



**A leader in sustainable indoor climate  
comfort solutions**

**Investor presentation**

February 2024

**PURMO**  
GROUP

# Agenda

- Purmo Group at a glance
- Operating environment and megatrends
- Reasons to invest in Purmo Group
- The Accelerate PG programme
- Sustainability
- Mergers & acquisitions
- Financial performance and guidance
- Largest shareholders



# Purmo Group at a glance



# Purmo Group at a glance

## A leader in sustainable indoor climate comfort solutions



Listed on  
**Nasdaq  
Helsinki**



Industrial  
history  
since **1953**



**#1**  
position in  
radiators<sup>1</sup> &  
**#4** in radiant heating  
and cooling (RHC)<sup>2</sup>



**3,193**  
employees  
globally  
(2023)



**Over 100,000**  
installer  
customers  
(2023)

Net sales (2023)

**EUR 743.2 million**

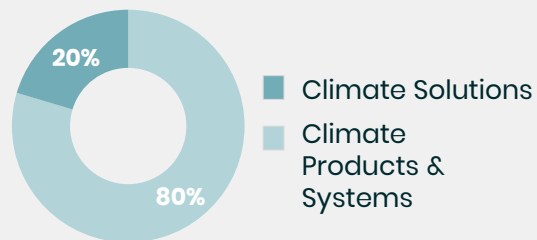
Adjusted EBITDA (2023)

**EUR 92.3 million**

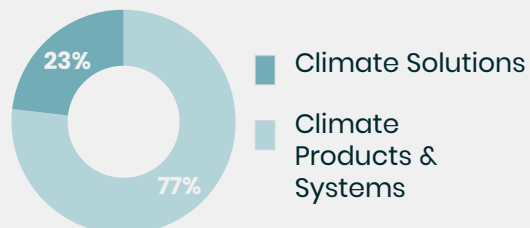
Net debt / Adj. EBITDA (2023)

**2.38x**

Net sales by division (2023)



Adj. EBITDA by division (2023)



Manufacturing in  
Operations in  
Customers in

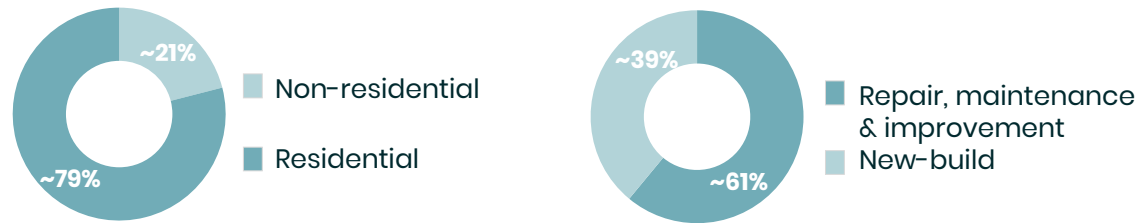
**11 countries**  
**24 countries**  
**100+ countries**



# Purmo Group's addressable markets and solutions

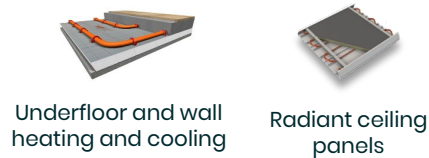
Purmo Group estimates it is the only one in its field to offer a full range of heating and cooling solutions

Sales and end-market breakdown<sup>1</sup>

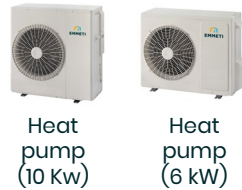


Share of group net sales<sup>2</sup>

## Radiant heating and cooling



## Heat pumps

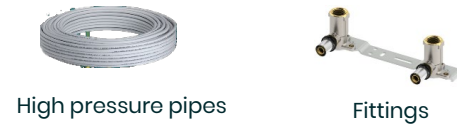


## Air heating and cooling



Share of group net sales<sup>2</sup>

## Water distribution systems



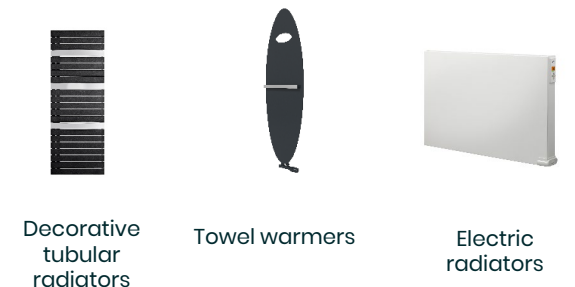
## System components & controls



## Panel radiators



## Other radiators<sup>3</sup>



1) Based on management's estimates.  
 2) Out of total net sales in 2023.  
 3) Includes radiator accessories.

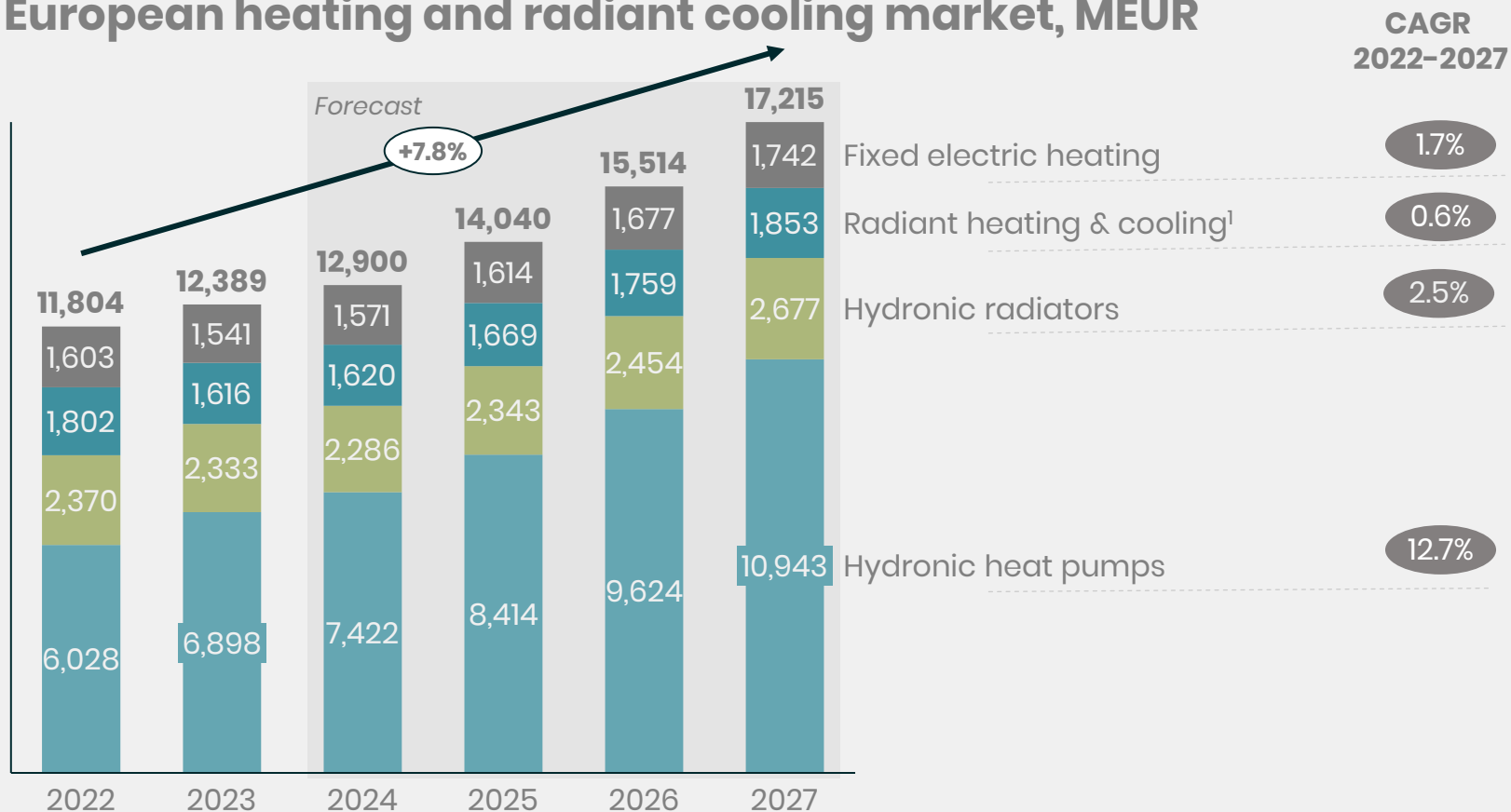


# Operating environment and megatrends



# Outlook for Purmo Group's total addressable market in Europe in 2022-2027

## European heating and radiant cooling market, MEUR



The hydronic radiator market is driven by:

- 1) Activity in new build and renovation with traditional systems
- 2) New wave of transition to low-temperature heat pump powered systems
  - The need for replacing traditional boilers with heat pumps is influencing radiator installations
  - The change in a radiator improves heat output with lower operating temperatures

