All-stars in local property service.

Financial Statements Bulletin 2024

PHM Group Holding Oyj (3123811-8)

1 JANUARY – 31 DECEMBER 2024

Financial Statements Bulletin 2024 (unaudited)

Fourth quarter highlights

- Reported revenue increased by 46% to EUR 285.5 million (195.9).
- Reported EBITDA increased by 52% to EUR 38.4 million (25.2).
- LFL* revenue decreased by -3% to EUR 286.2 million (296.1).
- LFL adjusted EBITDA increased by 1% to EUR 44.4 million (43.9).
- Profit for the period amounted to EUR -7.6 million (-2.5).
- Operating cash flow before acquisitions increased significantly, amounting to EUR 54.4 million (28.7).
- Leverage was 5.09x (5.36).

January – December highlights

- Reported revenue increased by 51% to EUR 946.2 million (624.9).
- Reported EBITDA increased by 60% to EUR 137.7 million (86.2).
- LFL revenue increased by 3% to EUR 1,127.7 million (1,095.0).
- LFL adjusted EBITDA increased by 9% to EUR 180.1 million (164.7).
- Profit for the period amounted to EUR -15.8 million (-2.3).
- Operating cash flow before acquisitions increased by 93% to EUR 132.9 million (68.9).

Significant events during the quarter

- Six acquisitions were made in the fourth quarter of 2024. Total acquired revenue amounted to EUR 9.8 million.
- The result continued to improve due to efficiency improvement measures, although LFL revenue did not reach the level achieved in the comparison period. The decline in revenue was mainly due to the mild winter weather.
- In the latter part of the year, PHM decided to switch to using zero-emission electricity in all of its operating countries. The implementation of this decision will proceed in stages during 2025.
- Richard Toppar was appointed as Country Director of PHM Sweden, effective from 1 February 2025.
- The execution of strategic development measures continued as planned.

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

EUR million, IFRS	10-12/24	10-12/23	Change %	1-12/24	1-12/23	Change %	LTM
Reported							
Revenue	285.5	195.9	45.7%	946.2	624.9	51.4%	946.2
EBITDA	38.4	25.2	52.2%	137.7	86.2	59.7%	137.7
Adjusted EBITDA	43.8	28.0	56.3%	154.1	93.2	65.4%	154.1
Adjusted EBITDA margin %	15.4%	14.3%	1.0%	16.3%	14.9%	1.4%	16.3%
Adjusted EBITA	30.7	19.4	58.4%	109.4	64.5	69.6%	109.4
Adjusted EBITA margin %	10.7%	9.9%	0.9%	11.6%	10.3%	1.2%	11.6%
LFL *) financials							
LFL Revenue	286.2	296.1	-3.3%	1,127.7	1,095.0	3.0%	1,127.7
LFL EBITDA	38.9	36.8	5.8%	165.5	148.4	11.5%	165.5
Adjusted LFL EBITDA	44.4	43.9	1.3%	180.1	164.7	9.4%	180.1
Adjusted LFL EBITDA margin %	15.5%	14.8 %	0.7%	16.0%	15.0%	0.9%	16.0%
Adjusted LFL EBITA	31.2	30.9	0.9%	128.7	115.9	11.0%	128.7
Adjusted LFL EBITA margin %	10.9%	10.5%	0.5%	11.4%	10.6%	0.8%	11.4%
Financial position							
Operating cash flow before acquisitions**	54.4	28.7	89.6%	132.9	68.9	92.9%	
Cash conversion before acquisitions***	141.7%	113.8%	27.9%	96.5%	79.9%	16.6%	
Interest bearing net debt	1,003.4	647.8	54.9%	1,003.4	647.8	54.9%	
Leverage, x****	5.09	5.36	-5.0%	5.09	5.36	-5.0%	

*) 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 31.12.2024 amounted to EUR 16.8 million (31.12.2023: 9.0)

Management review

During the fourth quarter, operational profitability increased due to successful synergy measures, and like-for-like EBITDA increased year-on-year. Revenue decreased slightly year-on-year, mainly due to low snowfall during the winter, lower demand in the project business and the termination of unprofitable public contracts. Operating cash flow was very strong thanks to improved profitability and the successful management of working capital and investments. As a result, leverage also decreased significantly when compared to the previous quarter. This was attributable to a strong cash position and successful synergy measures.

M&A activity was quieter after two very active quarters. Nevertheless, PHM managed to continue its expansion in Germany through two acquisitions, and the Group also made four other acquisitions.

The integration of DEAS A/S in Denmark and VERIT Immobilien AG in Switzerland progressed as planned, and further synergies are expected from the projects. The integration process is being developed continuously in order to achieve increasing operational benefits. Regarding strategic IT projects, the number of customers using PHM Digital grew steadily in Finland and Sweden, and preparatory measures to introduce PHM Digital to new markets were initiated at the beginning of 2025. The implementation of other strategic development measures, such as those aimed at improving the efficiency of procurement activities, also continued as planned.

PHM will continue to execute its strategy and 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.

Operating environment

PHM's business is to provide must-have weekly, monthly and seasonally recurring services, complemented by a broad offering of additional services to serve the needs of our customers. In general, the demand for recurring services is unaffected by external market factors, whereas the additional services range from essential to discretionary services, some of which are more prone to be affected by external market factors. The Group's pricing power is good and, thus, the main impact on PHM's business from changes in the operating environment is related to the timing of cost and revenue increases of recurring services. This can temporarily impact the Group's margins and customer demand for non-essential additional services.

