

Big or local? Why not both. 

PHM Group Holding Oyj

Interim report January - September 2024

14 November 2024

Presenting today



Ville Rantala
Chief Executive Officer



Petri Pellonmaa
Chief Financial Officer

Agenda

A stylized floral graphic with five petals in shades of yellow, orange, and pink, centered behind the text.

Q3
HIGHLIGHTS

A stylized floral graphic with five petals in shades of yellow, orange, and pink, centered behind the text.

BUSINESS
REVIEW

A stylized floral graphic with five petals in shades of yellow, orange, and pink, centered behind the text.

FINANCIAL
POSITION

A stylized floral graphic with five petals in shades of yellow, orange, and pink, centered behind the text.





APPENDIX

PHM is a leading provider of local property services









A Northern European leader rooted in the Nordics with a strong foothold in DACH

Key facts

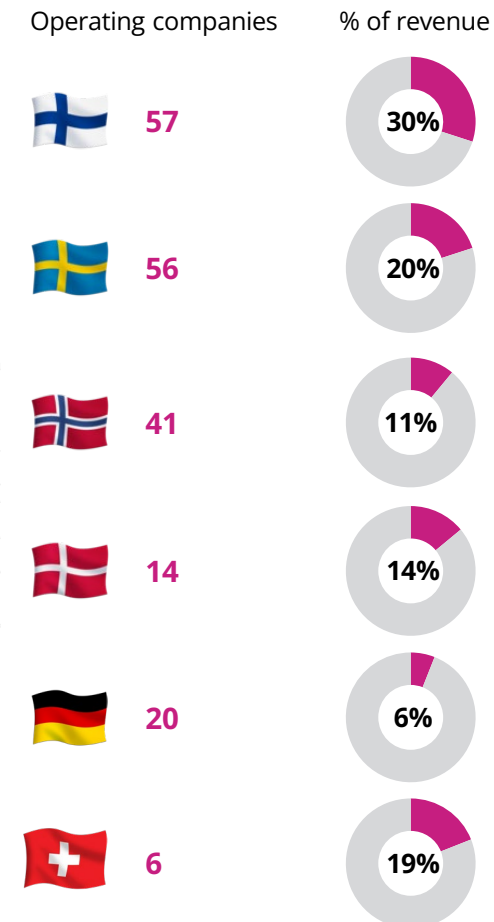
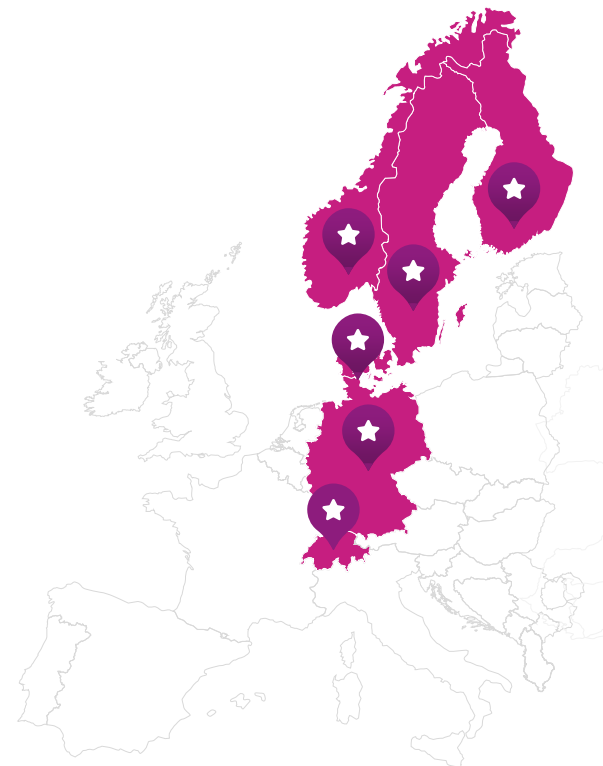
-  **1989**
Founded
-  **#1**
Market leader in the Nordics
-  **~13,700**
Professionals
-  **194**
Locally operating companies

-  **€1,134m**
LTM 9/24 LfL revenue
-  **€178m**
LTM 9/24 LfL adj. EBITDA
-  **~50,500**
Contract customers
-  **25**
Acquisitions in 2024

