PHM Group

Half Year Report 2021

31 August 2021

Presenting today

Ville Rantala

Chief Executive Officer

Petri Pellonmaa

Chief Financial Officer

Agenda

PHM Group is a leading residential property maintenance company in the Nordics

Key facts as per 30 June 2021

1989
Founded

#1
Market leader in Finland

>3,800
Professionals

55
Cities

~EUR 359m
LTM 6'21 LfL revenue

~EUR 55m
LTM 6'21 LfL adj. EBITDA

+83%
1-6 2021 Cash conversion[1]

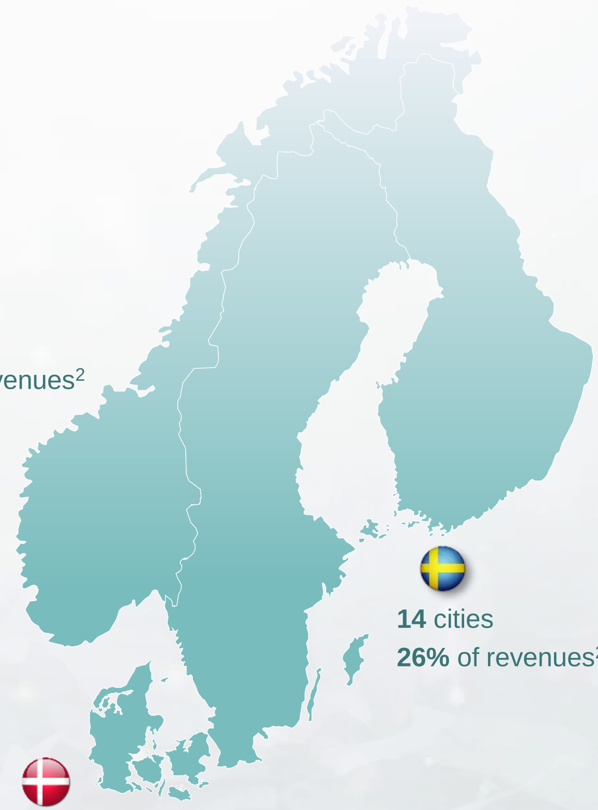
18
Acquisitions 1-6 2021

Broad service offering

Traditional
- Property maintenance
- Cleaning
- Landscaping & outdoor maintenance
- Snow plowing & transport
- Property Management

Add-on services
- Smaller renovations and construction work
- Electricity, HVAC, plumping
- Transport and sewage work

Finnish market leader with a Nordic stronghold



3 cities
4% of revenues[2]

37 cities
68% of revenues[2]

14 cities
26% of revenues[2]

1 city
3% of revenues[2]

Note: (1) Adj. EBITDA less capex and change in NWC; (2) LTM Like-for-Like net sales