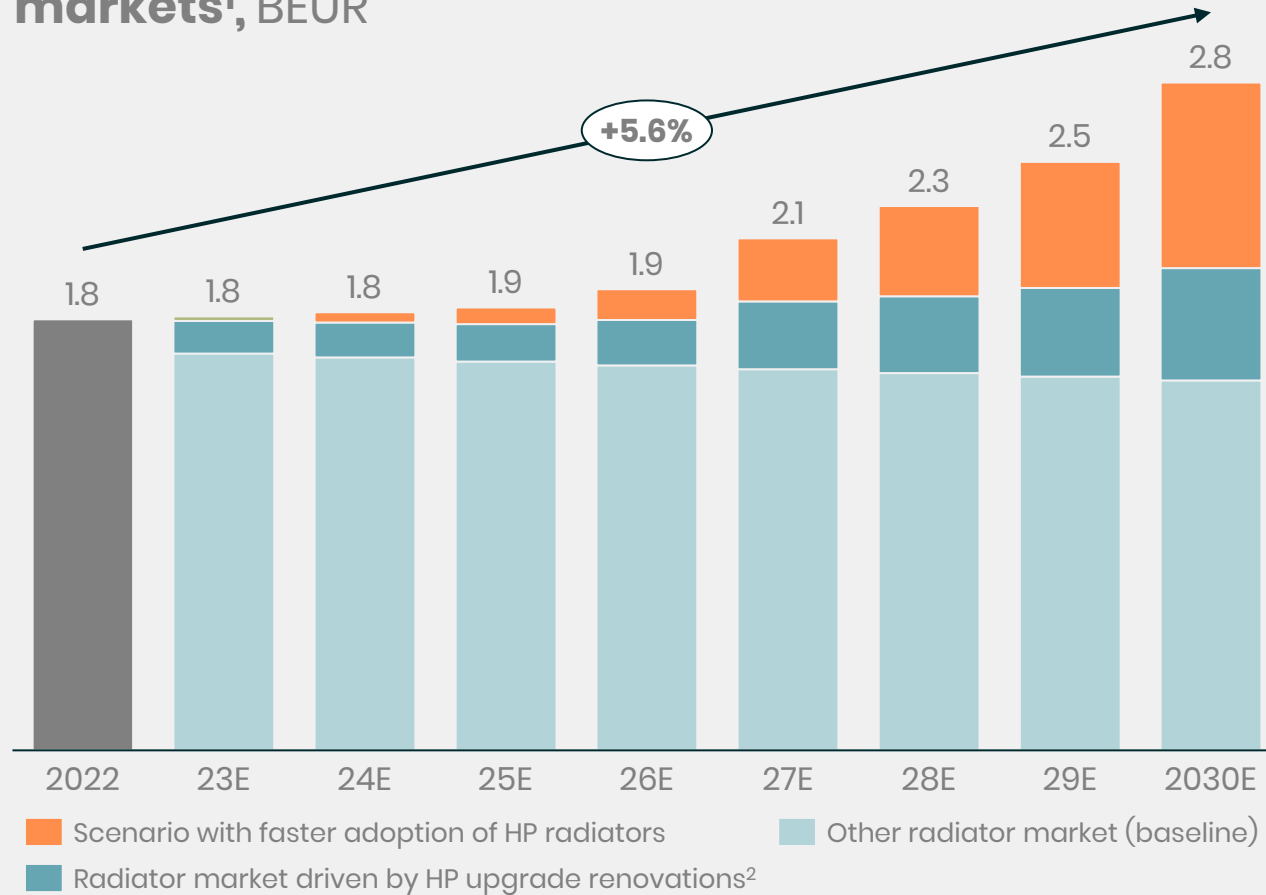
<sup>1</sup> Radiant Heating & Cooling

Note: BRG data includes manufacturer sales estimates across all segments (covering residential and commercial); data for 28 main European countries (for radiant heating and cooling, limited to: DACH, Benelux, FR, IT, PL, RO, SE, UK)  
 Segments included: Fixed electric heating (Electric rads, electric towel warmers, electric underfloor heating & radiant panels); radiant heating & cooling (pipes, fixing systems, components incl. actuators, manifolds, room thermostats & wiring centres, hydronic panels); Heat pumps (hydronic air to water heat pumps incl. monobloc and split units); Hydronic rads (steel panel rads, towel warmers, decorative tubular rads, & convectors); Radiator Market Driven by Boiler-to-HP Upgrades;  
 Hydronic rads (excluding towel warmers) in main European countries: Germany, United Kingdom, France, Italy, Poland, and Belgium.  
 Source: BRG, Rads and HP August 2023, FESH and RHC December 2023, PG analysis and management estimates for adjustment



# European hydronic core radiator market to grow 5.6% in 2022-2030 (CAGR), supported by heat pumps

## Hydronic radiator sales value in core European markets<sup>1</sup>, BEUR



CAGR  
2022-2030

- ~33%
- ~18%
- ~-1%

The renovation-driven demand for radiators related to upgrades from boilers to heat pumps

- Including a requirement for system upgrade with reduced flow temperatures
- Radiators are an affordable renovation option compared to underfloor heating
- In each heat pump renovation<sup>2</sup> three to five radiators on average will be replaced
- Changing to new radiators will be needed in >50% of HP renovations

1. Core European markets: Germany, United Kingdom, France, Italy, Poland, and Belgium

2. Boiler-to-HP upgrade refers to an air-to-water heat pump installation in an existing building replacing a fossil fuel or electric boiler.

Source: Third party independent analysis into Heat Pump driven renovation market.

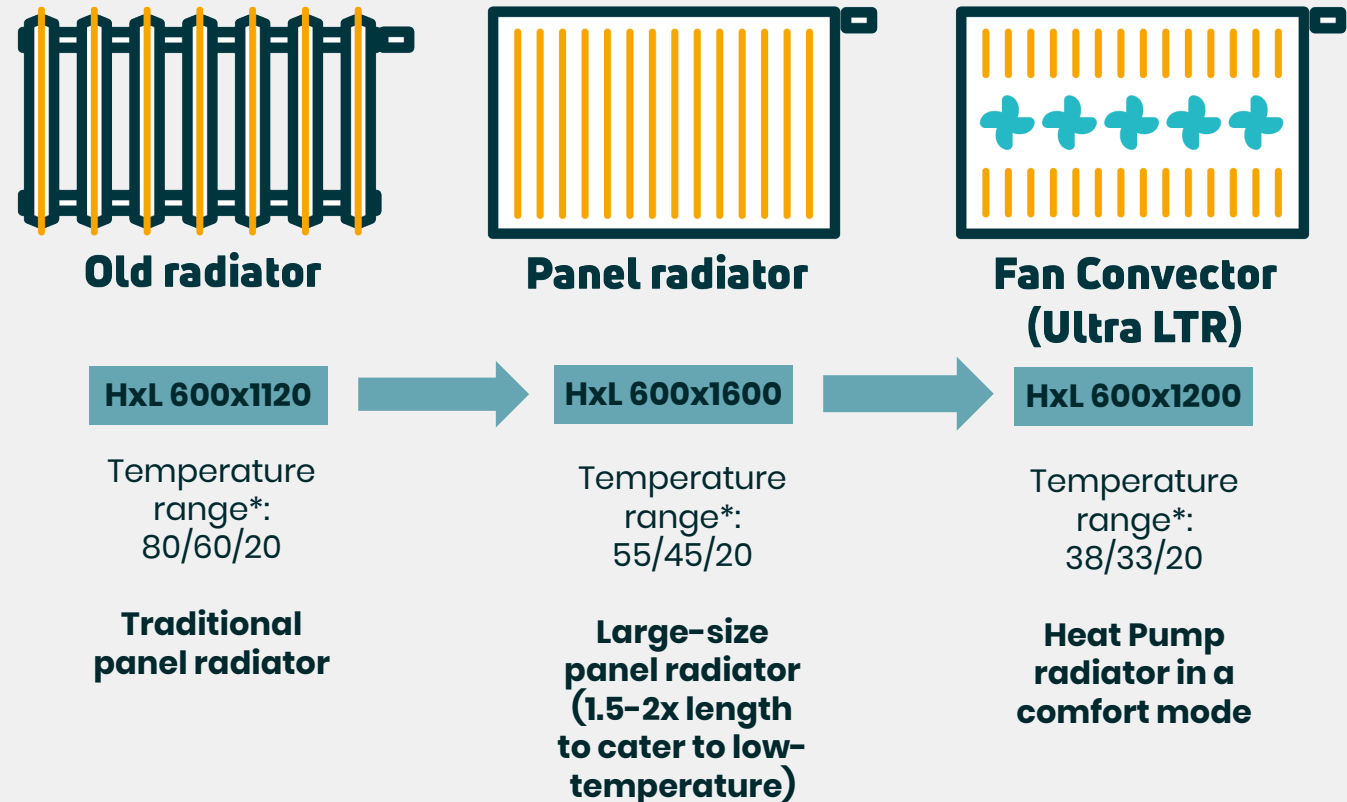




# Upgrade of radiators with a move to heat pumps

## Benefits of a heat pump compared to a boiler

- Heat pumps have a lower water flow temperature: 35–55 °C
  - Boilers: 60–70 °C
- Heat Pumps produce heat slowly and with a lower temperature difference
  - Boilers produce heat quickly and with higher temperature difference
- The smaller the temperature difference between the heat source (e.g. heat pump) and the heat transfer medium (e.g. radiator), the more economically a heat pump functions



\*Supplied water flow temperature/return temperature/required room temperature.

1. This means 3 to 4 times more heat is generated for every kilowatt (kW) of electricity.

2. According to data gathered within Purmo Group from the MIRAI-SMI 4.0 EHI218DC heat pump.

3. SCOP=Seasonal Coefficient of Performance; annual performance factor within different operating states, which is weighted according to climate zones.

# Self-regulated underfloor heating in Örebro and Helsingborg, Sweden

## Multilevel® underfloor heating concept from Thermotech

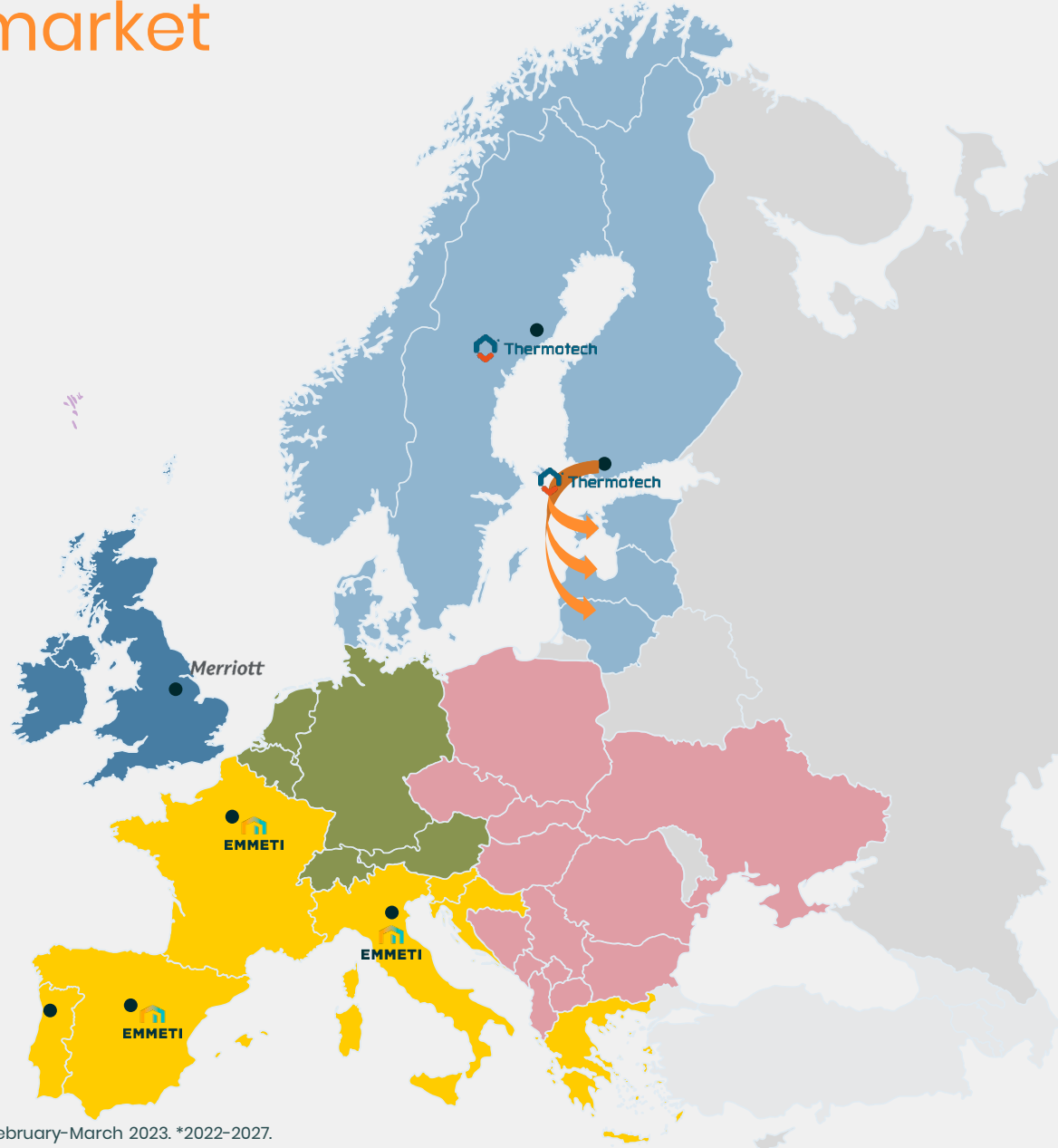
- System for waterborne heating and cooling
- Heat is supplied from both the floor and the ceiling
- **Benefits:**
  - Extremely low operating temperatures: twice the heat transfer surface compared to traditional underfloor heating
  - Lowest energy consumption and free cooling when using a heat pump
  - High living comfort: the system is actively self-regulating
  - Minimal temperature variation between the apartments
- **Customer cases:**
  - Rental apartments in Örebro, Sweden: 13,000 m<sup>2</sup> with 139 units
  - Nursing homes in Helsingborg, Sweden: 7,000 m<sup>2</sup> with 72 units
- **Energy savings:**
  - MultiLevel system consumes energy less compared to certified Passive Houses, which are also called zero-energy houses\*