Broad service offering

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

Strong Northern European footprint



Highlights Q3/24

- ★ Operationally strong quarter with clear uplift in LFL EBITDA driven by improved operational efficiency.
- ★ Sales continued to grow, but slightly slower due to lower demand for larger projects compared to Q3/23
- ★ Strong cash generation clearly in excess of previous year coupled with strong organic EBITDA development decreasing leverage as planned
- ★ M&A activity remained high with nine acquisitions closed during the quarter
- ★ Acquisition of the leading Danish property service provider, DEAS A/S, closed in August. Integration process initiated and first synergies realized.
- ★ Previous CEO of the acquired Valores Group, Michael Stucki, appointed to the Group Management Team as Country Director of Switzerland and Germany



High M&A activity in Q3/24

COMPLETED ACQUISITIONS 1-9/2024

Target company	Country	Region	Closing	Currency	Revenue *)	EBITDA *)
Acquisitions						
Savonlinnan Siivous- ja Kiinteistöhuoltokeskus SK2**	Finland	Savonlinna	January	EURm	0.9	0.2
Nokian Saneeraus Asiantuntijat Oy	Finland	Nokia	February	EURm	1.0	0.2
Høvik Eiendomsdrift AS	Norway	Drammen	March	NOKm	17.1	2.2
Pur98100 Gebäude-Service**	Germany	Flensburg	March	EURm	2.6	0.5
Allgranthgruppen***	Sweden	Stockholm	March	SEKm	49.7	6.7
Korrekt Bostadsrättsförvaltning****	Sweden	Stockholm	March	SEKm	3.3	1.6
Kiinteistöpalvelu Kukkonen Oy	Finland	Heinola	April	EURm	2.0	0.2
Borg Service****	Denmark	Jutland	May	DKKm	2.9	0.4
Rauman Pihapojat Oy	Finland	Rauma	May	EURm	1.2	0.2
J S E Ejendomsservice ApS	Denmark	Copenhagen	May	DKKm	5.1	0.9
Schöne & Co. Tech GmbH and Schöne Gebäude-Reinigung GmbH	Germany	Kassel	May	EURm	6.6	1.2
KS-Kiinteistö Oy	Finland	Jyväskylä	June	EURm	1.7	0.1
Kiinteistöhuolto Hautanen Oy	Finland	Seinäjäki	June	EURm	1.6	0.4
Päre Siivous**	Finland	Rovaniemi	June	EURm	0.4	0.0
Absolutt Rent AS	Norway	Oslo	June	NOKm	10.4	3.7
Valores Group*****	Switzerland	Nationwide	June	CHFm	184.8	22.9
Pieksämäen Seudun Talouhuolto Oy	Finland	Pieksämäki	July	EURm	1.9	0.3
Attentive Fastighet och Företagsservice Ab	Sweden	Kiruna	July	SEKm	26.3	4.8
Verit Immobilien****	Switzerland	Nationwide	July	CHFm	18.3	0.0
Flensburger Objektservice GmbH & Kieler Gebäudeservice GmbH	Germany	Flensburg & Kiel	July	EURm	2.8	0.6
Hausmeisterservice Wermke GmbH	Germany	Hamburg	July	EURm	2.1	0.1
DEAS A/S*****	Denmark	Nationwide	August	DKKm	663.1	81.1
ImmoS Clean & Care GmbH	Germany	Mannheim	August	EURm	2.8	0.8
Keski-Suomen Talonmiespalvelu Oy	Finland	Keuruu	September	EURm	0.9	0.2
Der HausmeisterPROFI FM GmbH	Germany	Nürnberg	September	EURm	2.1	0.3

*) Presented financials are based on latest available audited financial statements (local GAAP)

**) Asset purchase

***) Unofficial consolidation of group entities

****) Asset purchase, management estimation of like-for-like revenue and adjusted EBITDA

*****) Like-for-like revenue and adjusted EBITDA

- ★ Nine acquisitions in total closed in Q3
- ★ Acquisition of the leading Danish property service provider, DEAS A/S, closed in August. With the acquisition, PHM will have the most comprehensive range of services and expertise in property maintenance and management in Denmark.
- ★ First add-on acquisition after expanding into the Swiss market. The property management service provider Privera AG acquired the business operations of Verit Immobilien.
- ★ Expansion in Germany continued with four acquisitions, adding new locations and strengthening the current market position in Hamburg.
- ★ Together three smaller add-on acquisitions in Finland and Sweden.
- ★ Acquisitions during 1-9/24 had a EUR 339.9 million positive impact on LTM LFL revenue and EUR 48.4 million positive impact on LTM LFL adjusted EBITDA, respectively.
- ★ After the end of Q3/24, two acquisitions have been completed in Finland