During the fourth quarter, the operating environment continued to be affected by general economic uncertainty in all of PHM's operating countries. Interest rates decreased during the quarter but remained at a relatively high level. Consequently, consumer confidence was still low, and the property market continued to be subdued. Housing companies continued to show selectivity in purchasing non-essential additional services, but demand picked up slightly during the quarter. Investments by professional property owners were limited, and project demand among commercial and public sector customers was low. Inflation remained stable during the quarter, which has eased margin pressure and will also contribute to increased consumer confidence and demand going forward. Risk appetite in the financial markets remained at a good level and the market was active, which helped maintain good access to financing.

Despite being a locally operating service company, PHM is not unaffected by broader macroeconomic developments. Geopolitical tensions, including Russia's ongoing war in Ukraine, recent emerging conflicts in the Middle East, and tensions between major economies, such as China and the US, continue to cause uncertainty in the operating environment, which may impact economic growth, inflation, and consumer confidence. Changes in the monetary policies of major central banks may impact customer demand, financing conditions and various currencies that directly or indirectly affect PHM.

Organic growth and operational efficiency

In the fourth quarter of 2024, like-for-like revenue decreased by 3% to EUR 286.2 million, and LFL adjusted EBITDA increased by 1% to EUR 44.4 million. The impact of exchange rate developments on profit performance was minor: EUR 0.6 million on LFL revenue and EUR 0.1 million on LFL adjusted EBITDA during the quarter.

LFL revenue is calculated by adjusting for the revenue of acquired entities for the time when they were not part of the Group. LFL revenue decreased by 3.5% at comparable exchange rates. Contract revenue increased in Finland, Denmark and Germany, mainly due to successful price increases. In Norway, the decrease in contract revenue was mainly due to the termination of low profit contracts with public sector customers. In Sweden, similarly a couple of larger public sector contracts with low profitability were discontinued. In Switzerland, weather conditions made façade and window-cleaning operations more difficult, but revenue growth was supported by other large cleaning projects and the asbestos business. Additional sales in other operating countries declined due to low snowfall in the latter part of the year and weak demand in the project business in Norway.

LFL adjusted EBITDA growth was supported by lower operating expenses and personnel expenses due to realised synergies, and reduced fleet expenses due to lower fuel costs, among other factors.

In the fourth quarter, good progress was made on the project to increase the efficiency of procurement activities, as reporting capabilities improved across all of the Nordic countries. Procurement cooperation between different operating countries is also progressing as planned. Efforts to increase the efficiency of the integration process for new companies continued, and the aim is to further improve the efficiency of operational activities. In Denmark, the integration of DEAS A/S continued as expected, and the synergies identified thus far during the integration process have significantly exceeded the management's original pre-merger assessment of synergies.

Acquisitions

PHM Group completed six acquisitions in the fourth quarter of 2024: three in Finland, one in Norway and two in Germany. Together, the closed acquisitions had a positive effect of EUR 9.8 million on LTM like-for-like revenue and a positive effect of EUR 1.2 million on LTM like-for-like adjusted EBITDA.

PHM made two acquisitions in Germany that enable expansion in both the northern and southern parts of the country. In the north, the acquisition of the share capital of a.di.g. Dienstleistungen GmbH provides PHM Group with the opportunity to expand its operations in the Berlin area. The company specialises in cleaning, gardening, winter maintenance and property maintenance, and its customers are mostly private sector entities. In the south, PHM Group expanded its operations to the Munich area by acquiring GE-Service Dienstleistungen GmbH and GeMoBau GmbH. The companies operate in Wasserburg am Inn, and their existing customer base extends all the way to Munich. The companies provide cleaning and gardening services, as well as property maintenance and renovation services, mainly to residential properties and housing companies, but also to commercial properties and public sector properties.

PHM also continued its growth in Finland by closing three acquisitions. Heinolan Talohuolto Oy provides property maintenance and cleaning services in the Heinola area, Talo- ja Konepalvelut Sommar Oy provides property maintenance and earthworks services in Nokia, and Kotipolun Pihaportti Oy provides a wide range of property maintenance, cleaning and glass services in Loimaa.

