

Big or local? Why not both. 

# PHM Group Holding Oyj

Financial Statements Bulletin 2022

15 February 2023

# Presenting today



Ville Rantala  
Chief Executive Officer



Petri Pellonmaa  
Chief Financial Officer

# Agenda

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Q4  
HIGHLIGHTS

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BUSINESS  
REVIEW

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FINANCIAL  
POSITION









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APPENDIX









# PHM is a leading provider of local property services

A Nordic leader with an emerging European foothold

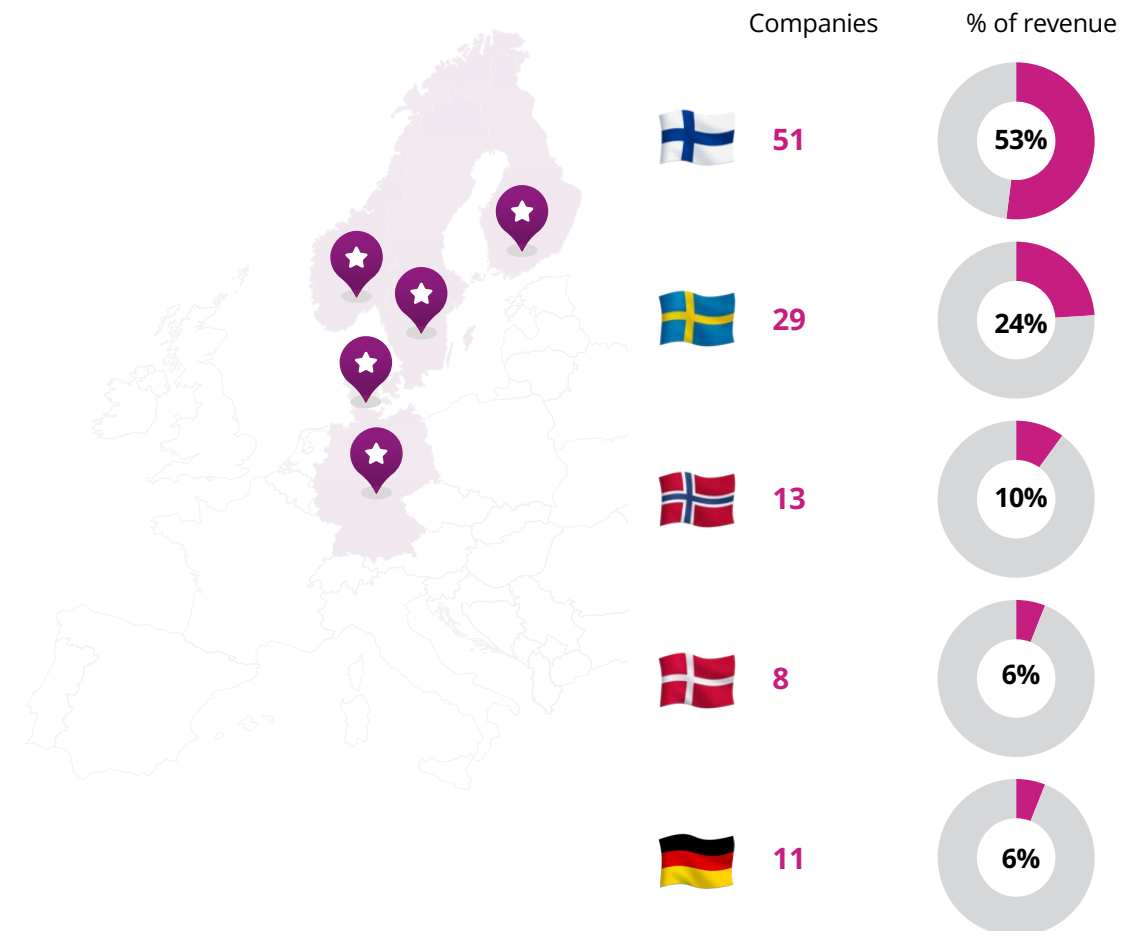
## Key facts

-  **1989**  
Founded
-  **€550.1m**  
LTM LfL 12/22 LfL revenue
-  **#1**  
Market leader in the Nordics
-  **€86.5m**  
LTM 12/22 LfL adj. EBITDA
-  **>6,700**  
Professionals
-  **>20,000**  
Customers
-  **112**  
Locally operating companies
-  **34**  
Acquisitions in 2022

## Broad service offering

-  Property maintenance
-  Property management
-  Cleaning
-  Smaller renovations and construction work
-  Landscaping & outdoor maintenance
-  Electricity, HVAC, plumbing
-  Snow plowing & transport
-  Transport and sewage work