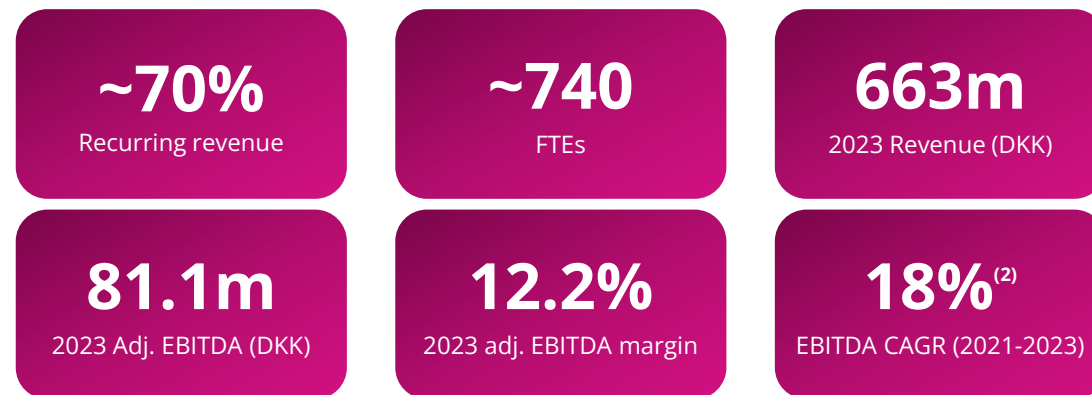
DEAS Real Estate Service

The Danish market leader with a highly attractive portfolio of services

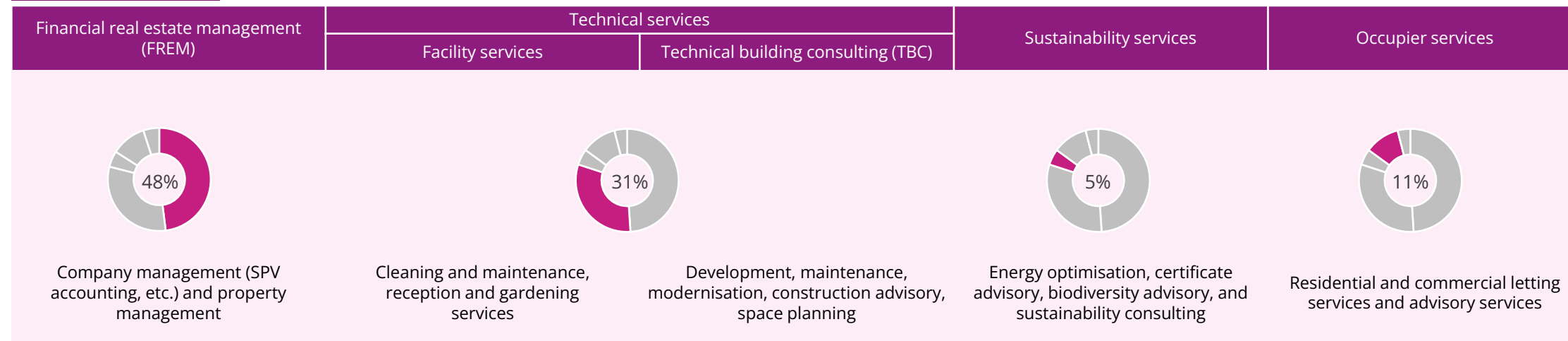
Transaction and business overview

- ★ On 15 May, PHM announced it had signed an agreement to acquire the real estate services division (“DEAS RES”) out of the DEAS Group, the leading property services provider for housing associations, property owners, real estate investors, and tenants in Denmark
- ★ DEAS RES’s core offerings comprise full-service day-to-day management on behalf of public, private and institutional customers including financial reporting, building consultancy, and tenant management
- ★ The transaction is structured as a carve-out characterised by low complexity given limited overlap with the remaining part of DEAS Group (DEAS Asset Management)