Completed acquisitions and disposals 1-12/2024

Target company	Country	Region	Closing	% of voting rights	Currency	Revenue *)	EBITDA *)
Acquisitions							
Savonlinnan Siivous- ja Kiinteistöhuoltokeskus SK2**	Finland	Savonlinna	January		EURm	0.9	0.2
Nokian Saneeraus Asiantuntijat Oy	Finland	Nokia	February	100	EURm	1.0	0.2
Høvik Eiendomsdrift AS	Norway	Drammen	March	100	NOKm	17.1	2.2
Pur98100 Gebäude-Service**	Germany	Flensburg	March		EURm	2.6	0.5
Allgranthgruppen***	Sweden	Stockholm	March	100	SEKm	49.7	6.7
Korrekt Bostadsrättsförvaltning****	Sweden	Stockholm	March	100	SEKm	3.3	1.6
Kiinteistöpalvelu Kukkonen Oy	Finland	Heinola	April	100	EURm	2.0	0.2
Borg Service****	Denmark	Jutland	May	100	DKKm	2.9	0.4
Rauman Pihapojat Oy	Finland	Rauma	May	100	EURm	1.2	0.2
J S E Ejendomsservice ApS	Denmark	Copenhagen	May	100	DKKm	5.1	0.9
Schöne & Co. Tech GmbH and Schöne Gebäude-Reinigung GmbH	Germany	Kassel	May	100	EURm	6.6	1.2
KS-Kiinteistö Oy	Finland	Jyväskylä	June	100	EURm	1.7	0.1
Kiinteistöhuolto Hautanen Oy	Finland	Seinäjoki	June	100	EURm	1.6	0.4
Päre Siivous**	Finland	Rovaniemi	June		EURm	0.4	0.0
Absolutt Rent AS	Norway	Oslo	June	100	NOKm	10.4	3.7
Valores Group*****	Switzerland	Nationwide	June	100	CHFm	184.8	22.9
Pieksämäen Seudun Talohuolto Oy	Finland	Pieksämäki	July	100	EURm	1.9	0.3
Attentive Fastighet och Företagsservice Ab	Sweden	Kiruna	July	100	SEKm	26.3	4.8
Verit Immobilien****	Switzerland	Nationwide	July	100	CHFm	18.3	0.0
Flensburger Objektservice GmbH & Kieler Gebäudeservice GmbH	Germany	Flensburg & Kiel	July	100	EURm	2.8	0.6
Hausmeisterservice Wermke GmbH	Germany	Hamburg	July	100	EURm	2.1	0.1
DEAS A/S*****	Denmark	Nationwide	August	100	DKKm	663.1	81.1
ImmoS Clean & Care GmbH	Germany	Mannheim	August	100	EURm	2.8	0.8
Keski-Suomen Talonmiespalvelu Oy	Finland	Keuruu	September	100	EURm	0.9	0.2
Der HausmeisterPROFI FM GmbH	Germany	Nürnberg	September	100	EURm	2.1	0.3
Heinolan talohuolto Oy	Finland	Heinola	October	100	EURm	1.0	0.1
Talo- ja Konepalvelut Sommar Oy	Finland	Nokia	October	100	EURm	0.6	0.1
a.di.g. Diensleistungen GmbH	Germany	Oranienburg	November	100	EURm	1.3	0.4
GE-Service Diensleistungen GmbH & GeMoBau GmbH	Germany	Wasserburg am Inn	November	100	EURm	5.0	0.3
Stor-Oslo Rørleggerservice AS	Norway	Oslo	November	100	NOKm	9.2	1.0
Kotipolun Pihaportti Oy	Finland	Loimaa	December	100	EURm	1.1	0.1

*) 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

Financing

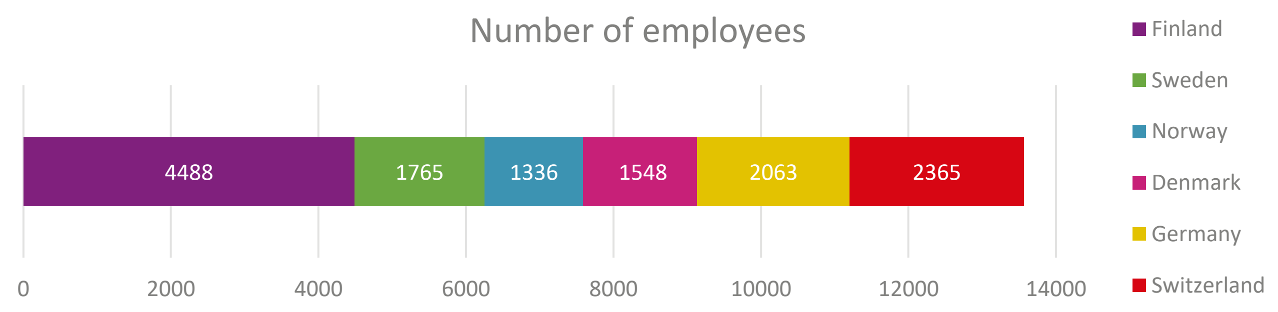
The financial position of PHM Group remained stable during the last quarter of 2024 due to significant financing arrangements made earlier in the financial period. In the second quarter of 2024, PHM Group launched a senior secured term loan B of EUR 300 million. The floating rate loan has a maturity of seven years. The term loan B was successfully priced and allocated to investors, and it has a margin of 4.75% above the 3-month Euribor rate. The proceeds were used to finance acquisitions and related acquisition costs, as well as for general corporate purposes. During the second quarter, PHM also increased the size of its Super Senior RCF to EUR 92.5 million.

During the first quarter, PHM Group completed a tap issue of its senior secured callable floating rate notes in a nominal amount of EUR 35 million. The subsequent notes were issued on the same terms as the EUR 265 million senior secured callable floating rate notes due in 2026, under the company's existing framework of EUR 450 million. The notes were in high demand and issued at a price corresponding to 104.25% of the nominal value.

At the end of the review period, the total amount of outstanding senior secured notes was EUR 640 million. The total amount consists of EUR 300 million in floating rate notes and EUR 340 million in fixed rate notes. The notes are listed on the Nasdaq Helsinki Stock Exchange and the Frankfurt Open Market. The Super Senior RCF of EUR 92.5 million had EUR 63.5 million remaining undrawn.

People, Responsibility and Good Governance

At the end of December, the PHM Group companies employed 13,565 people (LFL) on average across the six countries where the Group operates. Adjusted for the time the companies have been part of PHM the average number of employees was 11,722. Like-for-like personnel expenses adjusted for non-recurring items in January - December totalled EUR 611.4 million (595.1). Reported personnel expenses totalled EUR 493.9 million (307.5).



