



PHM Group Holding Oyj's Half-year Report January-June 2024: Operationally strong quarter and expansion into Switzerland

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PHM GROUP HOLDING OYJ
STOCK EXCHANGE RELEASE ON 14 AUGUST 2024 AT 10.00 EEST

This release is a summary of PHM Group Holding Oyj's unaudited Half-year Report January-June 2024. The full release is attached and available on our website at <https://www.phmgroupp.com/investors/>.

Second quarter highlights

- Reported revenue increased by 41% to EUR 199.4 million (141.8).
- Reported EBITDA increased by 51% to EUR 31.7 million (20.9).
- LFL revenue increased by 5% to EUR 251.7 million (240.2).
- LFL adjusted EBITDA increased by 14% to EUR 43.0 million (37.6).
- Profit for the period amounted to EUR -1.2 million (-0.7).
- Operating cash flow before acquisitions increased by 31% to EUR 21.3 million (16.3).
- Leverage was 5.55x (4.76).

January-June highlights

- Reported revenue increased by 43% to EUR 404.6 million (282.7).
- Reported EBITDA increased by 53% to EUR 62.1 million (40.7).
- LFL revenue increased by 7% to EUR 512.3 million (480.3).
- LFL adjusted EBITDA increased by 14% to EUR 83.6 million (73.4).
- Profit for the period amounted to EUR -3.2 million (1.2).
- Operating cash flow before acquisitions increased by 32% to EUR 48.2 million (36.6).

Significant events during the quarter

- PHM made two strategically significant acquisitions: The acquisition of the Real Estate Services business of Investis Group, which saw PHM expand to Switzerland, and the acquisition of DEAS Real Estate Services from DEAS Group, which significantly strengthens PHM's position in Denmark.
- Ten acquisitions were completed in the second quarter of 2024. Total acquired revenue amounted to EUR 210.4 million.
- EBITDA continued to improve, driven by revenue growth and higher margins.
- The amount of financing was significantly increased by launching a new term loan B of EUR 300 million.
- The execution of strategic development measures continued as planned.

Group key figures

| EUR million, IFRS | 4-6/24 | 4-6/23 | Change % | 1-6/24 | 1-6/23 | Change % | 1-12/23 | LTM |
|-------------------|--------|--------|----------|--------|--------|----------|---------|-------|
| Reported | | | | | | | | |
| Revenue | 199.4 | 141.8 | 40.6% | 404.6 | 282.7 | 43.1% | 624.9 | 746.8 |
| EBITDA | 31.7 | 20.9 | 51.3% | 62.1 | 40.7 | 52.5% | 86.2 | 107.6 |
| Adjusted EBITDA | 34.7 | 22.1 | 57.4% | 67.6 | 43.1 | 56.7% | 93.3 | 117.8 |

| | | | | | | | | |
|---|-------|-------|--------|-------|-------|--------|-------|---------|
| Adjusted EBITDA margin % | 17.4% | 15.6% | 1.9% | 16.7% | 15.3% | 1.5% | 14.9% | 15.8% |
| Adjusted EBITA | 25.1 | 15.5 | 61.6% | 48.9 | 30.3 | 61.3% | 64.6 | 83.2 |
| Adjusted EBITA margin % | 12.6% | 10.9% | 1.6% | 12.1% | 10.7% | 1.4% | 10.3% | 11.1% |
| | | | | | | | | |
| LFL *) financials | | | | | | | | |
| LFL Revenue | 251.7 | 240.2 | 4.8% | 512.3 | 480.3 | 6.7% | 974.1 | 1,006.1 |
| LFL EBITDA | 44.7 | 35.6 | 25.7% | 82.4 | 69.2 | 19.0% | 137.4 | 150.6 |
| Adjusted LFL EBITDA | 43.0 | 37.6 | 14.3% | 83.6 | 73.4 | 13.9% | 148.3 | 158.5 |
| Adjusted LFL EBITDA margin % | 17.1% | 15.7% | 1.4% | 16.3% | 15.3% | 1.0% | 15.2% | 15.8% |
| Adjusted LFL EBITA | 31.5 | 26.9 | 17.1% | 60.9 | 52.2 | 16.7% | 104.7 | 113.5 |
| Adjusted LFL EBITA margin % | 12.5% | 11.2% | 1.3% | 11.9% | 10.9% | 1.0% | 10.8% | 11.3% |
| | | | | | | | | |
| Financial position | | | | | | | | |
| Operating cash flow before acquisitions** | 21.3 | 16.3 | 30.7% | 48.2 | 36.6 | 32.0% | 68.9 | |
| Cash conversion before acquisitions*** | 67.3% | 77.9% | -10.6% | 77.6% | 89.7% | -12.1% | 79.9% | |
| Interest bearing net debt | 892.9 | 428.1 | 108.5% | 892.9 | 428.1 | 108.5% | 647.8 | |
| Leverage, x**** | 5.55 | 4.76 | 16.6% | 5.55 | 4.76 | 16.6% | 5.36 | |