## Strong Nordic presence - recent diversification into Germany



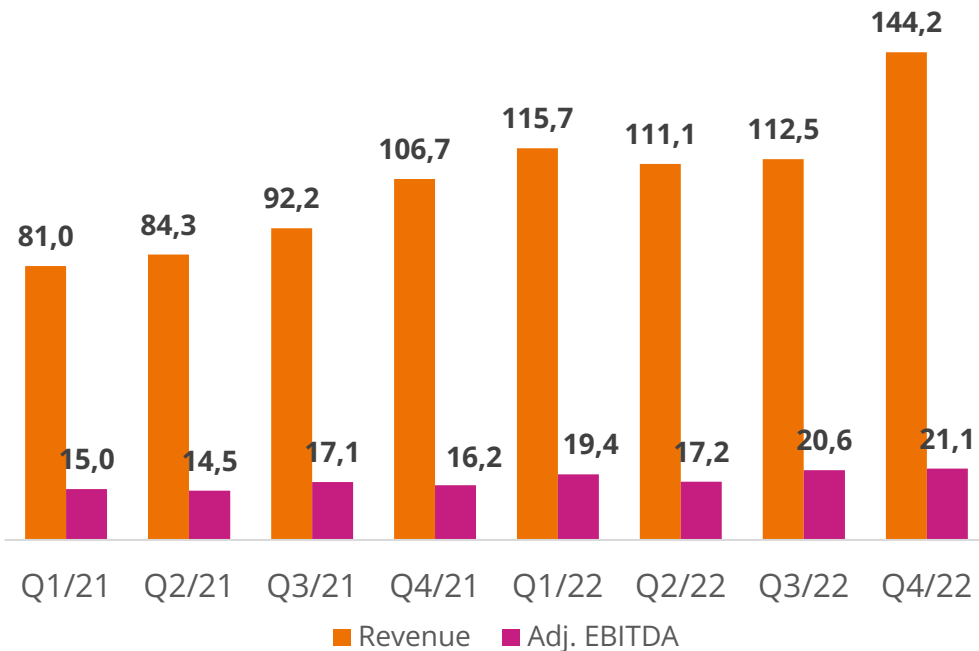
# Highlights Q4/2022

- ★ M&A activity remained high during Q4:
  - ★ 7 acquisitions closed during Q4/22 including market entry to Germany by acquisition of Schultz Gruppe
  - ★ Size of Norwegian business increased significantly by five acquisitions
- ★ Continued clear growth y-o-y in terms of actual revenue and EBITDA driven mostly by M&A
- ★ Result supported by price increases but was negatively impacted by lower volume and weaker sales mix of additional sales, fuel price inflation and continued high sick leaves
- ★ Operating cash flow was strong and grew clearly y-o-y
- ★ Financing for future acquisitions secured by new Bond issued in December



# All-time high quarterly revenue and adjusted EBITDA

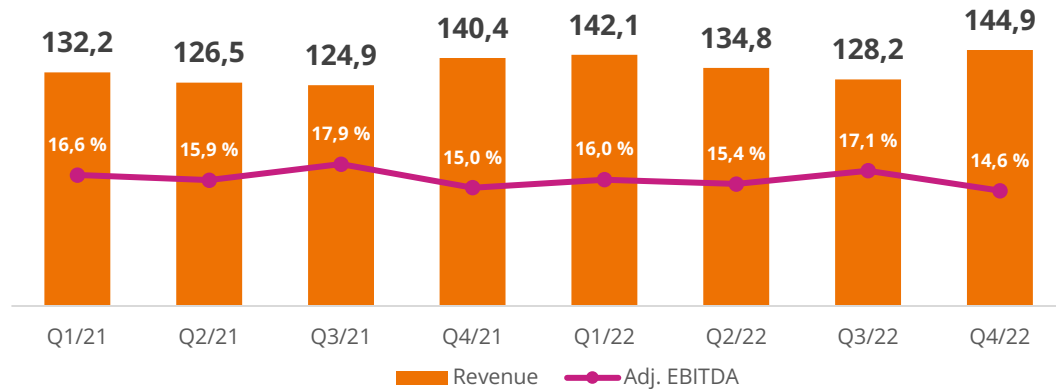
GROUP REVENUE (MEUR) AND ADJUSTED EBITDA, REPORTED



- ★ The Group's reported revenue was 144.2 MEUR (106.7) in Q4 2022.
- ★ Growth vs previous year driven by both M&A and organic growth
  - ★ Organic growth amounted to 5.6 MEUR (5%)
  - ★ Acquisition growth 31.8 MEUR vs Q4/21.
- ★ The Group's adjusted EBITDA was 21.1 MEUR (16.2) in Q4 2022. The increase in adjusted EBITDA was largely M&A driven with organic development also slightly positive.