In the fourth quarter of 2024, PHM Group continued to implement its Corporate Responsibility Strategy as planned, and the focus of the work remained largely on preparations related to the Corporate Sustainability Reporting Directive (CSRD). CSRD-report will be published as part of Group Financial Statements in April, week 18. Among other things, PHM continued the deployment of the sustainability reporting system, prepared ESRS-compliant data collection and the emissions calculation data collection process, both on a centralised basis at the Group level and in the various operating countries and worked in close cooperation with the sustainability report assurance provider to produce ESRS-compliant content. In addition, in the latter part of the year, PHM decided to switch to using zero-emission electricity in all of its operating countries. The implementation of this decision will proceed in stages during 2025.

PHM Group continued the implementation of its Personnel Strategy in the fourth quarter of 2024. An extensive personnel survey was carried out in all of the Group's operating countries. The results of the survey will be used to support planning for the new year and the development of teams, among other purposes. The deployment of HR systems continued, which will enable more extensive reporting in the future.

Financial review

October-December

The Group's reported revenue was EUR 285.5 million (195.9), and adjusted EBITDA was EUR 43.8 million (28.0) in the fourth quarter of 2024. In addition to the operational development discussed below in the financial review section on LFL figures, the scale of the Group's business relative to the comparison period also continued to increase due to the several significant acquisitions made by PHM in 2023 and 2024. The year-on-year growth is largely attributable to the acquisitions in question.

The Group's result for the fourth quarter was EUR -7.6 million (-2.5). In addition to being affected by operating costs, the result was affected by the amortisation of customer- and brand-related intangible assets from acquisitions made, and the amortisation of other long-term expenditure totalling EUR -10.8 million (-5.3), as well as financing costs, which amounted to EUR -25.9 million (-13.2). In addition to interest expenses, the net financial expenses also included financing-related advisory costs and realised translation differences, among other items. The increase in financing costs is due to the increase in debt financing necessary for implementing PHM's growth strategy.

The Group's LFL revenue decreased by 3.3% to EUR 286.2 million (296.1). LFL revenue is calculated by adjusting for the revenue of acquired entities for the time when they were not part of the Group. LFL revenue decreased by 3.5% at comparable exchange rates. Contract revenue increased in Finland, Denmark and Germany, mainly due to successful price increases. In Norway, the decrease in contract revenue was mainly due to the termination of unprofitable contracts with public sector customers. A few large public sector contracts with low profitability were discontinued in Sweden, as well. In Switzerland, weather conditions made façade and window-cleaning operations more difficult, but revenue growth was supported by other large cleaning projects and the asbestos business. Additional sales in other operating countries declined due to low snowfall in the latter part of the year and weak demand in the project business.

The overall impact of exchange rate fluctuations on revenue was minor at EUR 0.6 million, but there were continued country-specific fluctuations in exchange rates. During the last 12 months, Finland accounted for approximately 30%, Sweden for 19%, Norway for 11%, Denmark for 14%, Germany for 7% and Switzerland for 19% of LFL revenue.

The Group's LFL adjusted EBITDA increased by 1.3% to EUR 44.4 million (43.9). At comparable exchange rates, LFL adjusted EBITDA increased by 1.1%. LFL adjusted EBITDA growth was supported by lower operating expenses and personnel expenses due to realised synergies, and reduced fleet expenses due to lower fuel costs, among other factors. Consequently, the adjusted EBITDA margin improved by 0.7 percentage points year-on-year.

The Group's operating cash flow before acquisitions and financial items increased year-on-year and amounted to EUR 54.4 million (28.7). Operating cash flow was supported by higher EBITDA and the release

of working capital, while capital expenditure was on a par with the previous year. Investments in tangible and intangible assets amounted to
EUR -10.0 million (-10.1). This amount mainly consisted of investments in machinery and equipment.

At the end of the period, interest-bearing net debt was EUR 1,003.4 million and leverage was 5.09x. Interest-bearing net debt decreased from the level seen at the end of the third quarter of 2024 due to the strong cash position. Leverage decreased due to good organic growth and strong cash flows. Synergy-adjusted LFL EBITDA for the previous 12 months increased significantly due to acquisitions and strong organic EBITDA growth as well as high synergy expectations from ongoing integrations. The Group’s liquidity remained strong: cash and cash equivalents totalled EUR 55.1 million, and EUR 63.5 million of the Super Senior RCF was undrawn.

January-December

The Group’s reported revenue for 2024 was EUR 946.2 million (624.9), and adjusted EBITDA was EUR 154.1 million (93.2). In addition to the operational development discussed below in the financial review section on LFL figures, the scale of the Group's business relative to the comparison period also continued to increase due to the several significant acquisitions made by PHM in 2023 and 2024. The year-on-year growth is largely attributable to the acquisitions in question.

The Group's profit for 2024 came to EUR -15.8 million (-2.3). In addition to being affected by operating costs, the result was affected by the amortisation of customer- and brand-related intangible assets from acquisitions made, and the amortisation of other long-term expenditure totalling EUR -29.4 million (-16.7), as well as financing costs, which amounted to EUR -81.8 million (-41.3). In addition to interest expenses, the net financial expenses also included financing-related advisory costs and realised translation differences, among other items. The increase in financing costs was due to the increase in debt financing necessary for implementing PHM’s growth strategy.