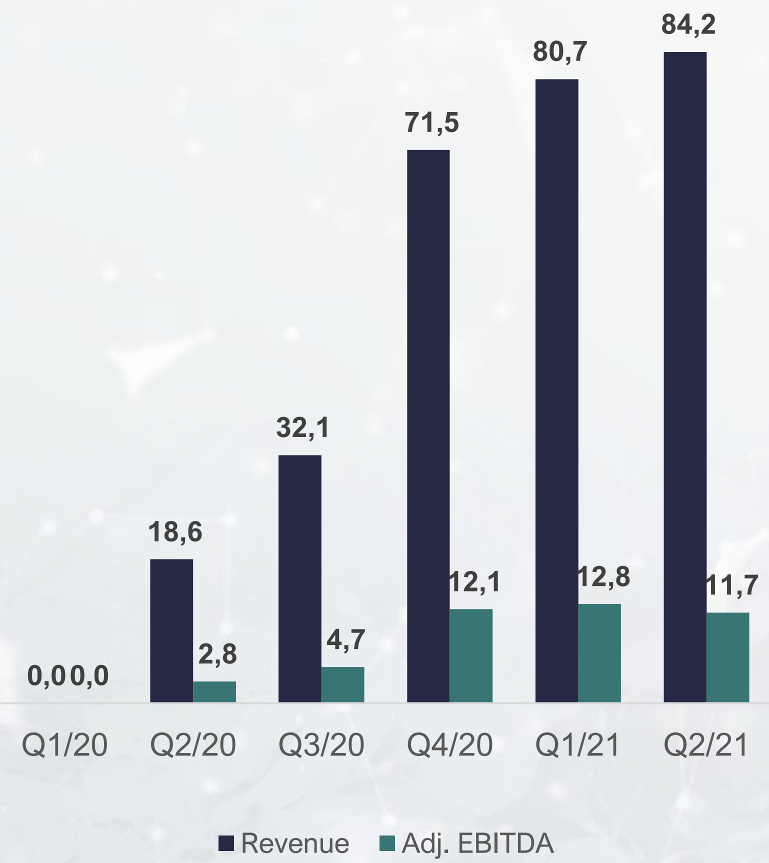
Highlights Q2/2021

- Despite Covid-19 pandemic demand for PHM Group's services remained good and operations remained nearly unaffected
- Revenue increased and profitability improved both on a reported and LFL basis
- Execution of M&A strategy continued strong during Q2
  - 13 companies acquired during Q2, making total acquisition growth 64 MEUR for the first half year
  - Expansion to Denmark with acquisition of Ejendomsvirke AS. Two other major strategic acquisitions closed in Finland
  - Agreement to acquire major competitor Flow -group signed in Sweden.
- Integration project launched in 2020 progressed well, with synergies realizing as planned
- Strong cash conversion driven by good profitability
- Refinancing complete after EUR 300 million bond issue

Footnote

Reported revenue and earnings grew clearly

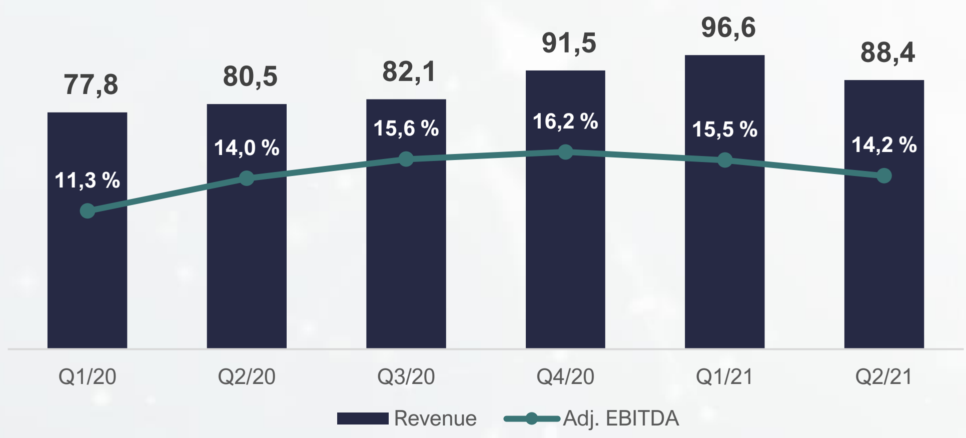
Group revenue and adjusted EBITDA, MEUR reported



- The Group was established in March 2020 and ramped up its operations in April 2020 when the Group acquired PHM Finland Oy (formerly PHM Group Oy) and its subsidiaries from funds managed by Intera Partners and former management in an acquisition completed on 30th April 2020.
- Further the Group acquired Kotikatu Group in September 2020, which materially increased the scale PHM Group's operations
- This together with the several add on acquisitions completed in 2021 saw revenues increase materially from Q4/20 onwards and further in Q2/21
- EBITDA improved due to increased scale of the business, but also organically driven by increased sales and improved operational efficiency as evidenced by the like-for-like development.
- Q2 lower EBITDA driven by normal business seasonality as costs for maintaining machinery and changing the season are incurred after the busy winter season.
- Adjusted EBITDA increased in all operating countries.