# Like-for-like revenue grew, but adjusted EBITDA impacted by increased costs

GROUP REVENUE (MEUR) AND ADJUSTED EBITDA MARGIN (%), LIKE-FOR-LIKE



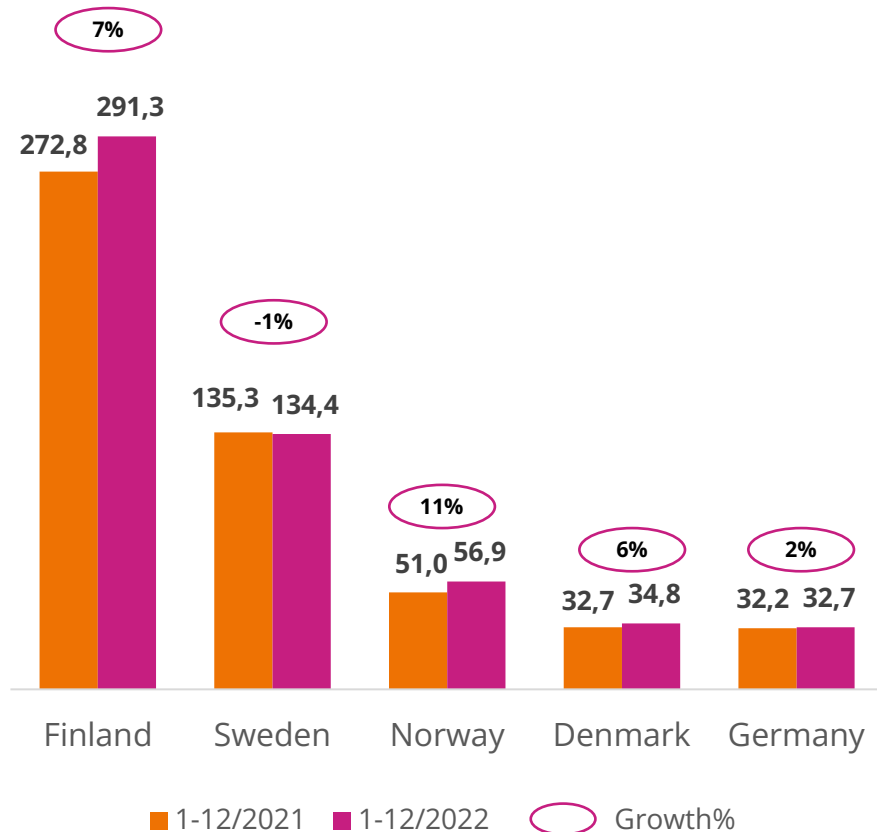
GROUP PnL KEY FIGURES, LIKE-FOR-LIKE

MEUR	Q4/22	Q4/21	Change, %	1-12/22	1-12/21	Change, %
Net Sales	144.9	140.4	3%	550.1	523.9	5%
GROSS MARGIN	108.9	104.8	4%	415.3	395.9	5%
Gross margin %	75.1%	74.7%	0.5%	75.5%	75.6%	-0.1%
Personnel costs	-67.8	-65.2	4%	-258.2	-247.4	4%
% of revenue	-46.8%	-46.4%	-0.3%	-46.9%	-47.2%	0.3%
Other operating expense	-20.0	-18.6	7%	-70.6	-63.1	12%
% of revenue	-13.8%	-13.3%	-0.5%	-12.8%	-12.0%	-0.8%
ADJUSTED EBITDA	21.1	21.0	1%	86.5	85.4	1%
ADJUSTED EBITDA margin %	14.6%	15.0%	-0.4%	15.7%	16.3%	-0.6%

- ★ LFL revenue increased by 3% in Q4
  - ★ price increases and increased contract customer base in all countries
  - ★ increased additional sales in Finland and Denmark
  - ★ lower demand for technical and other nonessential services decreased additional sales in Sweden, Norway and Germany
- ★ LFL adjusted EBITDA grew slightly to 21.1 MEUR in Q4, but adjusted EBITDA margin decreased by 0.4 p.p.
  - ★ LFL adjusted EBITDA supported by increased sales and improved operational efficiency
  - ★ Personnel cost increase is largely attributable to inhousing of services provided, overtime pay for snow clearance activities especially in Finland and continued elevated sick-leave rates
  - ★ Additionally, increased fuel and energy prices impacted the adjusted EBITDA negatively
- ★ FX impacting revenue Q4 by -3.5 MEUR and EBITDA by -0.4 MEUR and full year by -6.4 MEUR and -0.8 MEUR, respectively

# LFL revenue continued to grow in all geographies except Sweden

LFL REVENUE (MEUR) BY COUNTRY AND GROWTH Y-O-Y (%)