The Group’s LFL revenue increased by 3.0% to EUR 1,127.7 million (1,095.0). LFL revenue is calculated by adjusting for the revenue of acquired entities for the time when they were not part of the Group. LFL revenue growth at comparable exchange rates was 2.8%. LFL revenue growth was supported by increased contract sales in all of the Group's operating countries, driven by price increases and the growth of the contract base. Additional sales were boosted particularly by winter-related services in the first quarter, but weak demand in the project business and the mild weather conditions during the fourth quarter meant that the overall development of additional sales was negative for the year. LFL revenue increased in all countries except Norway and Denmark. The overall impact of exchange rate fluctuations on revenue was EUR 2.6 million. This was due to the appreciation of the Swiss franc, the effect of which was partially offset by the depreciation of the Danish krone and the Norwegian krone.

The Group’s LFL adjusted EBITDA increased by 9.4% to EUR 180.1 million (164.7). At comparable exchange rates, LFL adjusted EBITDA grew by 9.2%. LFL adjusted EBITDA was supported by revenue growth, lower material costs due to the decrease in project revenue, the realisation of planned synergies from acquisitions, the successful in-housing of previously subcontracted work, and lower operating costs, which were mainly due to decreased administrative expenses and business premises expenses. However, this development was offset by higher subcontracting costs, which was due to sales in the early part of the year being more focused on winter-related services, in which the use of external workers is higher. Personnel costs increased due to the growth of in-house service production and general increases to wages. The increase in personnel costs was in line with revenue growth. Consequently, the adjusted EBITDA margin improved by
0.8 percentage points year-on-year.

The Group's operating cash flow, prior to acquisitions and financial items, significantly increased from the comparative period, reaching EUR 132.9 million (68.9). Operating cash flow was supported by higher EBITDA and the release of working capital, but higher capital expenditure reduced cash flow. Investments in tangible and intangible assets amounted to EUR -32.8 million (-22.5). This amount consisted mainly of investments in machinery and equipment, as well as intangible assets arising from acquisitions carried out as asset purchases.

Events after the fiscal year

After the review period, PHM closed one acquisition in Denmark and one in Sweden. Richard Toppar started as Country Director, Sweden, and a member of the Group Management Team on 1 February 2025.

Declaration of the board

We confirm that, to the best of our knowledge, the consolidated financial statements give a true and fair view of the Group's assets, liabilities, financial position, and results of operations for the period. We also confirm, to the best of our knowledge, that the management review includes a fair review of important events that have occurred during 2024.

Helsinki, 12 February 2025

Ville Rantala
CEO

Karl Svozilik
Chairman of the Board

Financial information

Consolidated balance sheet

EUR THOUSAND	12 2024	12 2023
ASSETS		
Non-current assets		
Goodwill	924,254	624,621
Intangible assets other than goodwill	263,005	183,198
Tangible assets	97,215	78,335
Right-of-use assets	80,808	47,701
Other shares	4,641	3,011
Other non-current assets	1,550	842
Deferred tax assets	5,544	3,295
Total non-current assets	1,377,017	941,004
Current assets		
Trade receivables	102,228	87,121
Inventories	2,935	3,243
Other current financial assets	496	138
Other current assets	38,773	29,171
Cash and cash equivalents	55,011	35,026
Total current assets	199,444	154,699
Total assets	1,576,461	1,095,703
EQUITY AND LIABILITIES		
Equity		
Share capital	80	80
Fund for unrestricted equity	261,644	208,239
Retained earnings	-32,820	-4,087
Translation differences	-6,917	3,296
Total equity	221,987	207,527
LIABILITIES		
Non-current liabilities		
Interest-bearing loans and borrowings	941,746	603,940
Other non-current liabilities	8,985	3,375
Defined benefits obligations	26,726	0
Lease liabilities	56,186	29,476
Deferred tax liabilities	57,702	43,723
Total non-current liabilities	1,091,346	680,514
Current liabilities		
Trade payables and other payables	202,658	155,898
Interest-bearing loans and borrowings	30,497	24,706
Lease liabilities	27,873	19,459
Income tax payable	2,101	7,598
Total current liabilities	263,128	207,662
Total liabilities	1,354,474	888,176
Total equity and liabilities	1,576,461	1,095,703

Consolidated income statement

EUR THOUSAND	10-12 2024	10-12 2023	1-12 2024	1-12 2023
Net sales	285,481	195,911	946,227	624,904
Other operating income	1,810	1,352	7,020	3,541
Materials and services	-56,313	-52,713	-199,982	-155,538
Personnel expenses	-153,402	-92,690	-493,852	-307,493
Other operating expenses	-39,214	-26,655	-121,761	-79,194
EBITDA	38,362	25,204	137,652	86,219
% of revenue	*13.4%*	*12.9%*	*14.5%*	*13.8%*
Depreciation	-13,162	-8,690	-45,772	-28,716
EBITA	25,200	16,514	91,881	57,504
% of revenue	*8.8%*	*8.4%*	*9.7%*	*9.2%*
Amortisation and impairment	-10,786	-5,267	-29,419	-16,684
Operating result	14,414	11,247	62,461	40,819
% of revenue	*5.0%*	*5.7%*	*6.6%*	*6.5%*
Net financial expenses	-25,858	-13,159	-81,821	-41,281
Result before taxes	-11,444	-1,912	-19,360	-462
Taxes	3,824	-631	3,512	-1,811
Result for the financial period	-7,620	-2,543	-15,848	-2,273