Like-for-like revenue grew and profitability improved

Group revenue (MEUR) and adjusted EBITDA margin (%), Like-for-Like



Group revenue (MEUR) and adjusted EBITDA margin (%), Like-for-Like

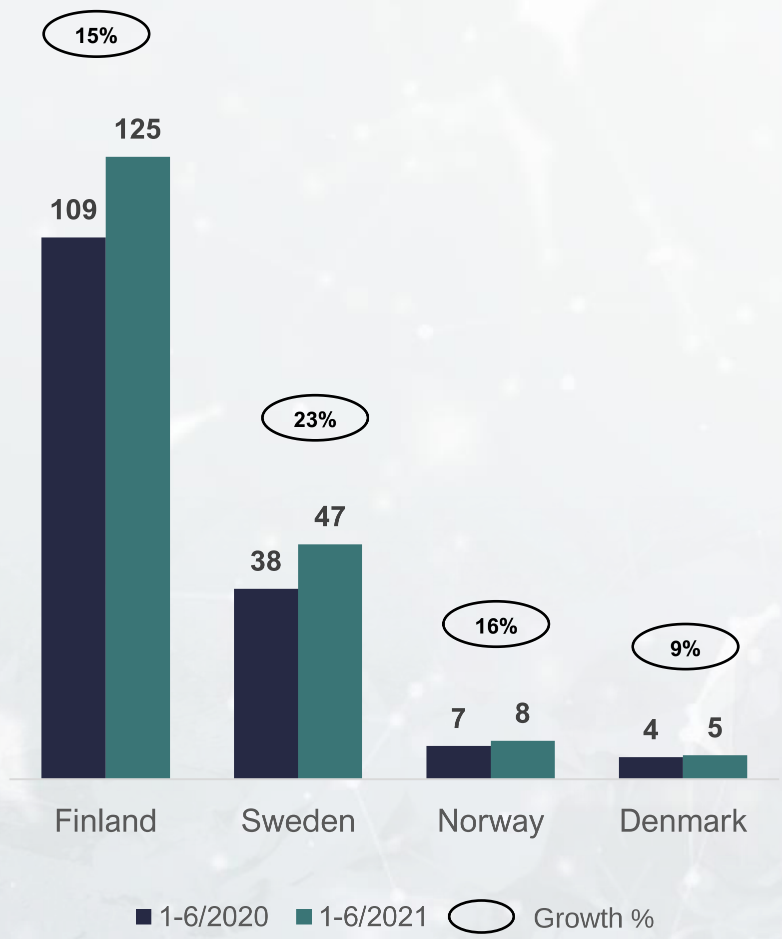
MEUR	Q2/21	Q2/20	Change, %	1-6/21	1-6/20	Change, %	LTM 6/2021	2020
Net Sales	**88,4**	**80,5**	***10 %***	**184,9**	**158,3**	***17 %***	**358,5**	**331,9**
GROSS MARGIN	67,6	62,4	*8 %*	139,3	122,7	*13 %*	271,2	254,7
Gross margin %	*76,5 %*	*77,5 %*	*-1,0 %*	*75,3 %*	*77,5 %*	*-2,2 %*	*75,7 %*	*76,7 %*
Personnel costs	-42,4	-39,5	*7 %*	-86,2	-78,4	*10 %*	-166,3	-158,6
Personnel costs % of revenue	*-48,0 %*	*-49,0 %*	*1,0 %*	*-46,6 %*	*-49,5 %*	*2,9 %*	*-46,4 %*	*-47,8 %*
Other operating expenses	-12,6	-11,6	*8 %*	-25,5	-24,2	*6 %*	-49,7	-48,3
Other operating expenses % of revenue	*-14,3 %*	*-14,4 %*	*0,2 %*	*-13,8 %*	*-15,3 %*	*1,5 %*	*-13,9 %*	*-14,5 %*
ADJUSTED EBITDA	**12,6**	**11,3**	***11 %***	**27,6**	**20,1**	***37 %***	**55,2**	**47,8**
ADJUSTED EBITDA margin %	*14,2 %*	*14,0 %*	*0,2 %*	*14,9 %*	*12,7 %*	*2,2 %*	*15,4 %*	*14,4 %*