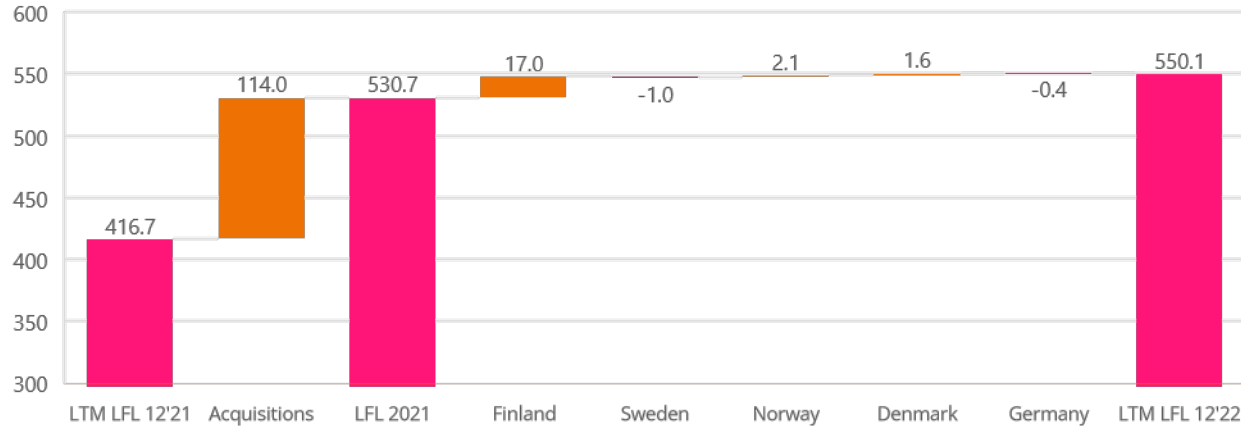


- ★ The war in Ukraine has not had a visible impact on demand nor the Group's ability to execute work to date
- ★ Price increases supported net sales growth in all countries
- ★ Active winter season boosting winter related add on sales in Finland in H1. Positive development also on contract sales.
- ★ Mild winter and FX effect main drivers for the stagnant development in Sweden. Growth at comparable FX rates +4%. Contract sales have grown during the year.
- ★ Growth was strong in Norway driven by increased add on sales revenues as well as contract revenues.
- ★ Growth in Denmark driven mainly by increased customer base
- ★ Increased technical service revenue supported growth in Germany
- ★ FX impact on revenue in 2022 was -6,4 MEUR mainly coming from Sweden



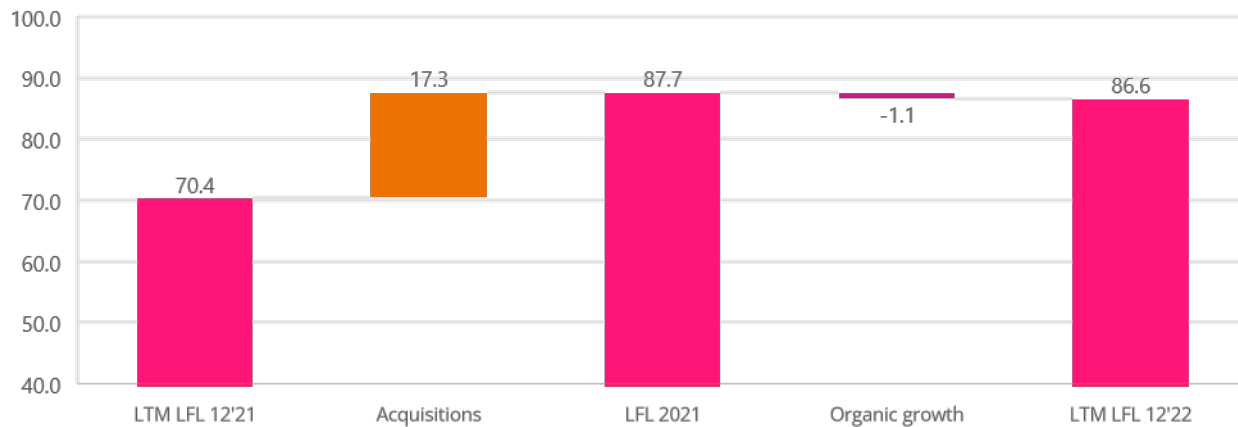
# Both organic and M&A growth continued

LTM LFL REVENUE DEVELOPMENT, MEUR



- ★ 7 closed acquisitions in Q3 having a 51.9 MEUR impact on sales and 6.7 MEUR impact on EBITDA, respectively
- ★ Total M&A growth at year end on sales amounted to 114 MEUR and on EBITDA 17,3 MEUR
- ★ Organic sales growth strong driven mainly by
  - ★ Price increases and increased contract sales
  - ★ Good winter conditions in Finland offset by mild winter conditions in Sweden
    - ★ At comparable exchange rates revenue increased also in Sweden
  - ★ Active add on sales in Norway
  - ★ Increased customer base in Denmark
- ★ Organic growth in sales strong, but EBITDA impact limited due to negative cost implications from high sick leave rates, fuel prices and sales mix