# Purmo Group focuses on increasing its share of the growing solution sales market

**~2.4 BEUR** Solution sales market in 2022

**~6%** Expected annual CAGR\*



- Purmo Group sees potential in solution sales: sales directly to installers
- In solution sales, the company currently operates in the Nordics, South Europe and the United Kingdom
- Purmo Group's ambitions are to further grow the solution sales channel across Europe: achieved by benefiting from growing product segments of the market, including further offering in heat pumps



# Megatrends driving the demand for Purmo Group



## Sustainability

- Consumer preferences drive demand for energy efficient and recyclable products and solutions
- Governments and local authorities are incentivising the shift to:
  - renewable energy sources
  - energy efficiency through low-temperature systems and well-insulated housing



## Energy independence

- Emphasised need for energy independence due to events in 2022
- Governments in Europe have put further focus on electrification, investing in green energy sources and building incentive plans to improve energy efficiency
- Households are consequently moving towards solutions that can support energy independence



## Digitalisation

- Digitalisation is increasingly driving the construction markets, offering better capabilities for:
  - smart controls
  - large data sets and
  - Building Information Modelling (BIM)
- For the end user this offers:
  - improved climate comfort and control
  - smart home integration

# Reasons to invest in Purmo Group



# Reasons to invest in Purmo Group



1 Purmo Group is at the centre of the global sustainability journey

2 Broadest offering of sustainable heating and cooling solutions

3 Brand portfolio recognised for product quality and innovation

4 Longstanding relationships with wholesalers and installers mainly across Europe

5 Clear and well-defined strategy supported by key growth pillars

6 Stable historical financial track record

7 Skilled personnel and customer-centric operating model



# 1 Purmo Group is at the centre of the global sustainability journey

## European buildings and emissions:

- 36% of the Europe's GHG emissions are from buildings
- 75% of the buildings in Europe require deep energy renovation
- 18% of households' energy consumption in Europe is for heating and cooling

## Requirements for reaching EU Green Deal objectives by 2030:

- 60% reduction in GHG emissions from buildings
- 36% reduction in end-users' final energy consumption\*

## The drivers of green transition of buildings:

- EUR 1 trillion from the European Green Deal Investment Plan to support sustainable investments over the next decade
- Regulatory requirements and consumer preferences are moving towards energy efficiency and recyclability

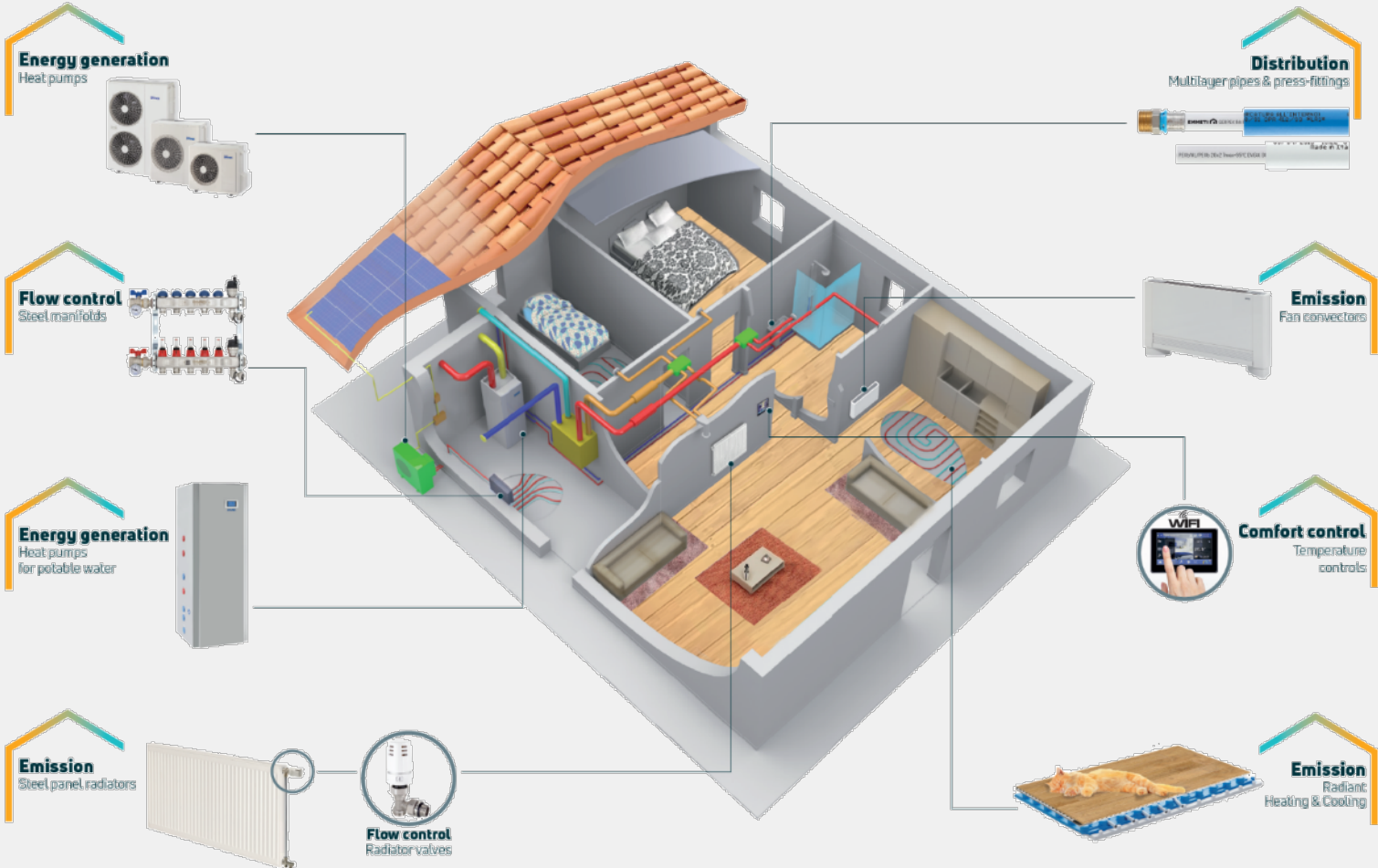


\*Total energy consumed by end-users, such as households, industry and agriculture.  
Sources: Energy Eurostat, [Energy statistics – an overview](#) and [Energy Consumption](#), 2021.  
European Commission, [Factsheet: Energy Performance of Buildings](#), 15 December 2021.  
European Commission, [The European Green Deal Investment Plan and Just Transition Mechanism explained](#), 14 January 2020.

2

# Purmo Group has the broadest offering of sustainable heating and cooling solutions

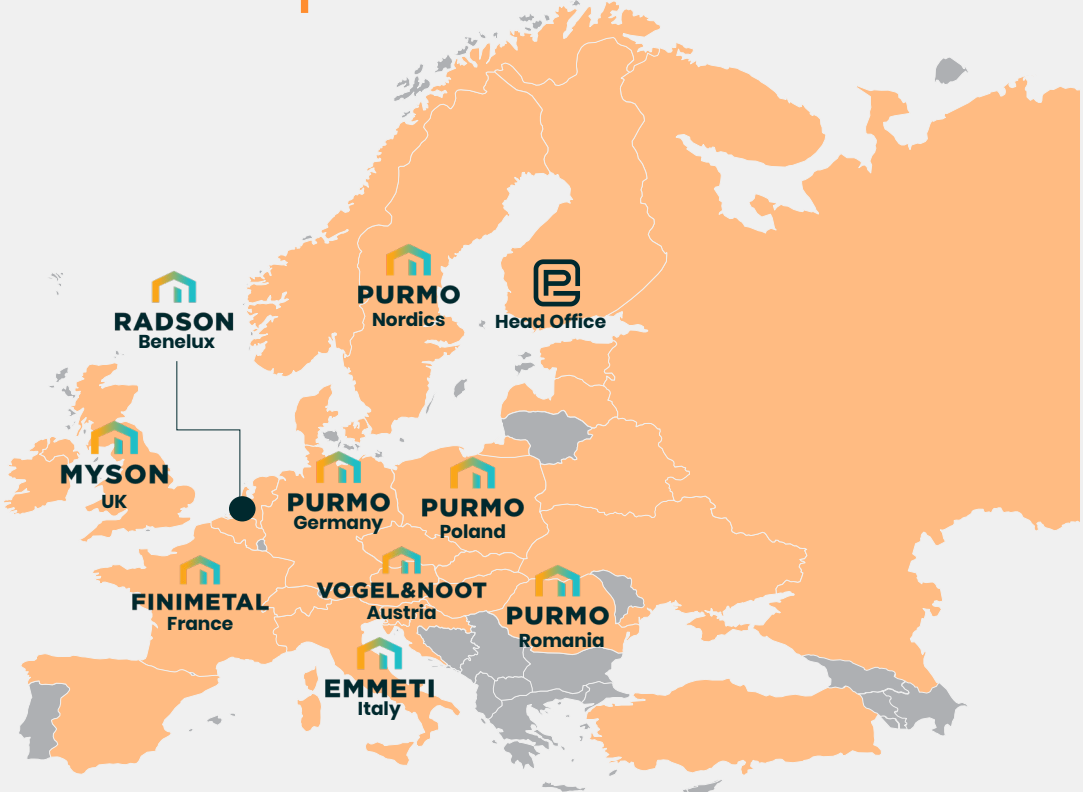
- Heating and cooling emission
- Flow control
- Comfort control
- Energy distribution
- Energy generation
- Ventilation