- Q2/21 revenue increase compared to Q2/20 was driven by increased contract customer base as well as increased additional sales.
- Q2/21 Adjusted EBITDA increased due to increased revenue but was offset by a respective increase in the cost base
  - Machinery maintenance costs and personnel costs increased after the busy winter season and decreased EBITDA % compared to Q1.
  - Y-o-y increase in personnel costs also explained by COVID-19 mitigation in form of subsidies received in 2020
  - Adjusted EBITDA margin still slightly higher y-o-y due to synergies and operational efficiencies gained from acquired entities.
- Gross margin both in Q2 and H1 was slightly lower than previous year driven by the increased volume increasing the use of subcontracting. Personnel costs were, however, on a lower level compared to sales, respectively.
- H1/21 revenue increase was driven by an active winter season coupled with the same drivers as in Q2
- In H1/21 adjusted EBITDA increased clearly due to increased revenue and efficient utilization of the Group's resources combined with successful use of subcontracting during workload peaks. Profitability improved especially in newly acquired units

 PHM Group

LFL revenue increased in all operating countries

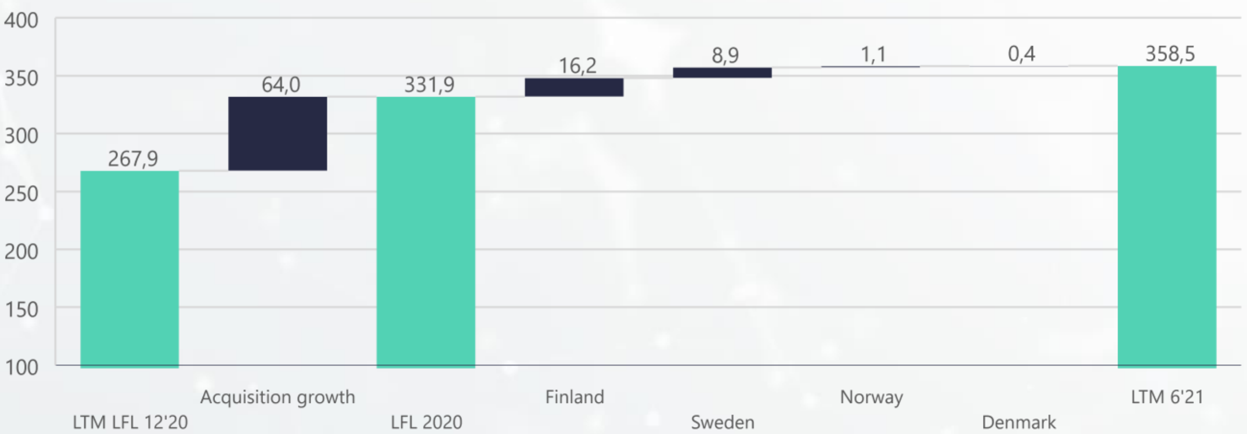
LFL revenue (MEUR) by country and growth y-o-y (%)



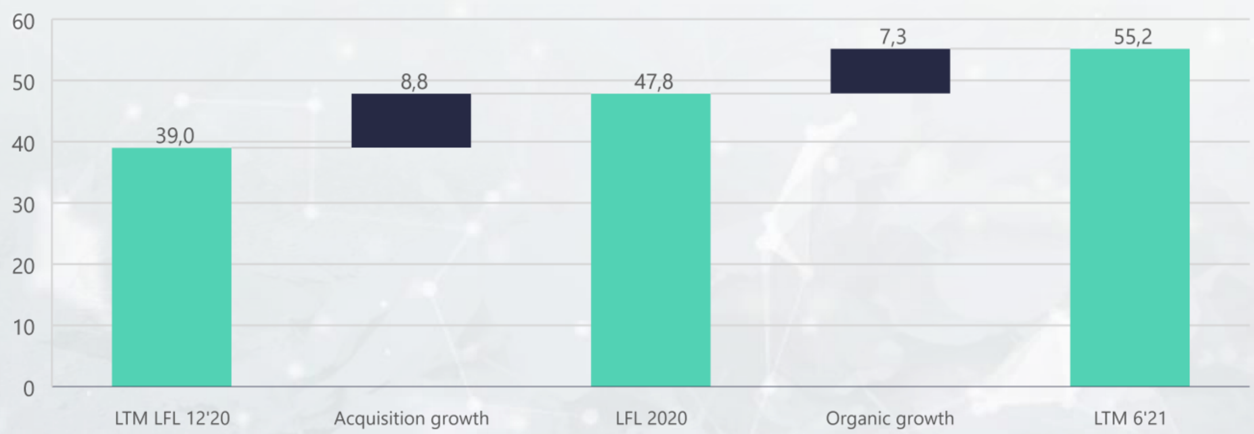
- Active winter season boosting snow related sales especially in Finland and Sweden compared to 2020.
- Limited impact from the Covid –19 pandemic thanks to high share of recurring revenues from necessary day to day services.
- The main impact from the unusual situation is on postponement of non-essential additional works, however offset slightly by increased demand for mainly cleaning services. Some positive signs visible in Q2/21 especially in Sweden and Norway with higher technical sales compared to 2020
- Postponed technical work expected to positively impact market demand of these add on services going forward
- Increase in customer base driving growth in Norway and Denmark, with positive development also in Sweden and Finland