Consolidated Statement of Other Comprehensive Income

EUR thousand	1-12 2024	1-12 2023
Profit for the financial period	-15,848	-2,273
Items that may be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange differences on translation of foreign operations, net of tax	-10,213	11,005
Remeasurements of post-employment benefit obligations	-9,977	0
Other comprehensive income/(loss) for the year, net of tax	-20,190	11,005
Total comprehensive income for the financial period	-36,038	8,732
Profit for the period attributable to		
Equity holders of the parent	-15,848	-2,273
Total comprehensive income attributable to		
Equity holders of the parent	-36,038	8,732

Consolidated statement of Changes in Equity

31.12.2024

EUR thousand	Share Capital	Fund for unrestricted equity	Translation differences	Retained earnings	Total equity
Equity on 1.1.2024	80	208,239	3,296	-4,087	207,527
Profit for the period	0	0	0	-15,848	-15,848
Other comprehensive income	0	0	-10,213	-9,977	-20,190
Total comprehensive income	0	0	-10,213	-25,825	-36,038
Increase in Fund for unrestricted equity	0	53,405	0	0	53,405
Distribution of profit to Parent company	0	0	0	-2,867	-2,867
Reclassification	0	0	0	0	0
Other changes	0	0	0	-40	-40
Equity on 31.12.2024	80	261,644	-6,917	-32,819	221,987

31.12.2023

EUR thousand	Share Capital	Fund for unrestricted equity	Translation differences	Retained earnings	Total equity
Equity on 1.1.2023	80	160,238	-7,709	-393	152,216
Profit for the period	0	0	0	-2,273	-2,273
Other comprehensive income	0	0	11,005	0	11,005
Total comprehensive income	0	0	11,005	-2,273	8,732
Increase in Fund for unrestricted equity	0	48,000	0	0	48,000
Distribution of profit to Parent company	0	0	0	-1,311	-1,311
Reclassification	0	0	0	0	0
Other changes	0	0	0	-110	-110
Equity on 31.12.2023	80	208,239	3,296	-4,087	207,527

Consolidated cash flow statement

EUR THOUSAND	10-12 2024	10-12 2023	1-12 2024	1-12 2023
Operating activities				
Profit before tax	-11,444	-1,912	-19,360	-463
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation and impairment	23,948	13,957	75,191	45,400
Finance income and expenses	25,855	13,159	81,821	41,284
Other adjustments	-5,291	-3,803	-6,643	-3,846
Change in working capital	26,722	10,036	22,519	545
Other adjustments without payment	4,994	-3,389	6,948	-2,792
Income tax paid	-3,384	222	-8,223	-3,439
Net cash flow from operating activities	61,401	28,270	152,253	76,689
Net cash flow from investing activities				
Acquisition of tangible and intangible assets	-9,965	-10,116	-32,809	-22,490
Acquisition of subsidiaries, net of cash acquired	-3,592	-147,242	-360,230	-222,710
Net cash flow from investing activities	-13,556	-157,357	-393,039	-245,201
Net cash flow from financing activities				
Increase in fund for unrestricted equity for consideration	0	45,315	52,094	48,002
Paid dividends and other distribution of profit	-1,469	0	-1,468	0
Net change in borrowings	11,079	119,002	314,612	178,655
Net interests and finance costs paid	-29,024	-15,966	-72,962	-35,083
Payments of lease liabilities	-8,756	-5,768	-31,116	-18,807
Net cash from financing activities	-28,171	142,583	261,159	172,767
Net increase in cash and cash equivalents	19,674	13,495	20,373	4,255
Cash and cash equivalents at the beginning of the period	35,648	21,668	35,026	31,632
Effect of exchange rate changes on cash and cash equivalents	-311	-137	-388	-861
Cash and cash equivalents at reporting period end	55,011	35,026	55,011	35,026

Notes to the interim consolidated financial statements

Accounting principles

1. Reporting Entity

PHM Group Holding Oyj ("PHM" or "Group") is a limited company incorporated and domiciled in Finland. The shares of PHM Group Holding Oyj are not publicly listed. The registered office is located in Helsinki, Uusimaa, Finland.

These condensed interim financial statements for 2024 comprise the Company and its subsidiaries (together referred to as the 'Group'). PHM Group Holding Oyj is consolidated into PHM Group TopCo Oy. The ultimate parent of this Group is PHM Group TopCo Oy.

2. Accounting Principles

The Group's Financial Statements Bulletin for 2024 has been prepared in line with IAS 34, 'Interim Financial Reporting' and should be read in conjunction with the Group's financial statements for 2023, published in April 2024. The Group has applied the same accounting principles in the preparation of this Interim Report as in its Financial Statements for 2023. The information presented in this Interim Report has not been audited.

3. Seasonality

The Group operates in an industry where there are no significant seasonal changes and as such revenue and profit are generated evenly throughout the year.

4. Segment reporting

PHM reports its business operations as one segment, which is in line with the internal reporting delivered to the chief operating decision maker. The chief operating decision maker of PHM is the board of directors and the management group.

Since PHM is managed as one segment by the chief operating decision maker and the management reporting only consist of Group level reporting, PHM only has one operating segment.

5. Revenue

The Group's business consists of property services. Property services have similar financial characteristics and are also similar in terms of the nature of the service production processes, the type of customer, and the methods used in service distribution.