3

# Leading market position supported by recognised brand portfolio



Product line brands



OEM brands



Other brands



**#1 market position** in radiators<sup>1</sup> &  
**#4** in radiant heating and cooling (RHC)<sup>2</sup> in Europe

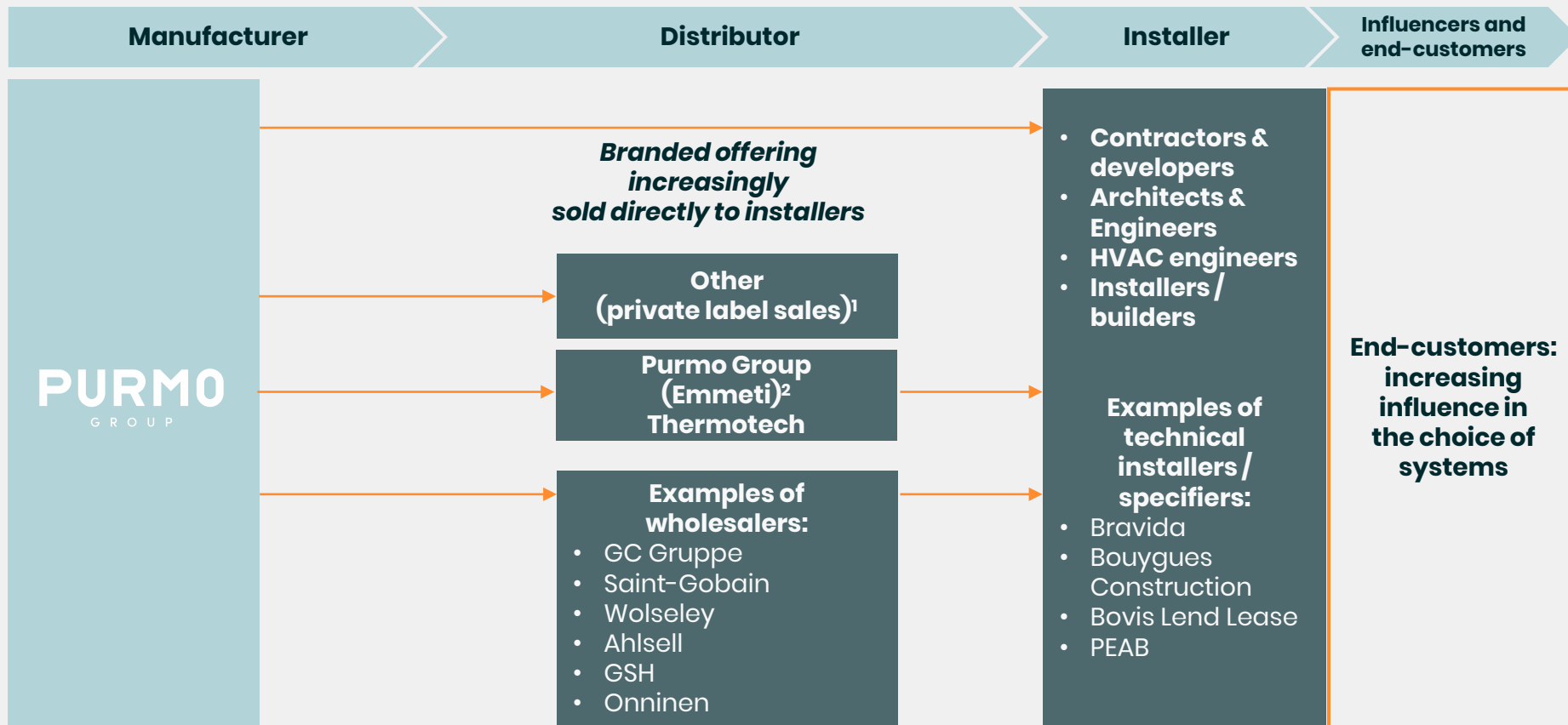
1) Purmo Group is number 1 in radiators when UK and Turkey are excluded. Purmo Group is number 1 in radiators in the following countries: Austria, Germany, Poland, Romania, Sweden, and Finland.  
 2) BRG and an additional source (latest data from 2022).



# 4 Longstanding relationships with wholesalers and installers

Approximately 75% of Purmo Group's sales distributed through wholesalers  
The remaining 25% of sales comprises direct sales<sup>3</sup>

- The longstanding relationships with wholesalers and installers derive from the long and established industrial history of Purmo Group
- Wholesalers have a central role in Purmo's distribution model, which is also typical for the industry in general
- Purmo will emphasise the direct-to-installers channel going forward, but wholesalers will remain important to Purmo Group nevertheless



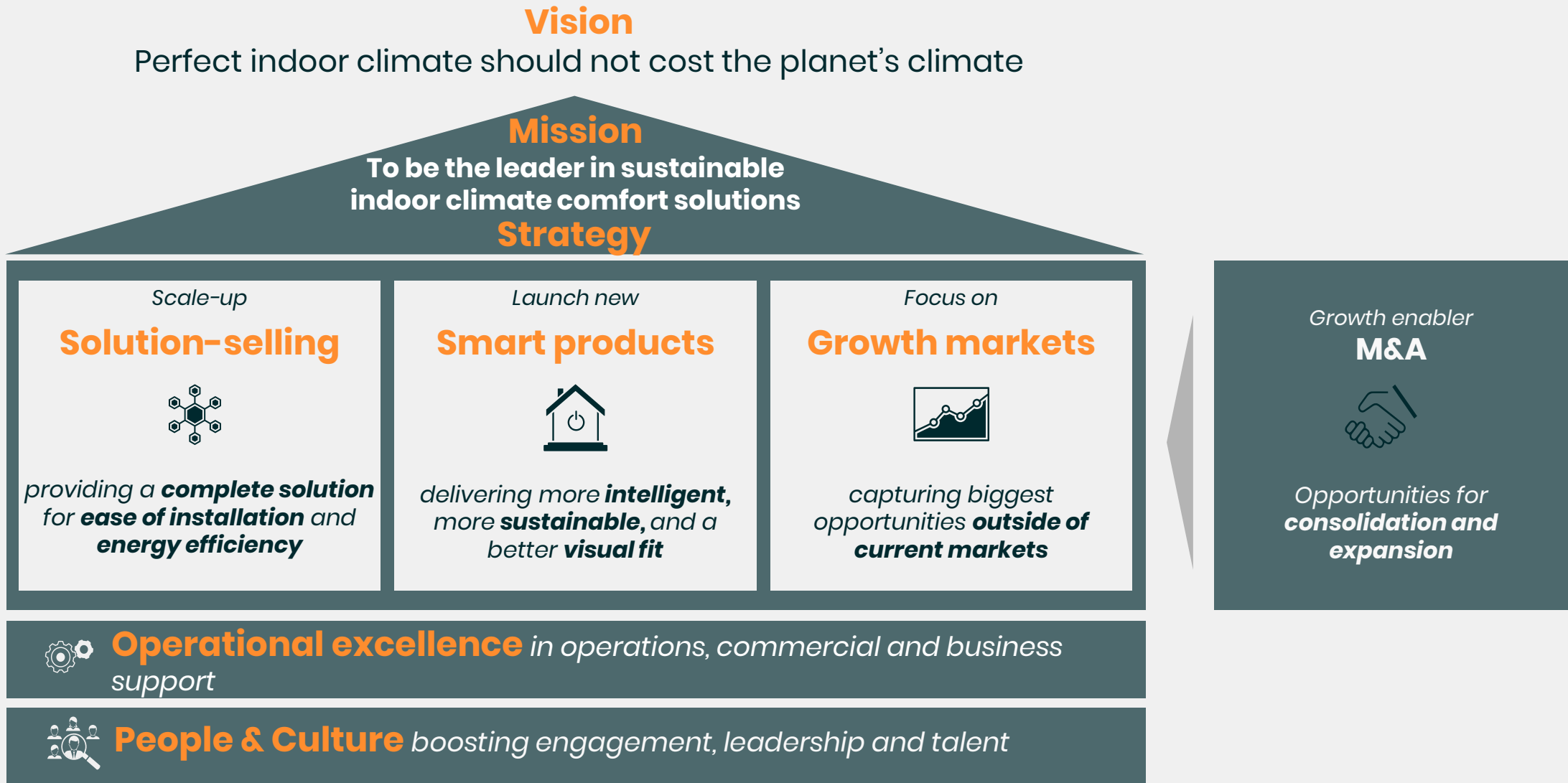
1) Includes the sale of non-branded private labels to other manufacturers including competitors.

2) Consists of mainly Emmeti acting as wholesaler selling traded and proprietary goods to customers.

3) Purmo Group distributes its branded offering through direct sales to installers (including using the Emmeti and Thermotech brands), sales to specialist dealers and fixed-price merchants as well as pure online sales. Purmo Group also sells to other manufacturers on an OEM basis. Calculations based on management's estimates.