Key figures⁽¹⁾



Service overview⁽³⁾

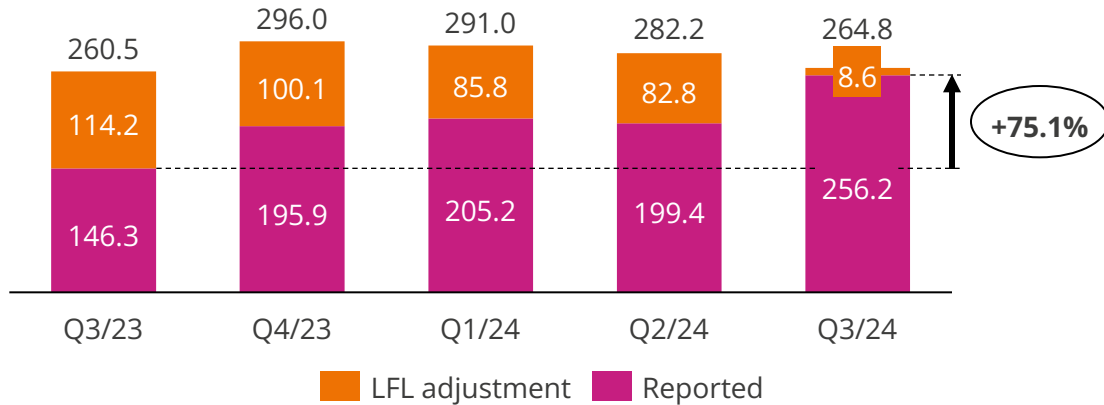


Source: Company information. Third party analysis. Note: (1) Local GAAP (2) Excluding overhead allocation (3) Pie charts reflect share of total revenue in 2023 and does not include Public Private Partnerships (PPP) and HQ, 3% and 1% of revenues, respectively.

Clear growth year on year driven by M&A

GROUP REVENUE, reported and LFL

In EUR million



★ The Group's reported revenue was EUR 252.6 million (146.3) in Q3/24 showing a growth of 75.1% y-o-y.

- ★ Impact of acquisitions on sales amounted to EUR 105.6 million
- ★ Organic growth on sales amounted to EUR 4.3 million

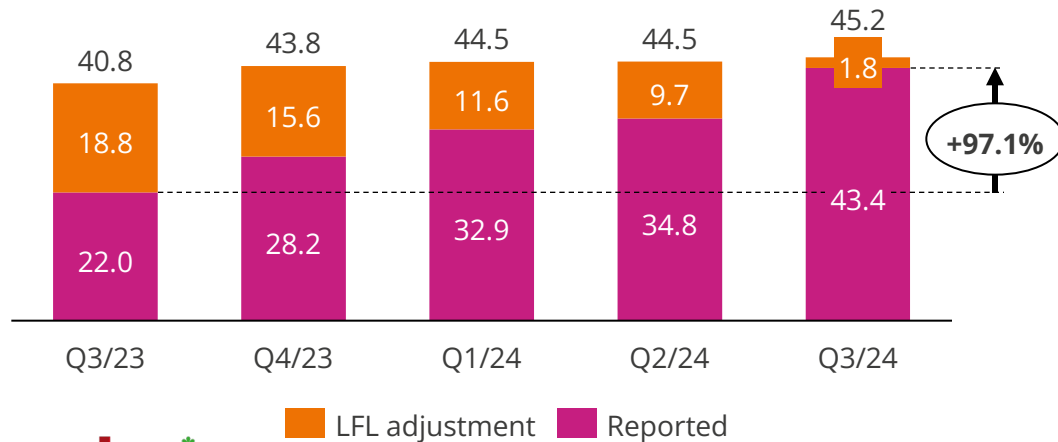
★ The Group's adjusted EBITDA was EUR 43.4 million (22.0) in Q3/24 showing a growth of 97.1% y-o-y.

- ★ Acquisitions impacted positively by EUR 16.9 million on the y-o-y growth.
- ★ Organic growth in adj. EBITDA amounted to EUR 4.5 million

★ LTM LFL Revenue stood at EUR 1,134.0 million and LFL adjusted EBITDA as at 9/2024 was EUR 178.0 million, respectively