LTM LFL ADJ. EBITDA DEVELOPMENT, MEUR



# 7 Acquisitions closed in Q4/22

## COMPLETED ACQUISITIONS AND DISPOSALS 1-12/2022

Target company	Country	Region	Closing	Currency	Revenue *)	EBITDA *)
<b>Acquisitions</b>						
Hagen Hageservice AS	Norway	Oslo	January	NOKm	12.8	2.4
Princip Redovisning Ab	Sweden	Stockholm	January	SEKm	5.5	1.4
Sundby Rengørings Service Aps	Denmark	Copenhagen	February	DKKm	11.3	2.1
Daseko Aps	Denmark	Copenhagen	March	DKKm	11.4	1.0
Vaktmester-Gruppen AS	Norway	Oslo	March	NOKm	12.1	-0.2
Vammalan Talonmies ja Siivouspalvelu Oy	Finland	Vammala	March	EURm	0.9	0.1
Turun Sähköhuolto Oy	Finland	Turku	March	EURm	0.8	0.0
Parkkompaniet i Boden Ab	Sweden	Boden	April	SEKm	44.0	11.3
RenBolig Service og Omsorg AS	Norway	Fredrikstad	April	NOKm	12.2	1.4
Sähköasennus Salminen Oy	Finland	Tampere	April	EURm	2.0	0.4
P. Kiinteistöpalvelut Oy	Finland	Uusimaa	April	EURm	1.1	0.2
Unce Oy	Finland	Helsinki	April	EURm	2.5	0.5
Lojonia Palvelut Oy	Finland	Lohja	April	EURm	0.8	0.1
Karkkilan Huolto Oy	Finland	Karkkila	April	EURm	1.1	0.0
Porvoon Talotiimi Oy	Finland	Porvoo	May	EURm	2.0	0.6
Siniservice Oy and Puhtaasti Mäkinen Oy	Finland	Seinäjoki	May	EURm	0.7	0.1
Altiren AS and Altipolering ApS	Denmark	Copenhagen	June	DKKm	44.4	8.2
HuoneistoHait Oy	Finland	Helsinki	June	EURm	0.3	0.0
H.N. Service**	Denmark	Copenhagen	June	DKKm	5.8	2.3
International NordicLife Förvaltning AB	Sweden	Gothenburg	July	SEKm	34.3	-3.1
OK Rengöring AS and KRS Service ApS	Denmark	Copenhagen	July	DKKm	46.5	6.0
Grindsted Vinduesservice ApS	Denmark	Copenhagen	July	DKKm	10.9	1.7
Kilderent AS	Norway	Trondheim	July	NOKm	5.4	0.6
WA ApS	Denmark	Copenhagen	August	DKKm	18.5	0.9
Ren Service AS	Norway	Oslo	September	NOKm	83.9	7.6
Karsikon Talohuolto Oy	Finland	Joensuu	September	EURm	2.8	0.1
Pukimäen Kiinteistöhuolto and PK Kuivaus Oy	Finland	Helsinki	September	EURm	3.8	0.3
Totopro Oy	Finland	Lahti	October	EURm	1.4	0.3
3 Kløver AS	Norway	Trondheim	October	NOKm	30.9	0.5
Schultz Gruppe and Corporate Care GmbH***	Germany	Hamburg	October	EURm	32.8	3.5
EC Renhold AS	Norway	Oslo	October	NOKm	11.5	3.5
Svendsen Vaktmester & Vedlikeholdservice AS	Norway	Oslo	October	NOKm	11.0	0.2
Rokke Hageservice AS	Norway	Halden	November	NOKm	9.2	0.7
PBT Gruppen	Norway	Oslo	November	NOKm	83.1	2.0
<b>Disposals</b>						
Berga Lås & Larm Ab	Sweden	Stockholm	June	SEKm	6.9	0.5