PHM's customer contracts mainly consist of the following services:

Key contractual and recurring services

- Property maintenance
- Maintenance of outdoor areas
- Cleaning services
- Property management
- Financial management services

Additional and complementary services

- Technical services
- Landscaping and green area building
- Sewer maintenance and transport services
- Special cleaning
- Other services

PHM recognises revenue from the aforementioned services over time as the services are rendered. Property maintenance services are invoiced on a monthly basis according to services rendered. Additional and complementary services are invoiced separately based on hourly fees, and the revenue is recognised accordingly over time when the services are rendered.
PHM also provides short-term projects. These short-term projects generally have a duration of 1–6 months in all operating countries. PHM periodises the revenue of short-term projects for each month in which work has been performed, and thus recognises revenue over time. The revenue from short-term projects has not been significant during the transition period.

The rendering of services may include variable considerations, such as discounts, penalties for delays and customer claims. If the consideration in a contract includes a variable amount, the Group estimates the amount of the consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

PHM's contracts with customers do not include significant variable considerations.

6. Intangible Assets

PHM's intangible assets arise from separately acquired or developed intangible assets. Separately acquired intangible assets are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is measured at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are recorded as expenses and the expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

In PHM the useful lives of customer related intangible assets are 10 and 12 years and marketing related intangible assets 15 years.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. PHM does not have any intangible assets with indefinite life.

7. Goodwill

Goodwill arises from the business combinations, and it corresponds to the amount that the consideration transferred exceeds the fair value of identifiable net assets as of the acquisition date. Goodwill from business combinations is allocated for impairment testing to the cash generating unit that is expected to gain benefit from the synergies created by the business combination.
Goodwill is reviewed for impairment annually or whenever events or changes in circumstances indicate to a possible impairment. The carrying amount of the cash-generating unit (CGU) including goodwill is compared to the recoverable amount which is the higher of the fair value less costs of disposal or the value in use. Possible impairment is recognised as an expense in the statement of profit and loss with immediate effect, and it will not be reversed later.
If the recoverable amount of an asset is less than its carrying amount, the impairment loss is recorded so that the carrying amount of the asset is equal to its recoverable amount.

8. Related parties

PHM's related parties comprise of subsidiaries, the board of directors, the CEO and the rest of the company's management team and their close family members, as well as entities under their control or joint control, sister companies belonging to the group structure.

Revenue from Contracts

Net sales by country, EUR thousand	1-12 2024	1-12 2023
Finland	331,765	298,729
Sweden	215,495	168,211
Norway	123,932	68,024
Denmark	105,700	49,394
Germany	62,915	40,546
Switzerland	106,420	-
Total revenue from contracts with customers	946,227	624,904

Goodwill and Intangible assets

EUR thousand	Goodwill	Customer related intangibles	Marketing related intangibles	Other intangible assets excluding goodwill	Total excluding goodwill	Total
31.12.2023	624,621	201,810	21,317	7,768	230,895	855,516
Business combinations	299,255	86,909	-	20,274	107,183	406,438
Additions	7,267	-	-	3,719	3,719	10,986
Disposals	-34	-	-	84	84	50
Translation differences	-6,810	-1,581	-270	52	-1,799	-8,609
Reclassification	-44	-	-	23	23	-21
31.12.2024	924,254	287,138	21,047	31,920	340,105	1,264,359
Amortisation and impairment						
31.12.2023	-	-42,165	-2,988	-2,544	-47,697	-47,697
Amortisation	-	-21,683	-1,404	-6,316	-29,403	-29,403
31.12.2024	-	-63,848	-4,392	-8,860	-77,100	-77,100
Net book value						
31.12.2024	924,254	223,291	16,654	23,060	263,005	1,187,260

EUR thousand	Goodwill	Customer related intangibles	Marketing related intangibles	Other intangible assets excluding goodwill	Total excluding goodwill	Total
31.12.2022	416,764	138,928	12,514	4,549	155,991	572,755
Business combinations	219,596	66,273	8,791	994	76,058	295,654
Additions	186	-	-	2,357	2,357	2,542
Disposals	-60	-	-	-34	-34	-94
Translation differences	-11,861	-3,391	12	-59	-3,438	-15,299
Reclassification	-3	-	-	-39	-39	-42
31.12.2023	624,621	201,810	21,317	7,768	230,895	855,516
Amortisation and impairment						
31.12.2022	-	-27,760	-1,917	-1,337	-31,014	-31,014
Amortisation	-	-14,405	-1,071	-1,207	-16,683	-16,683
31.12.2023	-	-42,165	-2,988	-2,544	-47,697	-47,697
Net book value						
31.12.2023	624,621	159,645	18,329	5,225	183,199	807,820

Tangible assets

EUR thousand	Land and water areas	Buildings	Machinery & equipment	Construction in progress	Other equipment	Total
31.12.2023	143	3,052	74,732	-	408	78,335
Additions	-	2,837	21,808	111	2,406	27,162
Business combinations	9	1,720	7,030	-	4,420	13,180
Disposals	-	-258	-2,793	-5	-326	-3,383
Reclassifications	-	55	-99	5	-4	-43
Depreciation charge for the year	-	-809	-15,672	-	-1,204	-17,685
Translation differences	-	-14	-439	-	102	-351
31.12.2024	152	6,585	84,566	111	5,802	97,215

EUR thousand	Land and water areas	Buildings	Machinery & equipment	Construction in progress	Other equipment	Total
31.12.2022	150	2,725	55,649	-	510	59,034
Additions	-	950	22,663	-	375	23,988
Business combinations	-	146	8,593	-	188	8,927
Disposals	-	-367	-1,729	-	-21	-2,118
Reclassifications	-7	62	486	-	-444	98
Depreciation charge for the year	-	-463	-10,700	-	-170	-11,332
Translation differences	-	-0	-230	-	-31	-262
31.12.2023	143	3,052	74,732	-	408	78,335