GROUP adjusted EBITDA, reported and LFL

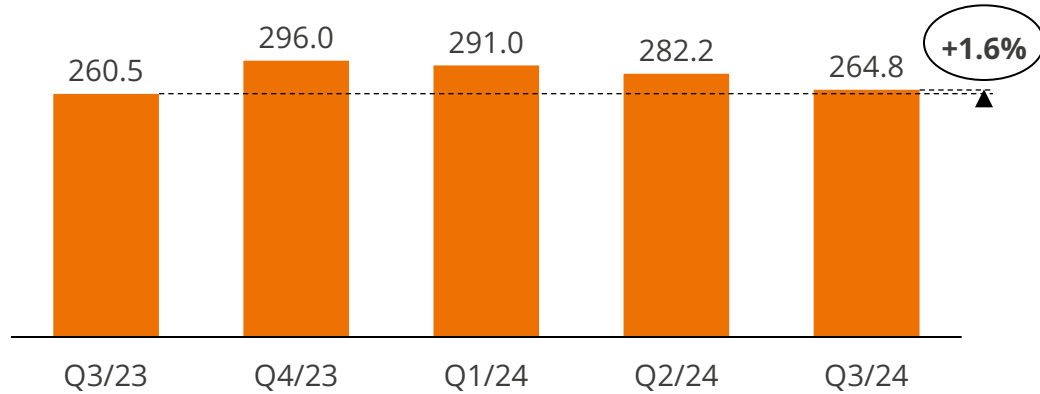
In EUR million



Growth in contract sales continued

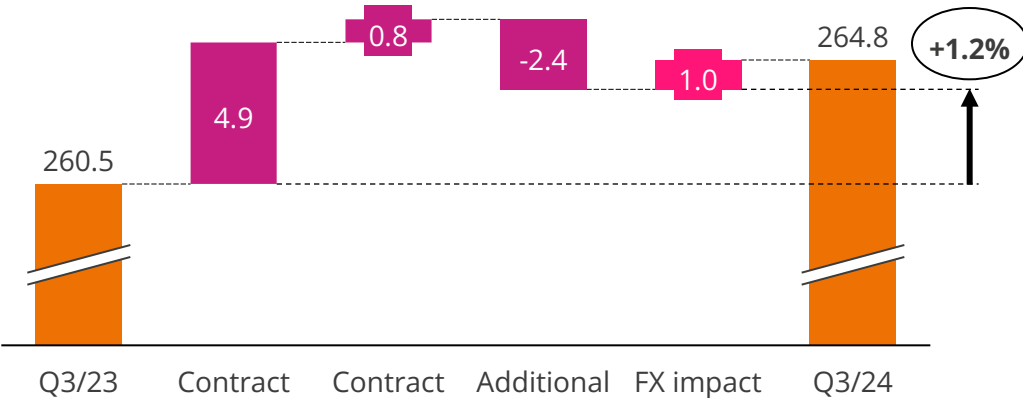
Quarterly LFL revenue

In EUR million



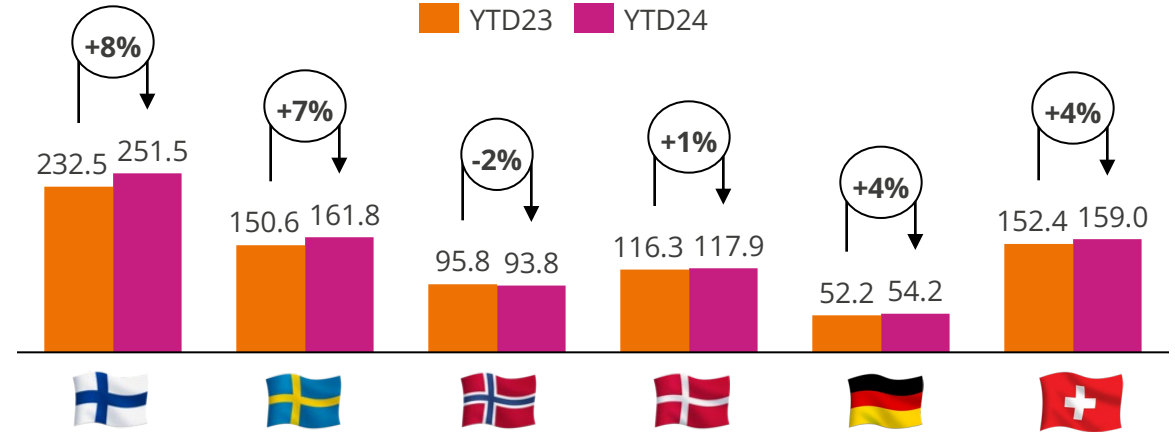
Illustrative LFL sales drivers y-o-y

In EUR million



LFL revenue development by country

In EUR million



- ★ LFL revenue increased by 1.6% in Q3 y-o-y.
- ★ Contract price increases positively impacted topline in all countries in Q3. Contract volumes also continued to develop positively.
- ★ Additional sales decreases in Q3 driven by lower project volumes in Norway and Germany, with especially larger projects missing compared to FY23.
- ★ LFL revenue increased 4.8% in Jan-Sep y-o-y. Main drivers were price increases and the growth of the contract base, successful provision of winter-related services in Finland and Sweden, increased additional sales in Switzerland, offset by lower project demand in Norway and Germany. Denmark affected by known churn in DEAS
- ★ FX impact was minor, albeit country specific fluctuation continued.