Strong growth in LTM revenue and EBITDA compared to Dec20

LTM LFL revenue development, MEUR



LTM LFL adj. EBITDA development, MEUR



- Successful M&A activity in H1/2021 drove LTM revenue growth, but also clear organic growth in all operating countries
- LTM EBITDA has grown from 39,0 MEUR at the end of 2020 to 55,2 MEUR at the end of Q2/21
- Growth explained by an even mix of organic and acquired growth.
- Organic EBITDA growth driven by improved operational efficiency and synergies realised both from the Kotikatu merger as well as by improving the performance of other add on acquisitions according to PHM's integration model.
- Realized synergies from the PHM Kotikatu merger included in the LTM adjusted EBITDA amounted to 1,6 MEUR, with another 2,8 MEUR still to be realized from actions taken to date

High M&A activity continued

Completed acquisitions 1-6/2021

Target company	Country	Region	Closing	Currency	Net sales *)	EBITDA *)
Tomina AB	Sweden	Stockholm	January	SEKm	38,96	3,92
Montasjelaget AS	Norway	Stavanger	February	NOKm	18,89	1,87
Olies Renhold AS	Norway	Stavanger	February	NOKm	4,87	0,74
Meranti Siivouspalvelut Oy	Finland	Oulu	March	EURm	3,63	0,52
Janitor Oy	Finland	Hyvinkää	March	EURm	0,80	0,10
Kiinteistöhuolto 3J Oy	Finland	Paimio	April	EURm	1,20	0,14
QSC Group	Finland	Oulu, Joensuu, Rovaniemi	April	EURm	16,83	2,18
Viherkehä Oy	Finland	Capital region	April	EURm	1,53	0,24
Ejendomsvirke A/S	Denmark	Copenhagen	April	DKKm	67,50	6,70
Höga Kusten Skog & Fastighet AB	Sweden	Northern Sweden	April	SEKm	63,72	6,75
Vihdin Rakennustekniikka VRT Oy	Finland	Vihti	May	EURm	1,73	0,23
Optimal Service Sverige AB **)	Sweden	Göteborg	May	SEKm	31,17	2,85
Gröna Gården AB	Sweden	Landskrona	May	SEKm	27,74	5,06
Ostkustens Trädgårdsservice AB	Sweden	Kalmar	May	SEKm	18,72	1,25
Trondheim Renholdsservice AS	Norway	Trondheim	June	NOKm	12,67	1,00
Uterom Entreprenør AS **)	Norway	Oslo	June	NOKm	28,05	9,14
Kiinteistöhuolto Lyijynen Oy	Finland	Lappeenranta	June	EURm	4,33	0,95
Kiinteistöpalvelu Tim Turunen Oy	Finland	Savonlinna	June	EURm	1,64	0,17

**) Presented financials are based on latest available audited financial statements*
***) Unofficial consolidation of group entities*

- Finland eight acquisitions with two add ons of strategic nature
  - QSC Group, eliminating main competitor in Oulu and providing market entry to Rovaniemi and Joensuu
  - Lyijynen eliminating main competitor in Lappeenranta
- Sweden five acquisitions opening several new geographies in the Southern and Northern parts of Sweden
  - Strategic acquisition of Flow Fastighetsvärden signed in June opening new geographies, eliminating main competitor in M&A and providing access to digital platform for serving BRF
- Norway four acquisitions expanding presence to Stavanger and strengthening position and service offering in Oslo and Trondheim
- Market entry into Denmark

Strong M&A pipeline with total revenues of ~EUR 65m. EUR 28m deals signed after 30th June and waiting to close