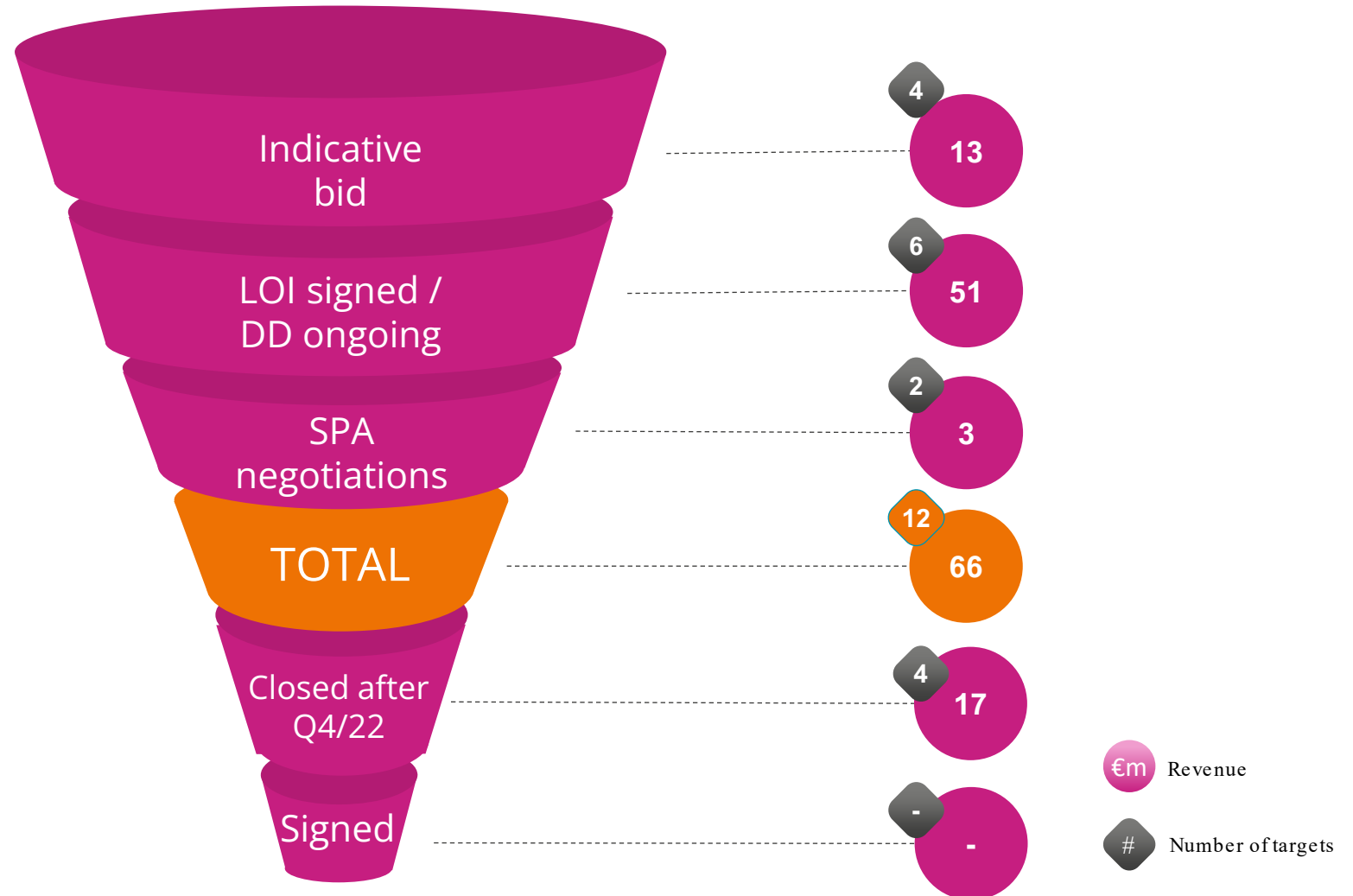
\*) Presented financials are based on latest available audited financial statements

\*\*\*) Asset purchase

\*\*\*) Unofficial consolidation of group entities

- ★ Good M&A activity continued in Q4 with all in all seven acquisitions closed during the period.
- ★ Platform acquisition made in Germany by purchase of Schultz Gruppe, an owner-managed property service company serving a wide range of commercial, industrial and residential properties, offering cleaning and maintenance services, technical maintenance services and building management services in Northern Germany
- ★ Size increased clearly in Norway with all together five add-on acquisitions of which the largest was PBT Gruppen, a full-service property maintenance company operating in Vestfold & Telemark and Greater Oslo areas
- ★ One add-on acquisition in Finland to strengthen the existing business in Lahti

# Strong M&A pipeline with total revenues of ~EUR 66m.



# Strong operating cash flow in Q4

- ★ Operating cash flow before acquisitions and financial items was strong and grew clearly to 13.9 MEUR (10.1)
- ★ Operating cash flow was supported by strong EBITDA and release of working capital but offset by high investments into tangible and intangible assets
- ★ Investments into tangible and intangible assets was 9.0 MEUR comprising mainly of acquisitions of machinery and equipment
  - ★ The unusually high amount includes both growth investment due to customer acquisitions, but also by delay of machinery deliveries that were ordered earlier during 2022 and in late 2021
- ★ Operating cash flow 1-12/22 supported by strong EBITDA but offset mainly by investments into tangible assets
- ★ Cash conversion and investments as share of revenue for the full year remained both at the previous years level