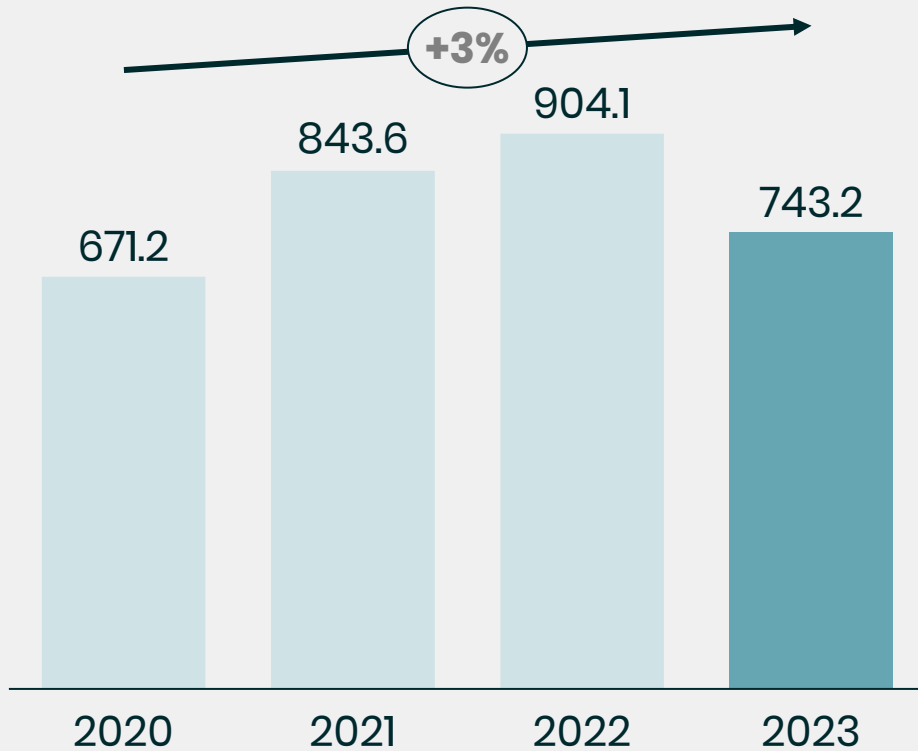


# 5 Clear and well-defined strategy

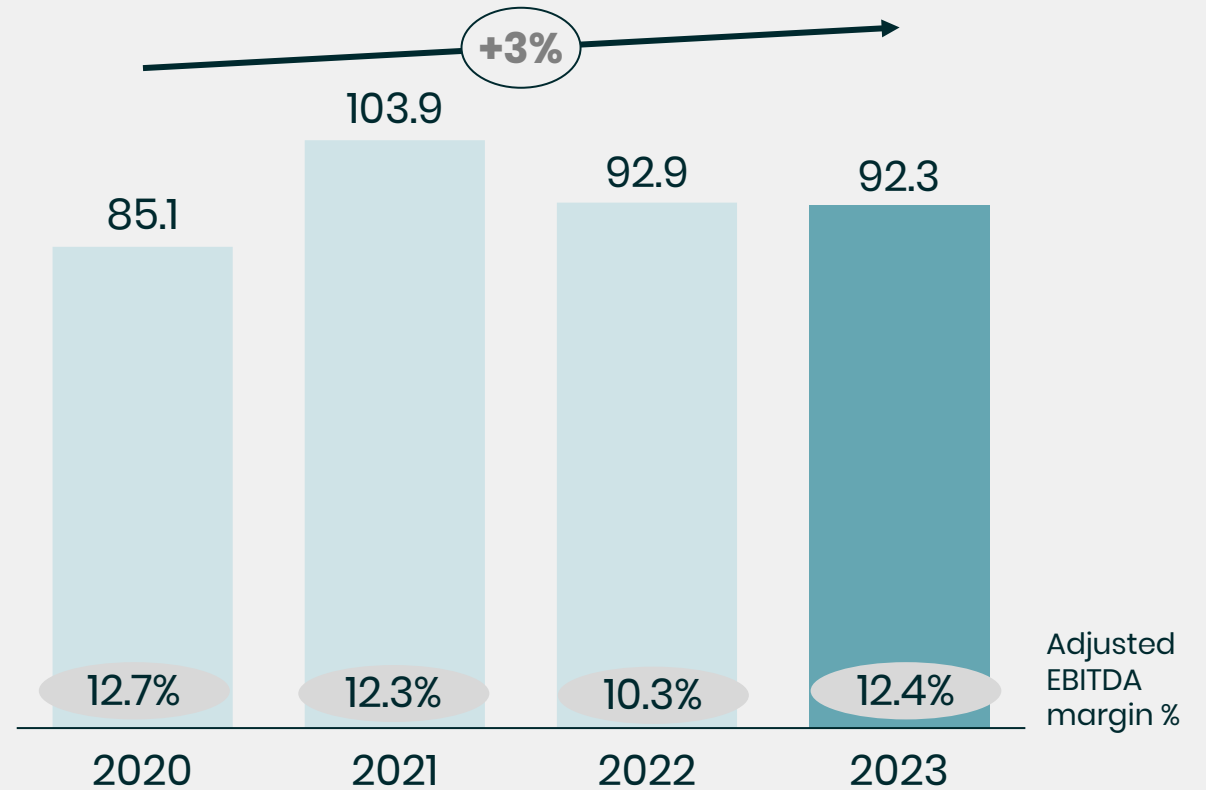


## 6 Stable historical financial track record

### Group net sales, MEUR



### Group Adj. EBITDA, MEUR



# 7 Skilled workforce and customer-centric operating model



John Peter Leesi,  
Joined 2020

**CEO**

Strategy

Legal



Mike Conlon,  
Joined 2015

**President  
Climate Solutions**

Emmeti

Business development

Thermotech

Merriott



Barry Lynch,  
Joined 2004

**President  
Products & Systems**

Sales Clusters

Commercial excellence

Product management

Product development

Marketing



Erik Hedin,  
Joined 2020

**Chief Operating Officer**

Operations

Supply chain

PGOS

ICT

Procurement

Strategy deployment & PMO

Enterprise risk management



Linda Currie,  
Joined 1994

**Chief People Officer**

HR

Global comms

ESG

Employee experience

Health and safety



Jan-Elof Cavander,  
Joined 2023

**Chief Financial Officer**

Business control

Financial control

Investor relations

M&A

Tax

Treasury



# The Accelerate PG programme



# Strategy acceleration programme overview

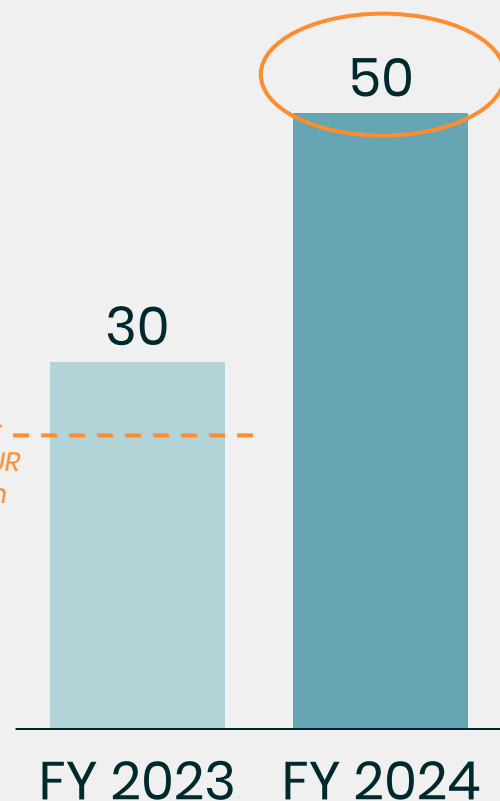
- The Accelerate PG programme launched in October 2022 to strengthen the execution of Purmo Group's strategy
- Accelerate PG is a successor programme to Purmo Group's previous PG Up performance improvement programme which was successfully executed during 2020–2021
- The programme focuses on improving net sales growth, profitability and net working capital
- The programme will support reaching the long-term financial targets



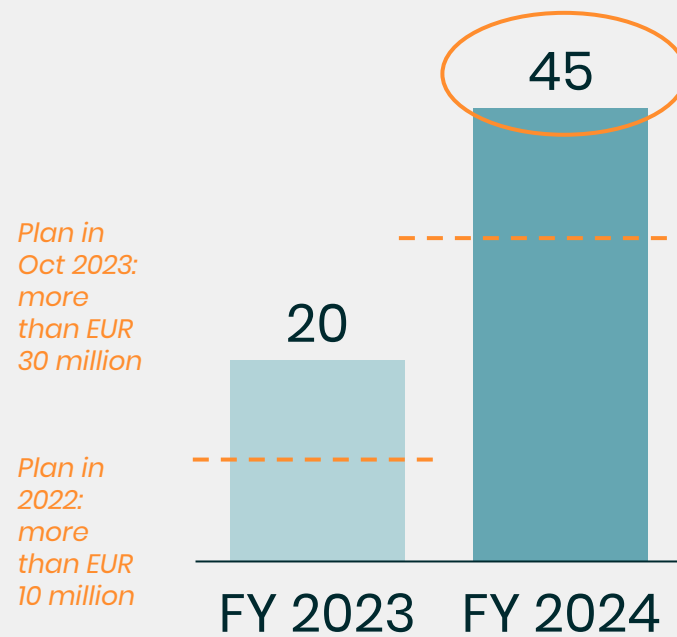
# Accelerate PG

## Target for 2024 updated

Adjusted EBITDA  
run-rate, MEUR



Net Working Capital,  
MEUR



### Adjusted EBITDA improvement (run-rate)

- More than EUR 30 million at the end of Q4/23
- Updated target of EUR 50 million by the end of 2024

### Net working capital improvement

- EUR 20 million at the end of Q4/23
- Target of EUR 45 million by the end of 2024

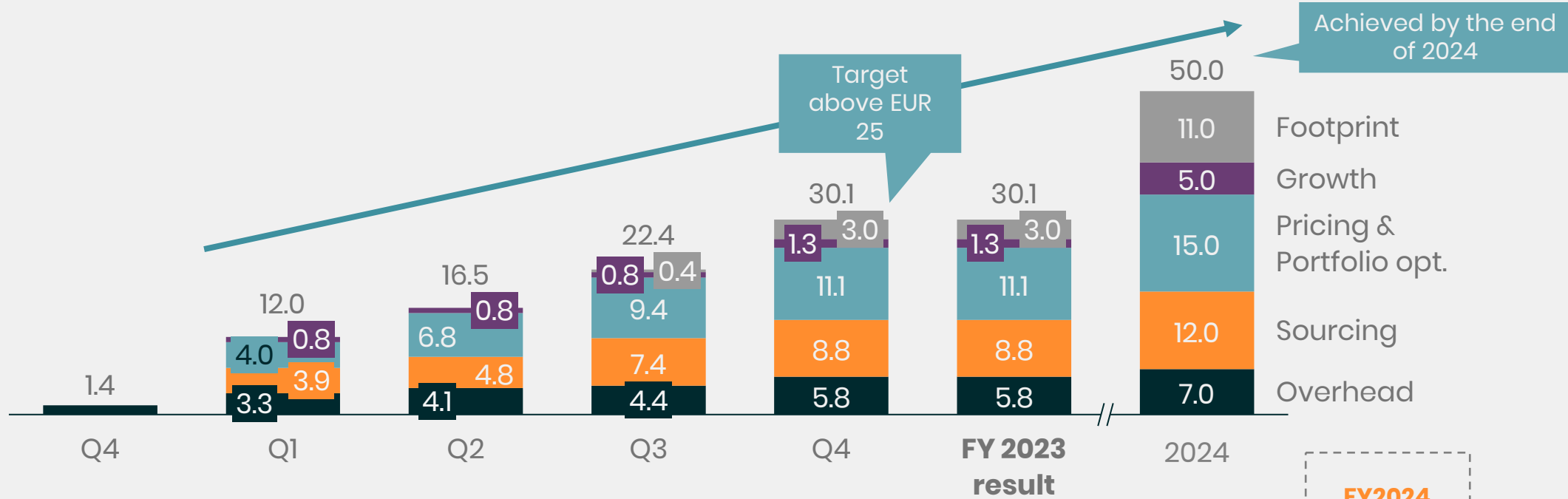
### Costs of the programme

- One-time costs, excluding non-cash items, are estimated to be EUR 45 million of which EUR 34 million was generated in 2023
- Non-cash costs were EUR 11 million in 2023 and those are expected to be below EUR 5 million in 2024
- Treated as items affecting comparability



# Accelerate PG

## Adjusted EBITDA run-rate impact for 2023 above the target



Achieved by the end of 2024

Target above EUR 25

- Footprint
- Growth
- Pricing & Portfolio opt.
- Sourcing
- Overhead

**FY2024 cumulative**

Adj. EBITDA periodic effect, MEUR (vs. PY)	40
NWC improvement cumulative, MEUR	45
One-off, cost (periodic), excl. non-cash items MEUR	-45
One-off, non-cash costs (cumulative) MEUR	<-16

**Adj. EBITDA periodic effect, MEUR (vs. PY)**

**NWC improvement cumulative, MEUR**

**One-off, cost (periodic), excl. non-cash items MEUR**

**One-off, non-cash costs (cumulative) MEUR**

0.3	1.4	3.4	4.8	6.4	16.0	~24	40
-	3.3	6.1	8.9	20.6	20.6	25	45
-2.7	-2.2	-3.5	-4.0	-23.3	-34.0	-11	-45
				-11.0	-11.0	<-5	<-16

All figures in EUR million.



# Sustainability



# Purmo Group's 'Complete Care' sustainability strategy

## Complete Care strategy

- Our strategy puts climate at the heart of every aspect of our business
- "We are proud of what we do, and we care," is echoed in our sustainability strategy, 'Complete Care'

## Four key focus areas

- **Production**  
We strive to contribute to the goal of the Paris Agreement to limit the rise of global mean temperature to 1.5°C.
- **Solutions**  
We will champion climate-friendly heating and cooling solutions.
- **People**  
We will nurture and grow a future-fit and diverse workforce that has the skills and commitment to deliver our sustainability goals.
- **Communities**  
We will collaborate with external organisations to give greater access to energy-efficient indoor climates for all and enable climate resilience.