Overview of status	Finland	Sweden	Norway	Denmark
Indicative bid	7 EUR 17m	4 EUR 16m	2 EUR 5m	3 EUR 13m
LoI signed / DD ongoing	1 EUR 1m	1 EUR 2m	1 EUR 7m	- -
SPA negotiations	- -	1 -	3 EUR 4m	- -
Total	8 **EUR 18m**	6 **EUR 18m**	6 **EUR 16m**	3 **EUR 13m**
Signed	1 EUR 1m	2 EUR 26m	1 EUR 1m	- -

\# *Number of targets*

Note: Pipeline is as of 30 August 2021 and only includes companies which PHM has at minimum submitted an indicative bid to. In addition, there are several companies where PHM is in dialogue with to initiate a process.

Cash conversion remained strong in H1/21

- Strong cash conversion continued driven by high EBITDA and positive contribution from working capital. H1/21 operating cash flow amounted to 19,1 MEUR representing a cash conversion of 83%
- Investments into tangible assets in line with investment plan. Investments mainly included maintenance investments with some postponement from 2020 due to Kotikatu's exit process as well as growth investments to strengthen service offering in key areas
- Successful M&A activity visible in high M&A capex recorded. M&A activity financed through cash flows, increased senior lending and subsequent refinancing through a bond issue in June 2021

Operating cash flow and investments breakdown, MEUR

Operating cash flow, MEUR	1-6 2021
EBITDA	23,0
Change in net working capital	0,8
CAPEX	-4,7
Operating cash flow before acquisitions	**19,1**
Acquisition of subsidiaries net of cash acquired	-55,0
Operating cash flow after acquisitions	**-35,9**

Cash conversion	1-6 2021
EBITDA, MEUR	23,0
Operating cash flow before acquisitions, MEUR	19,1
Cash conversion before acquisitions	**83 %**

Maintenance CAPEX	1-6 2021
CAPEX, MEUR	-4,7
Revenue, reported MEUR	164,8
CAPEX % of revenue	**2,8 %**

Low leverage and strong liquidity to support continued growth

- Refinancing completed successfully through the bond issue in June 2021
- Proceeds from the bond issue were used for
  - Distribution of equity and repayment of subordinated loan to PHM Group Topco (in total 70 MEUR), which was used to finance a one time distribution of funds to equity and shareholder loan holders, respectively
  - Repay existing senior debt
- Strong liquidity position backed by 17,9 MEUR cash and cash equivalents, as well as a fully undrawn 50 MEUR super senior RCF facility
- Leverage clearly below incurrence test threshold of 5,5x due to accretive M&A and positive organic EBITDA development

Leverage breakdown

Leverage	31.6.2021
Senior Secured Fixed Rate Bond	300,0
Super Senior Revolving Credit Facility	0,0
Other interest bearing liabilitites	15,3
Interest bearing liabilities 30.6.2021	315,3
Cash and cash equivalents	-17,9
Interest bearing net debt 30.6.2021, MEUR	**297,4**
EBITDA LTM, reported	36,6
LFL adjustments	13,4
Non recurring items	5,1
Unrealised synergies	2,8
Synergy adjusted EBITDA, MEUR	**58,0**
Leverage, x	**5,13**