OPERATING CASH FLOW AND INVESTMENTS BREAKDOWN, MEUR				
Operating cash flow, MEUR	10-12 2022	10-12 2021	1-12 2022	1-12 2021
EBITDA	18.4	13.9	72.0	57.0
Change in net working capital	4.5	7.7	-1.6	-2.0
CAPEX	-9.0	-5.1	-17.4	-13.1
<b>Operating cash flow before acquisitions</b>	<b>13.9</b>	<b>10.1</b>	<b>53.0</b>	<b>42.0</b>
Acquisitions and disposals of subsidiaries net of cash acquired	-37.2	-7.9	-88.3	-86.0
<b>Operating cash flow after acquisitions</b>	<b>-23.3</b>	<b>-2.0</b>	<b>-35.3</b>	<b>-44.0</b>
Cash conversion	10-12 2022	10-12 2021	1-12 2022	1-12 2021
EBITDA, MEUR	18.4	13.9	72.0	57.0
Operating cash flow before acquisitions, MEUR	13.9	16.5	53.0	42.0
<b>Cash conversion before acquisitions</b>	<b>76%</b>	<b>119%</b>	<b>74%</b>	<b>74%</b>
Maintenance CAPEX	10-12 2022	10-12 2021	1-12 2022	1-12 2021
CAPEX, MEUR	-9.0	-5.1	-17.4	-13.1
Revenue, reported MEUR	144.2	106.7	483.3	364.2
<b>CAPEX % of revenue</b>	<b>6.3%</b>	<b>4.7%</b>	<b>3.6%</b>	<b>3.6%</b>

# Clear headroom in leverage sustained, new financing in place to secure strategy execution

- ★ Interest-bearing net debt increased from the end of Q3 due to high M&A activity
  - ★ M&A capex amounted to 37.2 MEUR
- ★ Liquidity is strong. Cash and cash equivalents was 31.6 MEUR and the Super Senior RCF was increased to 62.5 MEUR of which 62.0 MEUR was undrawn by 31 December
- ★ Leverage remained clearly below Bond incurrence test level at 4.82x, up slightly from the end of September 2022 due to the high volume of acquisitions
- ★ New euro-denominated senior secured floating rate notes in a nominal amount of EUR 70 million under a framework of EUR 200 million were issued. Demand for the issue was good

## LEVERAGE BREAKDOWN

Leverage	31.12.2022
Senior Secured Fixed Rate Bond	340.0
Senior Secured Floating Rate Bond	70.0
Super Senior Revolving Credit Facility	0.0
Other interest bearing liabilities	39.8
Interest bearing liabilities	449.8
Other net debt items	3.6
Cash and cash equivalents	-31.6
<b>Interest bearing net debt 31.12.2022, MEUR</b>	<b>421.8</b>
EBITDA LTM, reported	72.0
LFL adjustments	8.8
Non recurring items	5.7
Unrealised synergies	1.0
<b>Synergy adjusted EBITDA, MEUR</b>	<b>87.5</b>
<b>Leverage, x</b>	<b>4.82</b>



Thank you for  
your attention

# Appendix

- ★ Consolidated income statement
- ★ Consolidated balance sheet
- ★ Consolidated cash flow statement

# Consolidated Income Statement

EUR THOUSAND	10-12 2022	10-12 2021	1-12 2022	1-12 2021
<b>Net sales</b>	<b>144,166</b>	<b>106,723</b>	<b>483,335</b>	<b>364,215</b>
Other operating income	1,200	1,711	3,529	3,488
Materials and services	-36,939	-30,090	-124,101	-96,480
Personnel expenses	-68,292	-48,736	-225,570	-167,978
Other operating expenses	-21,717	-15,727	-65,213	-46,260
<b>EBITDA</b>	<b>18,419</b>	<b>13,882</b>	<b>71,980</b>	<b>56,985</b>
<i>% of revenue</i>	<i>12.8%</i>	<i>13.0%</i>	<i>14.9%</i>	<i>15.6%</i>
Depreciation	-799	-6,129	-21,329	-26,212
<b>EBITA</b>	<b>17,620</b>	<b>7,753</b>	<b>50,651</b>	<b>30,773</b>
<i>% of revenue</i>	<i>12.2%</i>	<i>7.3%</i>	<i>10.5%</i>	<i>8.4%</i>
Amortisation and impairment	-4,168	-3,564	-13,564	-12,115
<b>Operating result</b>	<b>13,452</b>	<b>4,190</b>	<b>37,087</b>	<b>18,658</b>
<i>% of revenue</i>	<i>9.3%</i>	<i>3.9%</i>	<i>7.7%</i>	<i>5.1%</i>
Net financial expenses	-6,283	-8,002	-22,259	-22,042
Group contribution	-1,315	-699	-1,315	-699
<b>Result before taxes</b>	<b>5,854</b>	<b>-4,511</b>	<b>13,514</b>	<b>-4,082</b>
Taxes	2,318	-3,025	-199	-680
<b>Result for the financial period</b>	<b>8,172</b>	<b>-7,536</b>	<b>13,315</b>	<b>-4,762</b>