## For key focus areas, there are ten commitments (measured by 24 KPIs)

### Commitment 1

- We will align with a 1.5 degree future and target carbon neutrality in our Scope1, 2 and 3 emissions by 2050

### Commitment 2

- We will use fewer resources to make products and eliminate waste

### Commitment 3

- We will source our key materials responsibly

### Commitment 4

- We will help our customers save energy and make sustainable choices

### Commitment 5

- We will apply circular design principles to all products. We will invest in new solutions where circularity is not immediately possible

### Commitment 6

- We will create a diverse and inclusive workplace culture

### Commitment 7

- We will ensure our employees are satisfied at work

### Commitment 8

- We will help prepare a future-fit workforce to tackle the skills gap and build a pipeline of talented employees

### Commitment 9

- We will ensure Purmo Group is a safe place to work

### Commitment 10

- We will help the most vulnerable people access adequate shelter and indoor climate

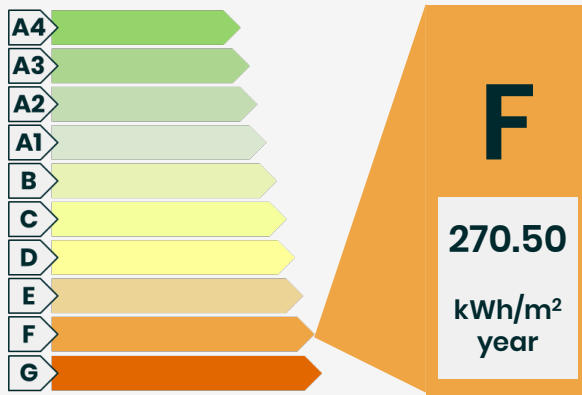
# Progress in sustainability strategy execution in Q4 2023

- Carbon intensity improved and decreased by 4 per cent to 86.8 (89.8) due to lower production volumes
- Cooperation announced with H2 Green Steel for the supply of near zero-emission steel in 2026–2033
- Customer Sustainability Net Promoter Score improved from +8 to +21
- In 2023, volunteering within Purmo Group's employees remained active and they dedicated 7,213 hours in total (6,680) to volunteering in local communities



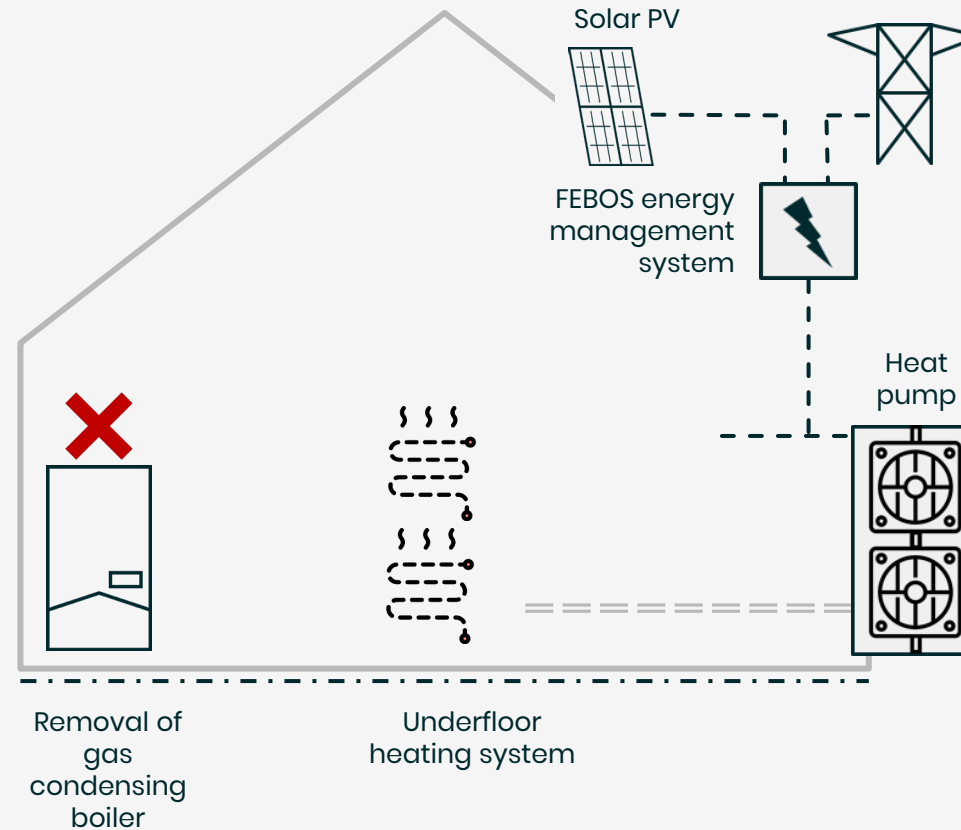
# Solution case study: residential building in Rolo, Italy

## Energy label before

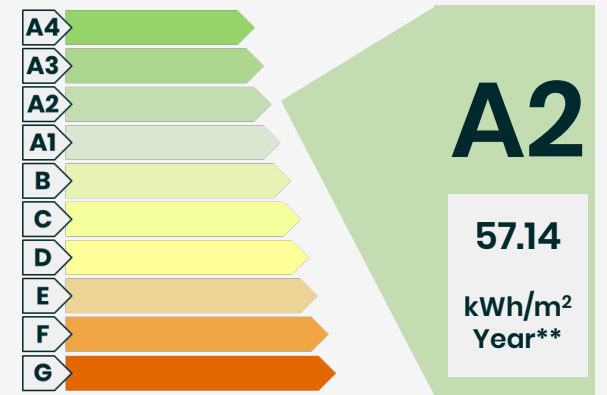


Energy consumption	kWh/yr
<b>Energy used from network</b>	<b>37,859</b>
Electricity*	511
Gas	3,532
<b>Energy produced</b>	<b>0</b>
<b>CO<sub>2</sub> emissions per year</b>	<b>7,558 kg</b>
<b>Annual cost per year</b>	<b>€2,867</b>

## Purmo Group's sustainable indoor climate solution



## Energy label after



Energy consumption	kWh/yr	
<b>Energy used from network</b>	<b>7,997</b>	<b>79%</b>
Electricity*	4,096	↓
Gas	0	
<b>Renewable energy produced</b>	<b>2,893</b>	
<b>CO<sub>2</sub> emissions per year</b>	<b>1,819 kg</b>	<b>76%</b>
		↓
<b>Annual cost per year</b>	<b>€901</b>	<b>69%</b>
		↓

\*Distribution factors are applied to calculate primary energy usage for energy labels, to reflect losses in production and transmission. 2.93 for grid and 1.96 for grid mixed with local PV

\*\*Energy requirement from grid. Figure shows the average efficiency performance of heat pump, subject to seasonal variations.

















# Mergers and acquisitions

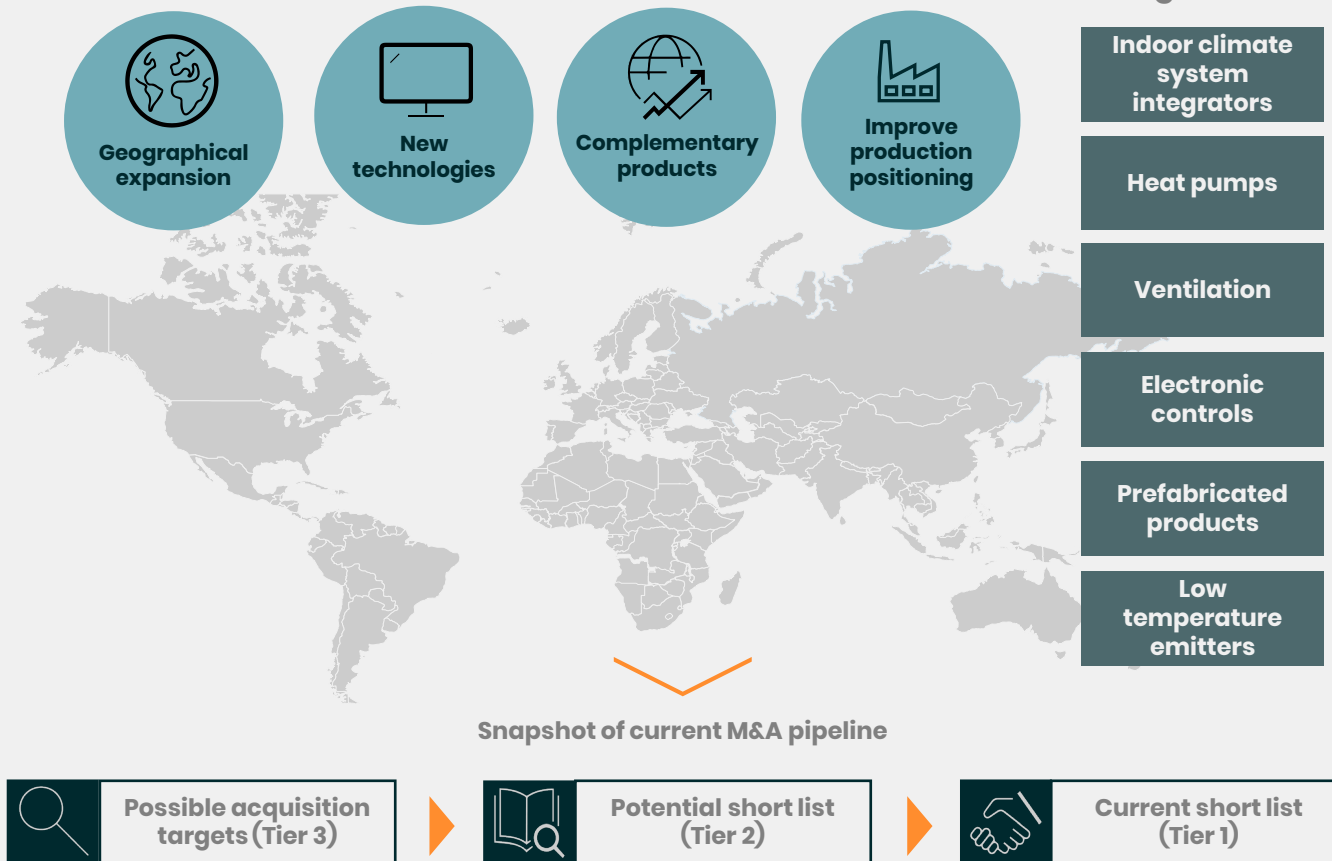


# M&A strategy and pipeline

## Proven track record of value creation through M&A

	Target	Strategic rationale
2008	 Turkish towel warmer plant 	Access to low cost manufacturing
2012	 HEWING 	Pivot entry into adjacent climate comfort systems
2015	 EMMET 	Forward integration, building leadership positions in ICS and geographical expansion <sup>1</sup>
2018	 SIGARTH 	Complementary product offering
2019	 QUINN radiators 	Asset acquisition opportunity
2020	 BOSCH 	Access to low cost manufacturing <sup>2</sup>
2022	 Thermotech 	Smart technologies to the ICS offering, strengthening the position in the Nordics
<b>~EUR 214m of acquired sales<sup>3</sup></b>		

## Pipeline of opportunities



Source: Purmo Group company information and management estimates.

1) Relating to expansion in southern Europe and LATAM.

2) On 28 April 2023, Purmo Group signed an agreement to divest all of its Russian operations to IPLS.

3) Based on revenues at the time of the acquisitions.