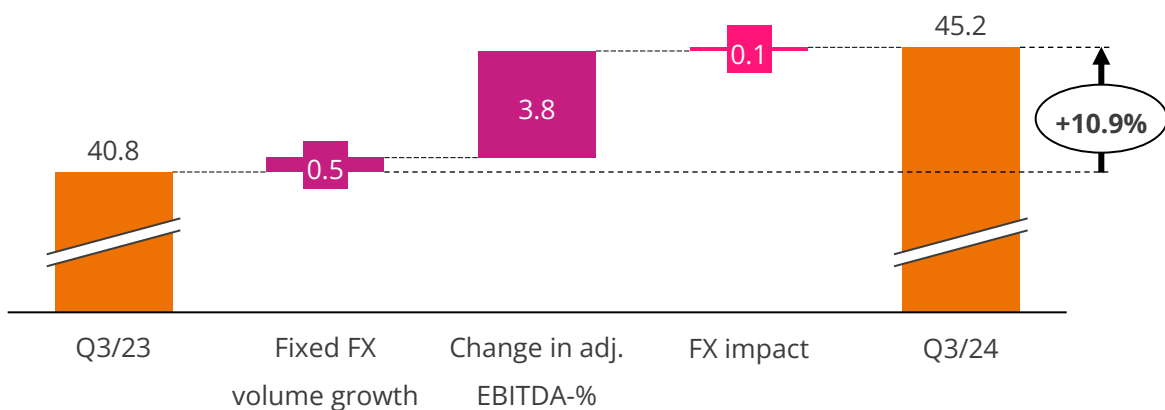
LFL adjusted EBITDA continued to grow and profitability improved in Q3

LFL PROFIT & LOSS

EUR million	Q3/24	Q3/23	Change, %	1-9/24	1-9/23	Change, %	LTM 9/24	2023
Net Sales	264.8	260.5	1.6%	837.9	799.9	4.8%	1,134.0	1,096.0
GROSS MARGIN	218.6	215.3	1.5%	686.2	658.6	4.2%	922.0	894.4
Gross margin %	82.6%	82.6%	-0.1%	81.9%	82.3%	-0.4%	0.8	81.6%
Personnel costs	-145.0	-144.8	0.1%	-454.1	-437.5	3.8%	-608.1	-591.4
% of revenue	-54.7%	-55.6%	0.8%	-54.2%	-54.7%	0.5%	-0.5	-54.0%
Other operating expense	-28.4	-29.7	-4.5%	-97.9	-99.8	-1.9%	-136.0	-137.8
% of revenue	-10.7%	-11.4%	0.7%	-11.7%	-12.5%	0.8%	-0.1	-12.6%
ADJUSTED EBITDA	45.2	40.8	10.9%	134.2	121.4	10.6%	178.0	165.1
ADJUSTED EBITDA margin %	17.1%	15.7%	1.4%	16.0%	15.2%	0.8%	15.7%	15.1%

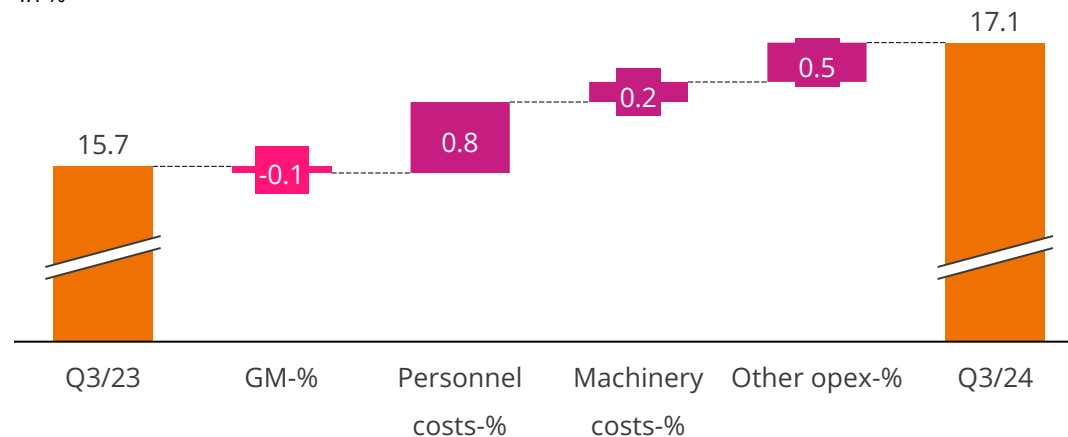
LFL adjusted EBITDA development y-o-y

In EUR million



LFL adjusted EBITDA margin evolution y-o-y

In %



- ★ LFL adjusted EBITDA increased clearly to EUR 45.2 million (+10.9%).
- ★ EBITDA in Q3/24 continued to increase resulting from higher revenue and lower fixed cost base
- ★ Personnel costs relative to net sales decreased due to successful realisation of synergies and improved efficiency
- ★ OPEX decreased due to synergy realisation and reduced fleet expenses due to lower fuel costs, among other factors