# Consolidated Balance Sheet - Assets

EUR THOUSAND	12 2022	12 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	416,744	350,561
Intangible assets other than goodwill	124,910	122,758
Tangible assets	58,762	45,295
Right-of-use assets	26,547	22,285
Other shares	3,337	2,965
Other receivables	326	273
Deferred tax assets	2,659	2,202
<b>Total non-current assets</b>	<b>633,285</b>	<b>546,338</b>
<b>Current assets</b>		
Trade receivables	56,231	37,086
Inventories	3,009	1,112
Other current financial assets	0	15,086
Other current assets	15,325	10,174
Cash and cash equivalents	31,574	18,331
<b>Total current assets</b>	<b>106,139</b>	<b>81,789</b>
<b>Total assets</b>	<b>739,424</b>	<b>628,127</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Translation differences	-7,642	343
Share capital	80	0
Fund for unrestricted equity	160,238	158,318
Retained earnings	125	-13,219
<b>Total equity</b>	<b>152,801</b>	<b>145,442</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Interest-bearing loans and borrowings	418,281	303,971
Other non-current liabilities	7,933	18,453
Lease liabilities	14,969	13,494
Deferred tax liabilities	31,246	27,982
<b>Total non-current liabilities</b>	<b>472,429</b>	<b>363,901</b>
<b>Current liabilities</b>		
Trade payables and other payables	97,799	73,557
Interest-bearing loans and borrowings	4,290	33,584
Lease liabilities	12,267	9,362
Income tax payable	-162	2,281
<b>Total current liabilities</b>	<b>114,194</b>	<b>118,784</b>
<b>Total liabilities</b>	<b>586,623</b>	<b>482,685</b>
<b>Total equity and liabilities</b>	<b>739,424</b>	<b>628,127</b>

# Consolidated Cash Flow Statement

EUR THOUSAND	10-12 2022	10-12 2021	1-12 2022	1-12 2021
<b>Operating activities</b>				
Profit before tax	5,854	-4,511	13,514	-4,082
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and impairment	4,968	9,692	34,893	38,327
Finance income and expenses	6,284	8,701	22,262	22,740
Other adjustments	-747	-372	-1,473	-695
Change in working capital	7,092	11,898	-12,281	14,923
Other adjustments without payment	-476	482	1,788	0
Income tax paid	-472	-760	-3,908	-2,569
<b>Net cash flow from operating activities</b>	<b>22,502</b>	<b>25,130</b>	<b>54,795</b>	<b>68,644</b>
<b>Net cash flow from investing activities</b>				
Acquisition of tangible and intangible assets	-9,019	-5,053	-17,355	-13,052
Acquisition of subsidiaries, net of cash acquired	-37,184	-7,898	-88,774	-85,999
Proceeds from sale of subsidiaries	0	0	466	0
<b>Net cash flow from investing activities</b>	<b>-46,203</b>	<b>-12,951</b>	<b>-105,663</b>	<b>-99,050</b>
<b>Net cash flow from financing activities</b>				
Equity refund	0	0	0	-68,524
Increase in fund for unrestricted equity for consideration	0	0	16,331	0
Net change in borrowings	47,302	5,099	82,996	132,630
Net interests and finance costs paid	-9,861	-12,011	-20,936	-22,489
Payments of lease liabilities	-4,058	-2,735	-13,757	-10,409
<b>Net cash from financing activities</b>	<b>33,383</b>	<b>-9,647</b>	<b>64,634</b>	<b>31,208</b>
<b>Net increase in cash and cash equivalents</b>	<b>9,682</b>	<b>2,532</b>	<b>13,766</b>	<b>801</b>
Cash and cash equivalents at the beginning of the period	21,935	15,765	18,331	17,530
Effect of exchange rate changes on cash and cash equivalents	-43	34	-523	0
<b>Cash and cash equivalents at reporting period end</b>	<b>31,574</b>	<b>18,331</b>	<b>31,574</b>	<b>18,331</b>



phm<sup>+</sup>

Nordic all-stars in local property service.