Interest-bearing loans and borrowings

Net interest-bearing debt

EUR thousand	31.12.2024	31.12.2023
Non-current interest-bearing liabilities	941,746	603,940
Current interest-bearing loans and borrowings	30,497	24,706
Lease liabilities	84,059	48,936
Contingent consideration	2,079	5,214
Cash and cash equivalents	-55,011	-35,026
Net interest-bearing debt total	1,003,370	647,769

Changes in the interest-bearing liabilities

31.12.2024

EUR thousand	Opening balance 1.1.	Business combinations	Translation differences	Other changes	Reporting date balance
Non-current interest-bearing liabilities	603,940	1,453	-222	336,574	941,746
Current interest-bearing liabilities	24,706	22,991	389	-17,589	30,497
Lease liabilities	48,936	22,578	-651	13,196	84,059
Contingent considerations	5,214	0	-88	-3,047	2,079
Total changes in interest-bearing liabilities	682,796	47,023	-572	329,134	1,058,381

31.12.2023

EUR thousand	Opening balance 1.1.	Business combinations	Translation differences	Other changes	Reporting date balance
Non-current interest-bearing liabilities	418,297	1,043	-78	184,679	603,940
Current interest-bearing liabilities	4,314	207	4	20,180	24,706
Lease liabilities	27,222	18,777	-700	3,636	48,936
Contingent considerations	2,987	0	-21	2,248	5,214
Total changes in interest-bearing liabilities	452,819	20,028	-795	210,744	682,796

Business Combinations

EUR thousand	Acquisitions in 1-12 2024	Acquisitions in 1-12 2023
Purchase price		
Consideration paid in cash	380,177	241,567
Contingent considerations	1,655	-4,242
Total	381,833	237,325
Fair value of assets and liabilities recognised on acquisitions		
Assets		
Intangible assets		
Customer related intangibles	86,909	66,273
Marketing related intangibles	-	8,791
Other intangible assets	20,274	108
Intangible assets	107,183	75,172
Tangible assets	13,180	8,927
Land and water areas	9	-
Buildings	1,720	146
Machinery & equipment	7,030	8,593
Other equipment	4,420	188
Other assets	114,382	53,878
Cash and cash equivalents	19,947	18,856
Total assets	254,692	156,833
Liabilities		
Non-interest bearing liabilities	71,507	39,914
Interest bearing liabilities	47,746	68,764
Deferred tax liability	17,842	16,338
Total liabilities	137,095	125,017
Total identifiable net assets at fair value	117,596	31,816
Goodwill arising on acquisition	299,255	219,596
Purchase consideration transferred	416,851	251,412
Cash flow impact of acquisitions		
Paid in cash		
Cash and cash equivalents	-380,177	-241,567
Expenses related to the acquisitions	-5,131	-2,710
Net cash flow on acquisition	-385,308	-244,277

Related party transactions

Service provided to

EUR thousand	31.12.2024	31.12.2023
to Companies held by CEO or to CEO	514	489
Total	514	489

Services Purchased from

EUR thousand	31.12.2024	31.12.2023
Real-estate leases from Mivi Capital (CEO is shareholder)	-753	-732
Personnel recreation expenses from Scandinavian Outdoor (CEO is shareholder)	-135	-104
Total	-888	-836

Definitions of alternative performance measures

Formulas of Key Figures

EBITDA	=	Operating profit + depreciations and amortisation	
EBITDA margin -%	=	$\frac{\text{Operating profit + depreciations and amortisation}}{\text{Net sales}}$	x 100
EBITA	=	Operating profit + amortisation	
EBITA margin -%	=	$\frac{\text{Operating profit + amortisation}}{\text{Net sales}}$	x 100
Adjusted EBITDA	=	EBITDA + non-recurring items	
Adjusted EBITDA margin -%	=	$\frac{\text{Adjusted EBITDA}}{\text{Net sales}}$	x 100
Adjusted EBITA		EBITA + non-recurring items	
Adjusted EBITA margin -%	=	$\frac{\text{Adjusted EBITA}}{\text{Net sales}}$	x 100
LFL Revenue (net sales)		Net sales + like-for-like adjustments	
LFL EBITDA		EBITDA + like-for-like adjustments	
LFL adjusted EBITDA		Adjusted EBITDA + like-for-like adjustments	
LFL adjusted EBITDA margin -%	=	$\frac{\text{LFL adjusted EBITDA}}{\text{Net sales}}$	x 100
LFL adjusted EBITA		Adjusted EBITA + like-for-like adjustments	
LFL adjusted EBITA margin -%	=	$\frac{\text{LFL adjusted EBITA}}{\text{Net sales}}$	x 100
LFL synergy adjusted EBITDA		LFL adjusted EBITDA + run rate synergies	
Net interest-bearing debt (NIBD)		Interest bearing liabilities - cash and cash equivalents	
Leverage, x		$\frac{\text{Net interest-bearing debt (NIBD)}}{\text{LFL synergy adjusted EBITDA}}$	x 100
Operating cash flow before acquisitions		EBITDA + change in working capital (excluding intra group liability to ultimate parent) + Proceeds from sale of tangible and intangible assets + Purchase of tangible and intangible assets	
Cash conversion,%		$\frac{\text{EBITDA}}{\text{Operating cash flow before acquisitions}}$	x 100

Contact

Additional information about the company can be found on the corporate website.

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