# Financial performance and guidance





October–December 2023

## Strong margin improvement and stable earnings in a challenging market environment

Robust fourth quarter: the Group's adjusted EBITDA improved by 30% and adj. EBITDA margin by 4.2 ppt, good margins in both divisions

Solution selling concept gaining traction: France and Brazil grew in net sales during the quarter

Target for the Accelerate PG programme upgraded for 2024

**Adjusted EBITDA in 2024 is expected to be on a similar or higher level than in 2023 (EUR 92.3 million).**

# Strategy execution during the quarter and in 2023

## Solution selling

- The Emmeti businesses in France (+14%) and Brazil (+9%) showed good growth for the quarter

## Smart products

- Launches of Unisenza Plus App and iQ control system in 2023

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## Operational excellence

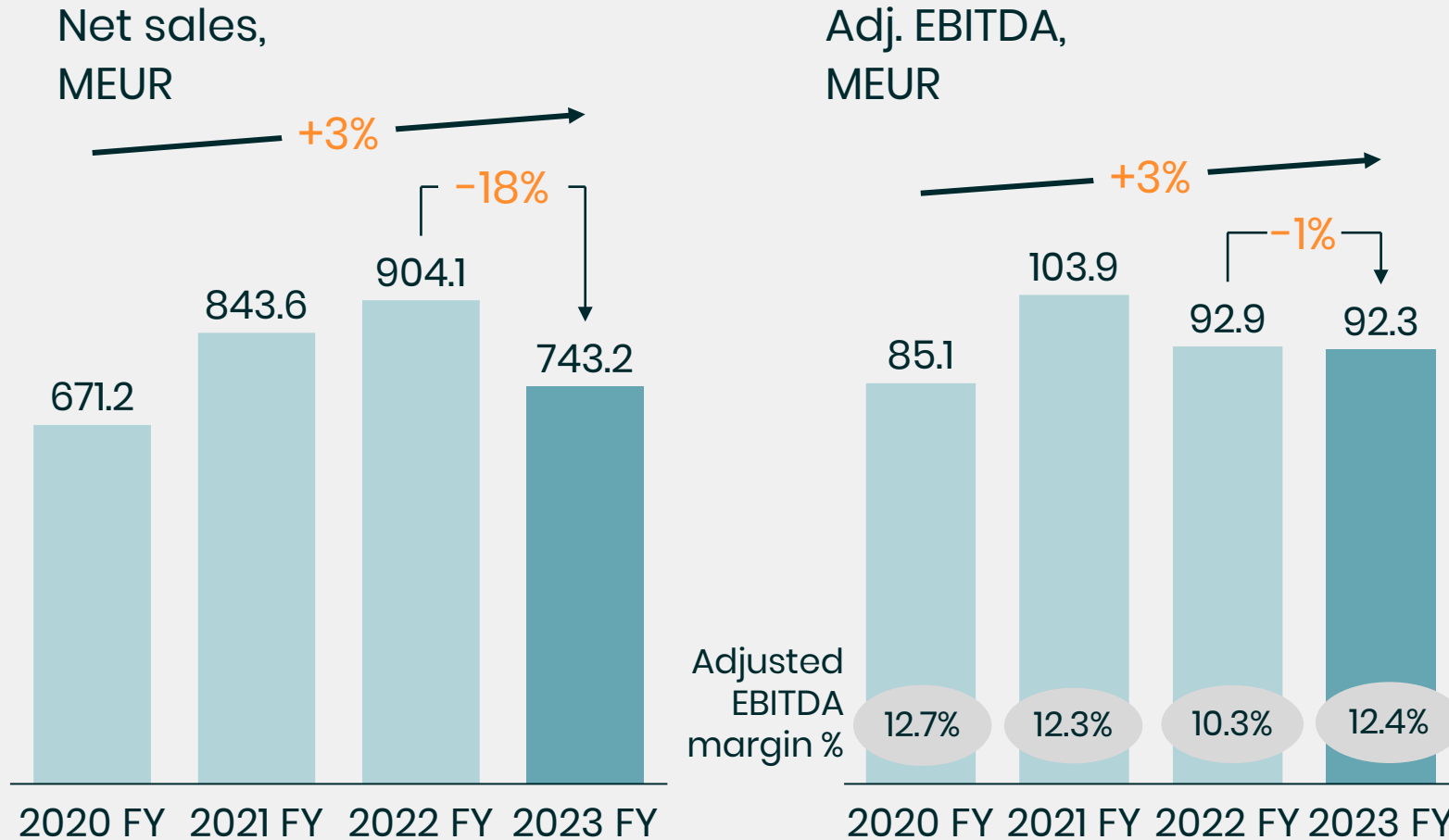
- Accelerate PG run-rate profitability improvements were EUR 30.1 million (22.4)
- Purmo Group upgrades the APG target for 2024
- Consultation completed regarding the closure of manufacturing in Zonhoven, Belgium and negotiations in Hull, United Kingdom launched

## Sustainability

- Carbon intensity improved and decreased by 4 per cent to 86.8 (89.8) due to lower production volumes
- Cooperation announced with H2 Green Steel for the supply of near zero-emission steel in 2026–2033
- Customer Sustainability Net Promoter Score improved from +8 to +21

## 2023: Purmo Group

# Strong improvement in adjusted EBITDA margin of 2.1 ppt

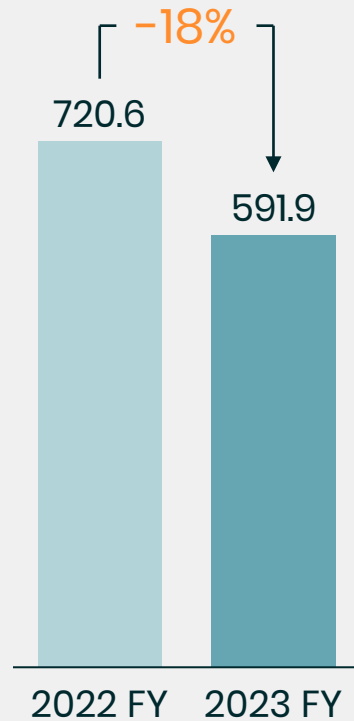


- Net sales amounted to EUR 743.2 million (904.1), -18%
  - Organic decline -17%
  - No material contribution from acquisitions
  - The net currency effect -1%
- Adjusted EBITDA was EUR 92.3 million (92.9); -1%
- The adjusted EBITDA margin improved to 12.4% (10.3)

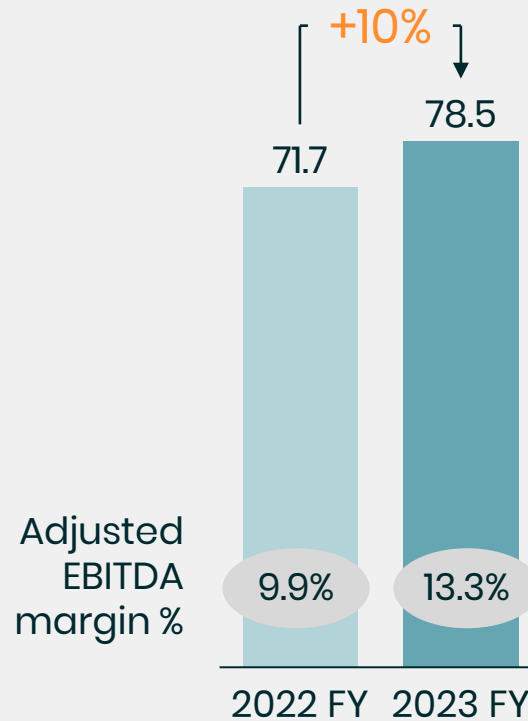
## 2023: Climate Products & Systems division

# Earnings supported by strong margin management actions

Net sales,  
MEUR



Adj. EBITDA,  
MEUR

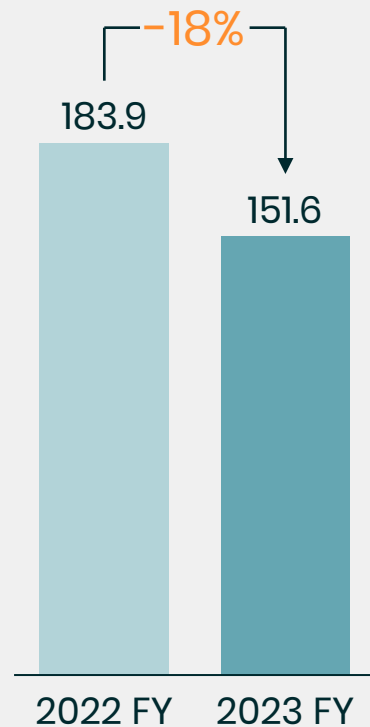


- Net sales decreased by 18% to EUR 591.9 million (720.6)
  - -16% organic
  - No material contribution from acquisitions
  - The currency impact -1%
- Net sales of radiators amounted to EUR 392.2 million (473.1)
  - Radiator volumes -20%
- Adjusted EBITDA increased by 10% to EUR 78.5 million (71.7)
- The adjusted EBITDA margin improved to 12.1% (7.5)

