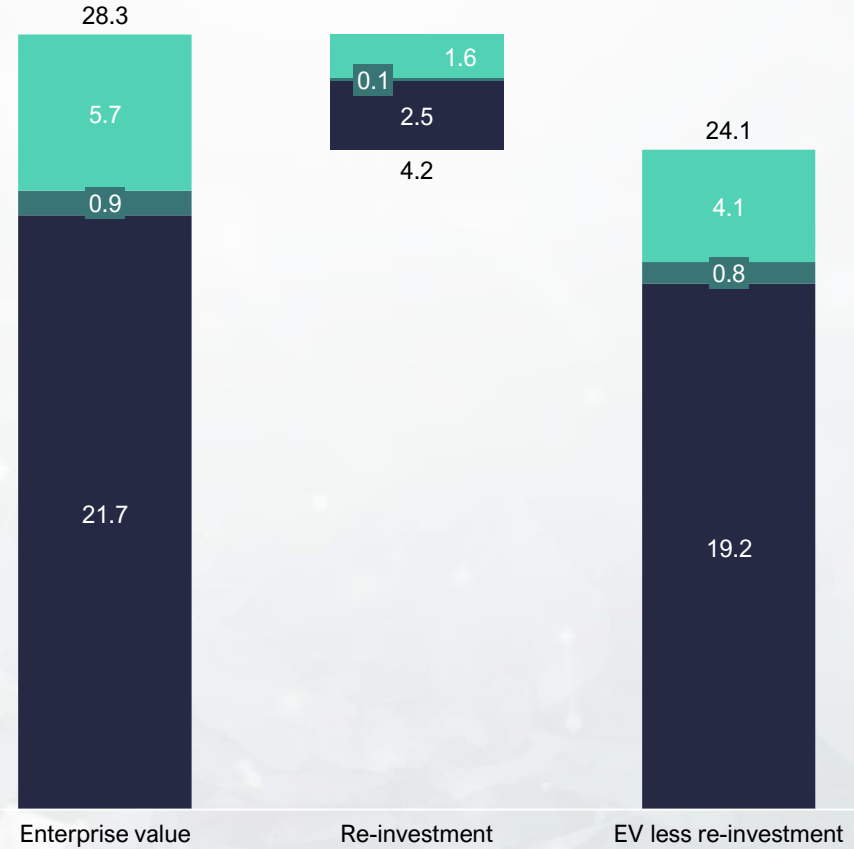
## Net sales and Adj. EBITDA

EURm



## Enterprise value

EURm



■ Acq. #1 ■ Acq. #2 ■ Acq. #3

Source: Management accounts. Note: Re-investments are made to PHM Group TopCo Oy. Acquisition #1 is a Swedish company and the figures have been converted to EUR with an exchange rate of 10.11

The logo for PHM Group, featuring the text "PHM Group" in a bold, teal, sans-serif font. The text is centered within a dark blue rectangular background. The background of the entire slide is a light green, semi-transparent image of a forest with a network of white lines and dots overlaid, suggesting a digital or data theme.

**PHM Group**

**Thank you for the attention**

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