PHM Group

Thank you for your attention

Appendix

1. Consolidated income statement
2. Consolidated balance sheet
3. Consolidated cash flow statement

Consolidated income statement

CONSOLIDATED INCOME STATEMENT, FAS EUR THOUSAND	4-6 2021	4-6 2020	1-6 2021	1-6 2020	1-12 2020
Revenue	**84 184**	**18 568**	**164 845**	**18 568**	**122 176**
Other operating income	482	50	1 068	50	671
Materials and services	-20 341	-5 386	-42 428	-5 386	-33 052
Personnel expenses	-40 852	-7 885	-76 840	-7 885	-54 807
Other operating expenses	-12 683	-3 010	-23 658	-3 010	-19 034
EBITDA	**10 789**	**2 337**	**22 988**	**2 337**	**15 954**
% of revenue	*12,8 %*	*12,6 %*	*13,9 %*	*12,6 %*	*13,1 %*
Depreciation	-3 614	-708	-8 945	-708	-7 199
EBITA	**7 176**	**1 629**	**14 042**	**1 629**	**8 755**
% of revenue	*8,5 %*	*8,8 %*	*8,5 %*	*8,8 %*	*7,2 %*
Amortisation and impairment	-11 624	-2 455	-22 335	-2 455	-18 762
Operating result	**-4 448**	**-826**	**-8 292**	**-826**	**-10 008**
% of revenue	*-5,3 %*	*-4,4 %*	*-5,0 %*	*-4,4 %*	*-8,2 %*
Net financial expenses	-5 287	-2 108	-8 162	-2 108	-12 369
Result before taxes	**-9 735**	**-2 934**	**-16 455**	**-2 934**	**-22 377**
Income taxes	-177	-22	-2 038	-22	-912
Result for the financial period	**-9 912**	**-2 957**	**-18 493**	**-2 957**	**-23 289**

Consolidated balance sheet

CONSOLIDATED BALANCE SHEET, FAS EUR THOUSAND	6 2021	6 2020	12 2020
ASSETS			
Non-current assets			
Intangible assets			
Consolidated goodwill	377 451	129 365	346 565
Goodwill	5 357	5 419	5 822
Other long-term expenditure	666	96	369
Property, plant and equipment	39 659	11 956	36 216
Other tangible assets	1 235	23	1 355
Investments	1 821	1 543	2 547
Advance payments	1 208	0	562
Total non-current assets	**427 398**	**147 501**	**393 436**
Current assets			
Inventories	1 209	654	971
Trade receivables	27 495	10 585	21 177
Other receivables	11 366	4 156	6 049
Deferred tax assets	0	551	116
Cash and cash equivalents	17 902	2 241	17 531
Total current assets	**57 973**	**18 188**	**45 844**
Total assets	**485 371**	**165 688**	**439 279**
EQUITY AND LIABILITIES			
Equity			
Invested unrestricted equity	143 318	69 265	193 910
Retained earnings	-23 638	0	-46
Profit for the period	-18 493	-2 957	-23 289
Total equity	**101 188**	**66 308**	**170 574**
LIABILITIES			
Non-current liabilities			
Subordinated loans	0	0	18 711
Long-term interest-bearing liabilities	311 373	81 656	187 210
Deferred tax liabilities	100	50	865
Total non-current liabilities	**311 473**	**81 706**	**206 786**
Current liabilities			
Short-term interest-bearing liabilities	3 954	2 684	13 222
Accounts payable	11 962	4 167	10 137
Other liabilities	53 959	10 822	37 153
Current tax liabilities	2 834	0	1 408
Total current liabilities	**72 710**	**17 674**	**61 919**
Total liabilities	**384 183**	**99 380**	**268 705**
Total equity and liabilities	**485 371**	**165 688**	**439 279**

Consolidated cash flow statement

CONSOLIDATED CASH FLOW STATEMENT, FAS EUR THOUSAND	1-6 2021
Operating profit	**-8 292**
Profit (Loss) before income taxes for the financial year	-16 455
Adjustments:	0
Depreciation	31 280
Finance income and finance expenses	8 162
Other adjustments1	-673
Cash flows before change in net working capital	22 315
Change in net working capital:	
Change in trade and other receivables (increase (-) / decrease (+))	-927
Change in inventories (increase (-) / decrease (+))	-80
Change in trade and other payables (increase (+) / decrease (-))	1 804
Cash flows before finance items	23 112
Net interests paid	-7 200
Income taxes paid	-1 265
Net cash from operating activities (A)	**14 647**
Cash flows from investing activities	
Investments into intangible and tangible assets	-4 680
Acquisition of subsidiaries net of cash acquired	-54 957
Net cash used in investing activities (B)	**-59 638**
Cash flows from financing activities	
Equity returned to shareholders	-50 592
Repayment of loans and borrowings	-353 309
Proceeds from loans and borrowings	449 259
Net cash from financing activities (C)	**45 358**
Net cash from (used in) operating, investing and financing activities (A+B+C)	**367**
Net increase (decrease) in cash and cash equivalents	**367**
Cash and cash equivalents at 1 January	17 531
Effect of fluctuations in exchange rate on cash held	5
Cash and cash equivalents at reporting end	**17 902**