Operating cash flow continued to grow in Q3

- ★ Operating cash flow before acquisitions and financial items grew clearly amounting to EUR 27.2 million (3.6).
- ★ Cash conversion improved clearly year on year driven by an improved working capital profile and lower capex compared to previous year.
 - ★ Working capital affected positively by implemented efficiencies and improved payment terms.
 - ★ Capex includes normal maintenance capex
- ★ M&A capex (including acquisitions carried out as asset purchases) amounted to EUR 105.2 million driven largely by the closing of the DEAS transaction

OPERATING CASH FLOW AND INVESTMENTS BREAKDOWN					
Operating cash flow, EUR million	7-9 2024	7-9 2023	1-9 2024	1-9 2023	1-12 2023
EBITDA	37.2	20.3	99.3	61.0	86.2
Change in net working capital	-4.2	-12.4	-4.2	-7.7	6.4
CAPEX*	-5.8	-4.3	-16.6	-13.2	-23.7
Operating cash flow before acquisitions	27.2	3.6	78.5	40.2	68.9
M&A CAPEX net of cash acquired*, EUR million	-108.2	-59.9	-363.9	-75.5	-222.7
Operating cash flow after acquisitions	-81.0	-56.3	-285.4	-35.3	-153.8
Cash conversion	7-9 2024	7-9 2023	1-9 2024	1-9 2023	1-12 2023
EBITDA, EUR million	37.2	20.3	99.3	61.0	86.2
Operating cash flow before acquisitions, EUR million	27.2	3.6	78.5	40.2	68.9
Cash conversion before acquisitions	73.3%	17.9%	79.1%	65.9%	79.9%
CAPEX	4-6 2024	7-9 2023	1-9 2024	1-9 2023	1-12 2023
CAPEX*, EUR million	-5.8	-4.3	-16.6	-13.2	-23.7
Revenue, reported EUR million	256.2	146.3	660.7	429.0	624.9
CAPEX % of revenue	2.2%	2.9%	2.5%	3.1%	3.8%

*Capital expense excludes gains and losses on sales of assets and intangible assets arising from acquisitions carried out as asset purchases which are included in the Groups cash flow of investments into tangible and intangible assets. Acquisitions carried out as asset purchases reclassified above from CAPEX to M&A CAPEX, whereas in the Group cash flow statements they are presented in acquisition of tangible and intangible assets

Leverage decreased in Q3 in line with expectations

- ★ Net debt increased from the end of June 2024 due to high M&A activity.
- ★ The synergy adjusted LFL EBITDA for the previous twelve months increased by EUR 26 million driven by organic growth and acquisitions, respectively.
- ★ The leverage ratio decreased from 5.55x at end of June 2024 to a level of 5.39x.
 - ★ Leverage development was supported by good organic growth, high operative cash flow and the completion of the highly synergistic acquisition of DEAS A/S.
- ★ Liquidity remained strong. Cash and cash equivalents was EUR 29.1 million and EUR 78.5 million of the Super Senior RCF was undrawn.

LEVERAGE BREAKDOWN

Leverage	30.9.2024
Senior Secured Fixed Rate Bond	340.0
Senior Secured Floating Rate Bond	300.0
Term Loan B	300.0
Super Senior Revolving Credit Facility	10.0
Other interest bearing liabilities	86.6
Interest bearing liabilities	1,036.6
Other net debt items	2.1
Cash and cash equivalents	-29.1
Interest bearing net debt 30.9.2024, EUR million	1,009.6
EBITDA LTM, reported	124.5
LFL adjustments	39.0
Non-recurring items	14.7
Unrealised synergies	9.0
Synergy adjusted EBITDA, EUR million	187.2
Leverage, x	5.39



Thank you for
your attention

Appendix

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

Consolidated Income Statement

EUR THOUSAND	7-9 2024	7-9 2023	1-9 2024	1-9 2023	1-12 2023
Net sales	256,184	146,332	660,746	428,993	624,904
Other operating income	774	490	5,210	2,189	3,541
Materials and services	-46,650	-33,984	-143,668	-102,825	-155,538
Personnel expenses	-142,319	-75,457	-340,450	-214,803	-307,493
Other operating expenses	-30,833	-17,106	-82,548	-52,539	-79,194
EBITDA	37,156	20,274	99,290	61,015	86,219
<i>% of revenue</i>	<i>14.5%</i>	<i>13.9%</i>	<i>15.0%</i>	<i>14.2%</i>	<i>13.8%</i>
Depreciation	-12,862	-7,219	-32,610	-20,025	-28,716
EBITA	24,293	13,055	66,680	40,990	57,504
<i>% of revenue</i>	<i>9.5%</i>	<i>8.9%</i>	<i>10.1%</i>	<i>9.6%</i>	<i>9.2%</i>
Amortisation and impairment	-7,574	-4,031	-18,633	-11,418	-16,684
Operating result	16,719	9,025	48,047	29,572	40,819
<i>% of revenue</i>	<i>6.5%</i>	<i>6.2%</i>	<i>7.3%</i>	<i>6.9%</i>	<i>6.5%</i>
Net financial expenses	-23,306	-9,002	-55,963	-28,123	-41,281
Result before taxes	-6,586	22	-7,916	1,450	-462
Taxes	1,524	-939	-312	-1,180	-1,811
Result for the financial period	-5,062	-917	-8,228	270	-2,273

