



PHM Group Holding Oyj's Interim Report January–March 2024: Strong organic growth and improved profitability

15.5.2024 10:00:00 EEST | PHM Group Holding Oyj | Interim report (Q1 and Q3)

PHM Group Holding Oyj Stock Exchange Release 15.5.2024 at 10:00 a.m. EEST

This release is a summary of PHM Group Holding Oyj's unaudited interim report January–March 2024. The full release is attached and available on our website at <https://www.phmgroup.com/investors/>.

First quarter highlights

- Reported revenue increased by 46% to EUR 205.2 million (140.9)
- Reported EBITDA increased by 54% to EUR 30.4 million (19.8)
- LFL revenue increased by 9% to EUR 207.3 million (190.9). At comparable exchange rates, LFL revenue increased by 10%
- LFL adjusted EBITDA increased by 16% to EUR 33.2 million (28.7). At comparable exchange rates, LFL adjusted EBITDA increased by 17%
- Profit for the period amounted to EUR -2.0 million (1.9)
- Operating cash flow before acquisitions increased by 33% to EUR 26.9 million (20.2)
- Leverage amounted to 5.16x (4.81)

Significant events during the quarter

- There was a clear improvement in the result, driven by revenue growth and realised synergies, but the result was still negatively affected by the unfavourable development of exchange rates.
- M&A activity was at a seasonally lower level when compared to the preceding quarters: acquired total revenue amounted to EUR 10.7 million in the first quarter of 2024.
- Tap issue of senior secured callable floating rate notes in a nominal amount of EUR 35 million.
- The execution of strategic development measures continued as planned.

Key figures of the Group

EUR million, IFRS	1-3/24	1-3/23	Change %	1-12/23	LTM
Reported					
Revenue	205.2	140.9	46%	624.9	N/A
EBITDA	30.4	19.8	54%	86.2	N/A
Adjusted EBITDA	32.8	21.1	56%	93.7	N/A
Adjusted EBITDA margin %	16.0%	14.9%	1.1%	15.0%	N/A
Adjusted EBITA	23.8	14.8	61%	65.0	N/A
Adjusted EBITA margin %	11.6%	10.5%	1.1%	10.4%	N/A
LFL *) financials					
LFL Revenue	207.3	190.9	9%	769.6	786.0
LFL EBITDA	30.9	27.5	12%	110.5	113.8
Adjusted LFL EBITDA	33.2	28.7	16%	117.6	122.2

Adjusted LFL EBITDA margin %	16.0%	15.0%	1.0%	15.3%	15.5%
Adjusted LFL EBITA	24.1	20.2	20%	82.0	86.0
Adjusted LFL EBITA margin %	11.6%	10.6%	1.1%	10.7%	10.9%
Financial position					
Operating cash flow before acquisitions**	26.9	20.2	33%	68.9	
Cash conversion before acquisitions***	88%	102%	-14%	80%	
Interest bearing net debt	649.6	425.0	53%	647.8	
Leverage, x****	5.16	4.86	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 31.3.2024 amounted to EUR 3.8 million (31.3.2023: 0.9, 31.12.2023: 5.2)

Management review

The first quarter of 2024 was a successful period in many ways with strong organic growth and a clear improvement in profitability. PHM Group continued to execute its strategy through acquisitions as well as strategic development measures.

Although there was no clear improvement in market conditions, contract sales continued to grow, additional sales grew substantially, and profitability was improved by cost control and the in-housing of service production. Operating cash flow was also strong during the quarter, which combined with the improved profitability, led to a clear decrease in leverage when comparing to year end 2023.

M&A activity was slightly lower, which is normal for the first quarter of the year. PHM made a total of six acquisitions in several of its operating countries, allowing the company to expand into new geographic regions and strengthen its market position. During the quarter, the Group carried out a tap issue of senior secured floating rate notes amounting to EUR 35 million. Demand for the tap issue was high and the pricing was favourable.

The execution of strategic development measures continued as planned during the review period. The focus was particularly on the development of integration processes aimed at improving operational efficiency, as well as the centralisation of procurement. The number of users of PHM Digital continued to grow. A national PHM Digital marketing campaign was carried out in Finland, and several new features were launched to improve the customer experience of the service. The availability of the service was expanded to also include property maintenance customers in Sweden.

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

On 10 May, PHM Group signed an agreement to acquire DEAS Real Estate Services (DEAS A/S) from DEAS Group in Denmark. The transaction does not include DEAS Asset Management, and it is subject to approval by the Danish Competition Authority.

DEAS A/S is a leading property service and consultancy business with over 30 years of experience. On behalf of private and institutional property investors, DEAS A/S provides financial and technical real estate management and ancillary services for a portfolio of over 2,000 properties located throughout Denmark. In 2023 the company employed more than 900 property service professionals and had a turnover of more than EUR 90 million. With the acquisition, PHM will have the most comprehensive range of services and expertise in property maintenance and management in Denmark.

After the review period PHM has also completed two smaller add on acquisitions in Finland, one in Germany and one in Norway.

Briefing invitation

PHM Group Holding Oyj's CEO Ville Rantala and CFO Petri Pellonmaa will present the result to investors and analysts on 15 May 2024 at 3:00 p.m. CET as 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 its half-year report 2024 on 15 August 2024 at 9:00 a.m. CET.

PHM GROUP HOLDING OYJ

For further information, please contact:

Ville Rantala, Group CEO, +358 50 385 1442, ville.rantala@phmgroup.com

Petri Pellonmaa, Group CFO, +358 40 568 3841, petri.pellonmaa@phmgroup.com

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 enterprises, who share the same values and motives, entrepreneurship, and a fair and responsible way of working. We believe that the only thing better than local service is local service with big resources. With PHM Group you do not have to choose between your well-known local entrepreneur and a big provider. With PHM Group, you get both. Read more at <https://www.phmgroup.com/>.

Contacts

- Petri Pellonmaa, Konsernin talousjohtaja, +358 40 568 3841, petri.pellonmaa@phmgroup.com
- Ville Rantala, Konsernin toimitusjohtaja, +358 50 385 1442, ville.rantala@phmgroup.com

Attachments

- [Download announcement as PDF.pdf](#)
- [PHM Group Holding Oyj Interim Report 1-3 2024.pdf](#)