*) LFL = Like-for-like, financials adjusted to reflect full 12 months of all entities owned at the end of the period

***) EBITDA + change in NWC (excluding intra group liability to ultimate parent) - CAPEX (excluding acquisition capex)

****) EBITDA / Operating cash flow before acquisitions

*****) Interest bearing net debt / (LFL LTM adjusted EBITDA + run rate synergies). Run rate synergies per 30.6.2024 amounted to EUR 2.3 million (30.6.2023: 0.6, 31.12.2023: 5.0)

Management review

M&A activity increased significantly again in the second quarter of 2024, with PHM making two strategic acquisitions in addition to several small and medium-sized acquisitions. PHM expanded to Switzerland by acquiring Investis Group's Real Estate Services business (Valores Group) and signed an agreement on acquiring the Denmark-based DEAS Group's Real Estate Services business (DEAS A/S). Valores Group is one of Switzerland's largest providers of property management and maintenance services for residential and commercial properties. Consequently, the acquisition gives PHM a strong position and a stable growth platform to execute its strategy in Switzerland's growing property services market. By acquiring DEAS A/S, a Danish property management company, PHM will more than double the size of its business in Denmark in terms of LFL revenue, and make its service offering the most comprehensive in the Danish market. In order to carry out the acquisitions, PHM significantly strengthened its financing by launching a new EUR 300 million term loan B.

The quarter under review was also operationally successful, as PHM achieved continued revenue growth and improved profitability. Although there was no clear improvement in the market conditions, both contract sales and additional sales continued to grow, while cost control, realisation of synergies and the in-housing of service production boosted profitability. In spite of the substantial organic growth in profit and the LFL EBITDA brought by acquisitions, the debt financing required for the acquisitions made during the quarter under review saw the Group's leverage increase when compared to the end of March 2024.

The execution of strategic development measures continued as planned during the quarter. In addition to the Group's major integration projects, focus was particularly on measures aimed at improving operational efficiency, including the centralisation of IT services in the Group's common IT environment and the centralisation of procurement. The development of PHM Digital was continued in order to enable the deployment of the service in several of the Group's operating countries, and the number of users continued to grow.

PHM will continue to execute its strategy to fulfil its mission of taking care of people by taking care of their surroundings. At the same time, the company aims to become the market leader across all of its markets.

Events after the review period

After the review period PHM has completed two acquisitions in Germany, one each in Finland, Sweden and Switzerland, and closed the acquisition of DEAS A/S in Denmark.

Briefing invitation

PHM Group Holding Oyj's CEO Ville Rantala and CFO Petri Pellonmaa will present the result to investors and analysts on 14 August 2024 at 15.00 CET in a Teams meeting. Invitations to investor meetings can be subscribed from the website.

Publication of the next financial results

PHM Group Holding Oyj will publish Q3/2024 Interim Report on 14 November 2024 at 9.00 CET.

PHM GROUP HOLDING OYJ

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PHM Group Holding Oyj in brief

PHM Group is a property services group whose mission is to care about people by taking care of their surroundings. PHM Group consists of the best local companies in the industry with the same values and motivations: entrepreneurship and a fair and responsible way of working.

PHM Group employs over 10,000 property services professionals in Finland, Sweden, Norway, Denmark, Germany and Switzerland. The Group's consolidated revenue amounted to EUR 759 million in 2023. PHM Group is owned by the funds managed by Norvestor and the Intera fund together with the management of the local companies. Read more:

phmgroup.com

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Attachments

- [Download announcement as PDF.pdf](#)
- [PHM Group Holding Oyj Half-Year Report January - June 2024.pdf](#)