Consolidated Balance Sheet

EUR THOUSAND	9 2024	9 2023	12 2023
ASSETS			
Non-current assets			
Goodwill	927,122	465,318	624,621
Intangible assets other than goodwill	264,487	140,838	183,198
Tangible assets	91,942	67,547	78,335
Right-of-use assets	81,844	37,734	47,701
Other shares	4,353	3,062	3,011
Other non-current assets	3,652	595	842
Deferred tax assets	3,981	2,996	3,295
Total non-current assets	1,377,381	718,090	941,004
Current assets			
Trade receivables	97,982	63,268	87,121
Inventories	2,899	3,670	3,243
Other current financial assets	488	1,375	138
Other current assets	49,346	23,564	29,171
Cash and cash equivalents	29,083	21,668	35,026
Total current assets	179,798	113,544	154,699
Total assets	1,557,179	831,634	1,095,703
EQUITY AND LIABILITIES			
Equity			
Share capital	80	80	80
Fund for unrestricted equity	261,644	164,239	208,239
Retained earnings	-14,274	-263	-4,087
Translation differences	-4,916	-8,590	3,296
Total equity	242,534	155,466	207,527
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	937,395	473,058	603,940
Other non-current liabilities	4,749	5,224	3,375
Defined benefits obligations	21,429	0	0
Lease liabilities	55,448	22,673	29,476
Deferred tax liabilities	55,288	35,875	43,723
Total non-current liabilities	1,074,308	536,829	680,514
Current liabilities			
Trade payables and other payables	186,272	114,367	155,898
Interest-bearing loans and borrowings	15,200	9,656	24,706
Lease liabilities	28,548	16,042	19,459
Income tax payable	10,317	-727	7,598
Total current liabilities	240,337	139,339	207,662
Total liabilities	1,314,645	676,168	888,176
Total equity and liabilities	1,557,179	831,634	1,095,703

Consolidated Cash Flow Statement

EUR THOUSAND	7-9 2024	7-9 2023	1-9 2024	1-9 2023	1-12 2023
Operating activities					
Profit before tax	-6,387	22	-7,916	1,450	-463
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation and impairment	20,436	11,249	51,243	31,443	45,400
Finance income and expenses	23,307	9,003	55,966	28,125	41,284
Other adjustments	125	746	-1,352	-44	-3,846
Change in working capital	-4,174	-9,992	-4,203	-9,492	545
Other adjustments without payment	-498	-653	-4,612	597	-2,792
Income tax paid	-4	-1,258	-4,839	-3,661	-3,439
Net cash flow from operating activities	32,804	9,118	84,287	48,419	76,689
Net cash flow from investing activities					
Acquisition of tangible and intangible assets	-9,969	-4,225	-22,844	-12,374	-22,490
Acquisition of subsidiaries, net of cash acquired	-103,986	-59,898	-356,638	-75,469	-222,710
Net cash flow from investing activities	-113,956	-64,123	-379,483	-87,843	-245,201
Net cash flow from financing activities					
Increase in fund for unrestricted equity for consideration	-1,311	1	52,094	2,687	48,002
Paid dividends and other distribution of profit	0	0	0	0	-1
Net change in borrowings	16,322	5,616	303,534	59,653	178,655
Net interests and finance costs paid	-14,370	-4,171	-43,938	-19,117	-35,083
Payments of lease liabilities	-9,296	-4,669	-22,360	-13,039	-18,807
Net cash from financing activities	-8,655	-3,222	289,329	30,184	172,767
Net increase in cash and cash equivalents	-89,806	-58,227	-5,867	-9,240	4,255
Cash and cash equivalents at the beginning of the period	118,799	79,850	35,026	31,632	31,632
Effect of exchange rate changes on cash and cash equivalents	90	45	-77	-724	-861
Cash and cash equivalents at reporting period end	29,083	21,668	29,083	21,668	35,026



phmⁱ

All-stars in local property service.