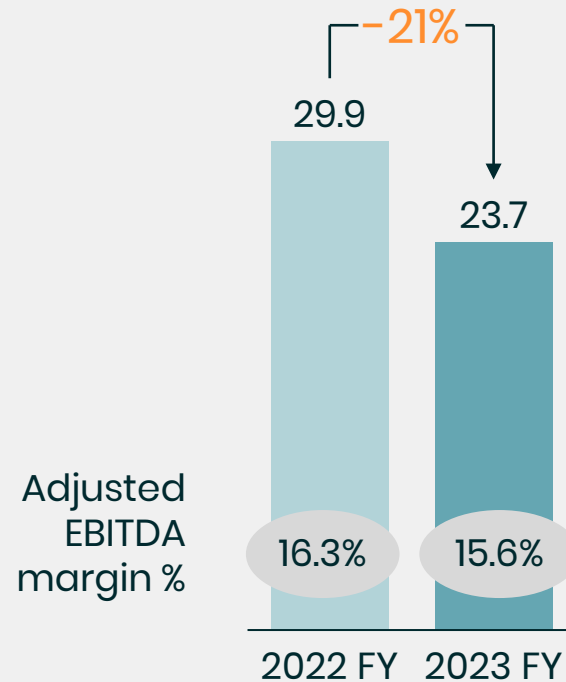
## 2023: Climate Solutions division

# Downturn in the Italian market impacted net sales

Net sales,  
MEUR



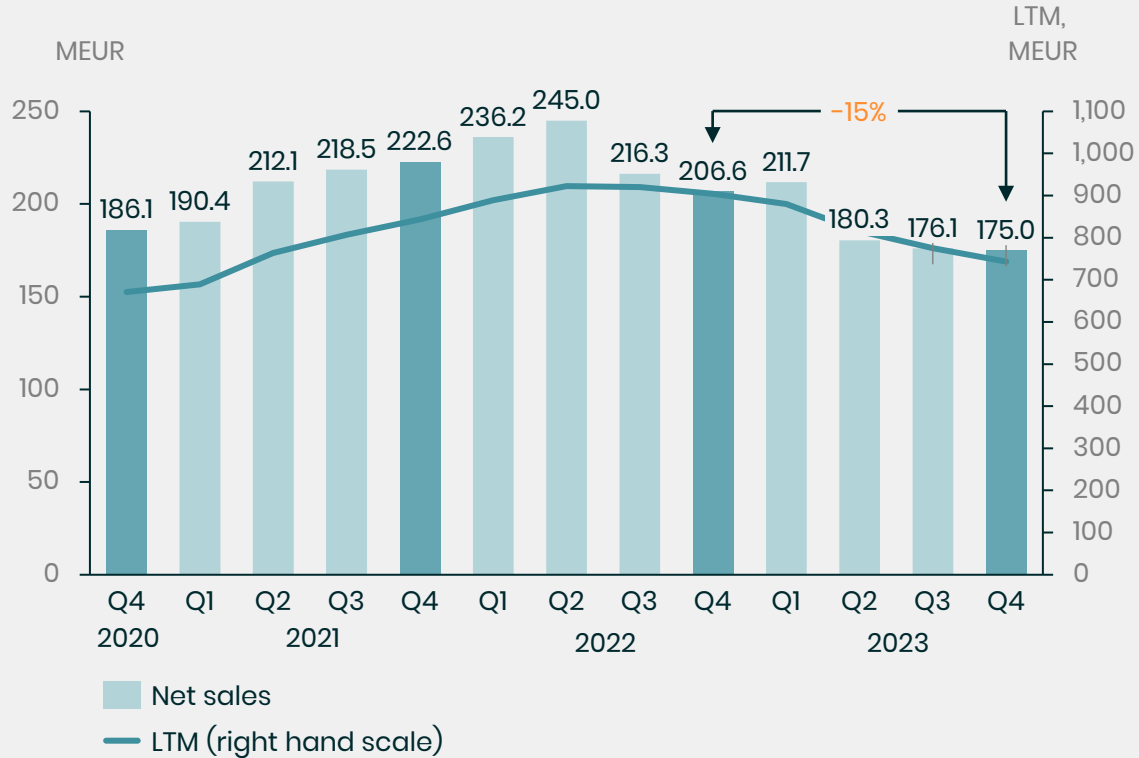
Adj. EBITDA,  
MEUR



- Net sales decreased by 18% to EUR 151.6 million (183.9)
  - Organic decline -19%
  - Thermotech contribution +2%
  - The net currency effect -1%
- Adjusted EBITDA decreased by 21% to EUR 23.7 million (29.9)
- The adjusted EBITDA margin was 15.6% (16.3)

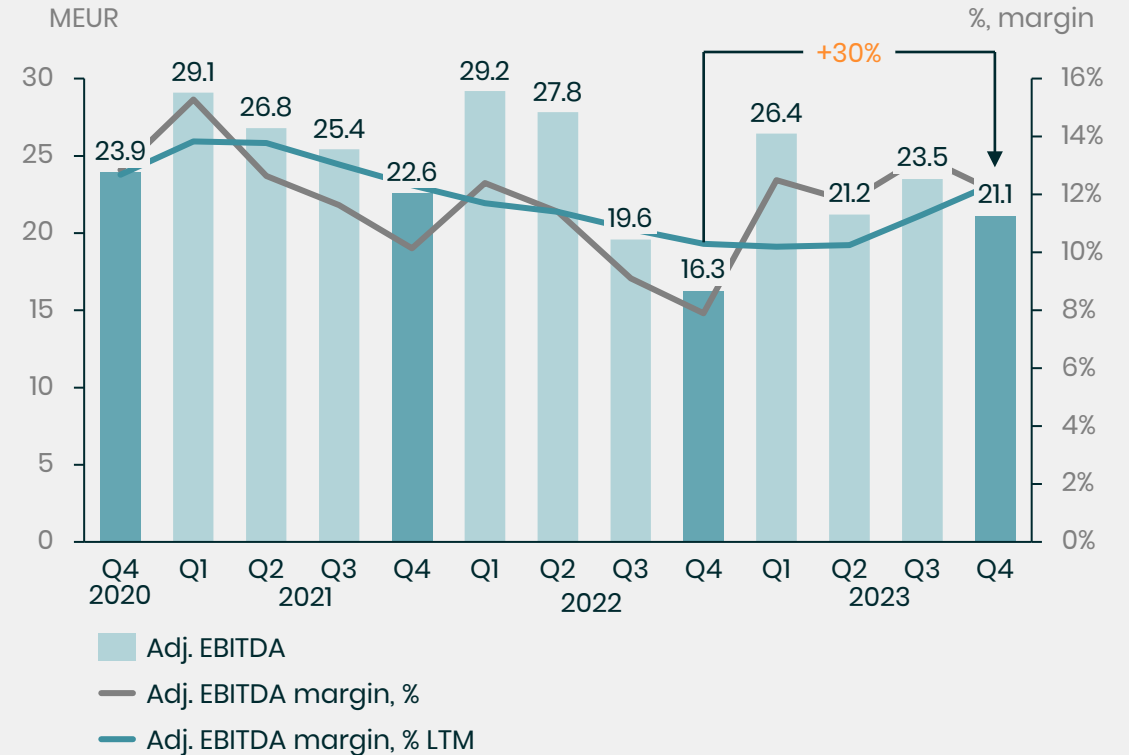
# Purmo Group

## Net sales



- Organic sales -14% in Q4/23
- Net sales for the Group declined as a result of a weak demand environment across markets and product groups.
- Acquisitions had no impact on Q4/23
- Changes in FX rates decreased reported sales by -1%

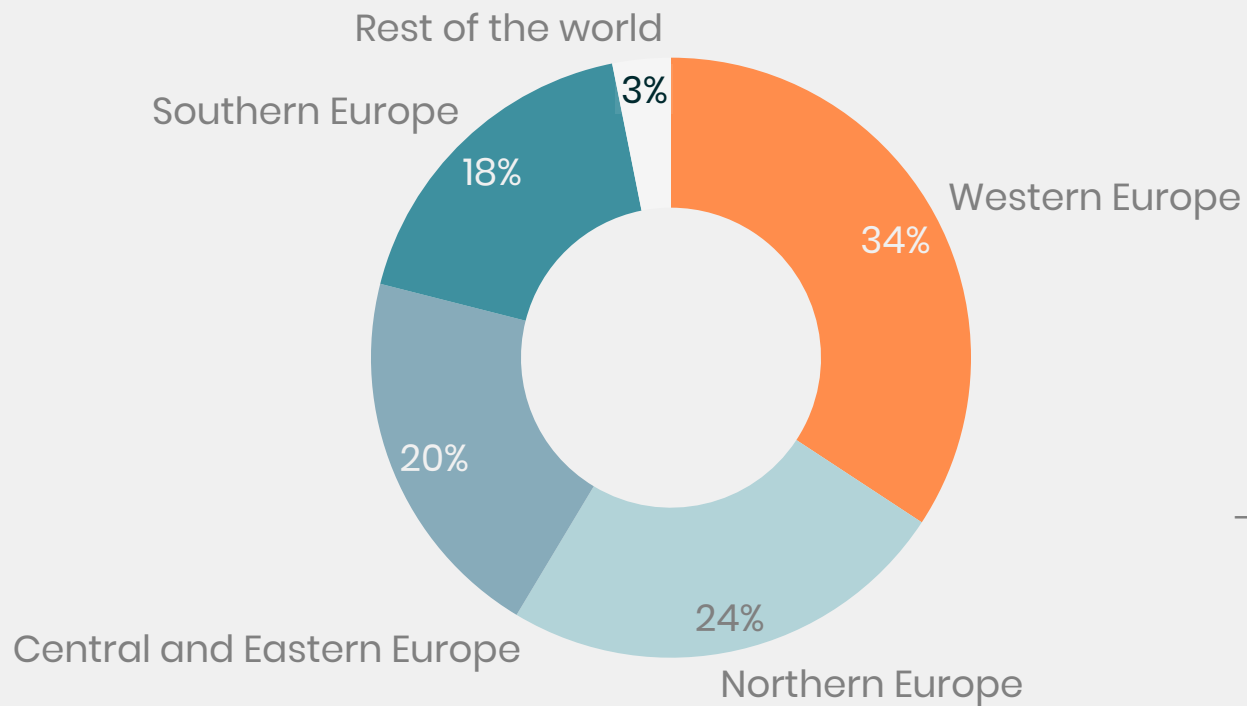
## Adj. EBITDA



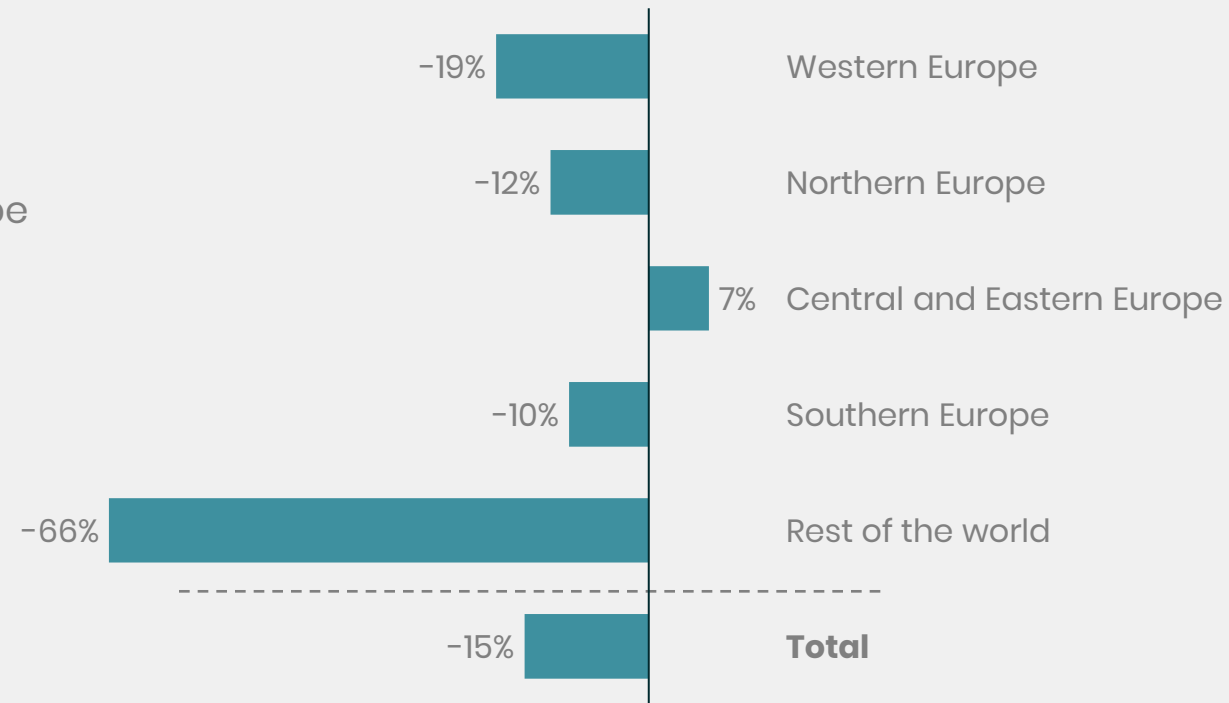
- The increase of 30% in adjusted EBITDA due to strong and systematic margin management actions and good performance in the Accelerate PG programme
- Adjusted EBITDA margin reached 12.1% in Q4/23 (7.9%)

# Q4 2023 net sales by geographical area

% of Net sales

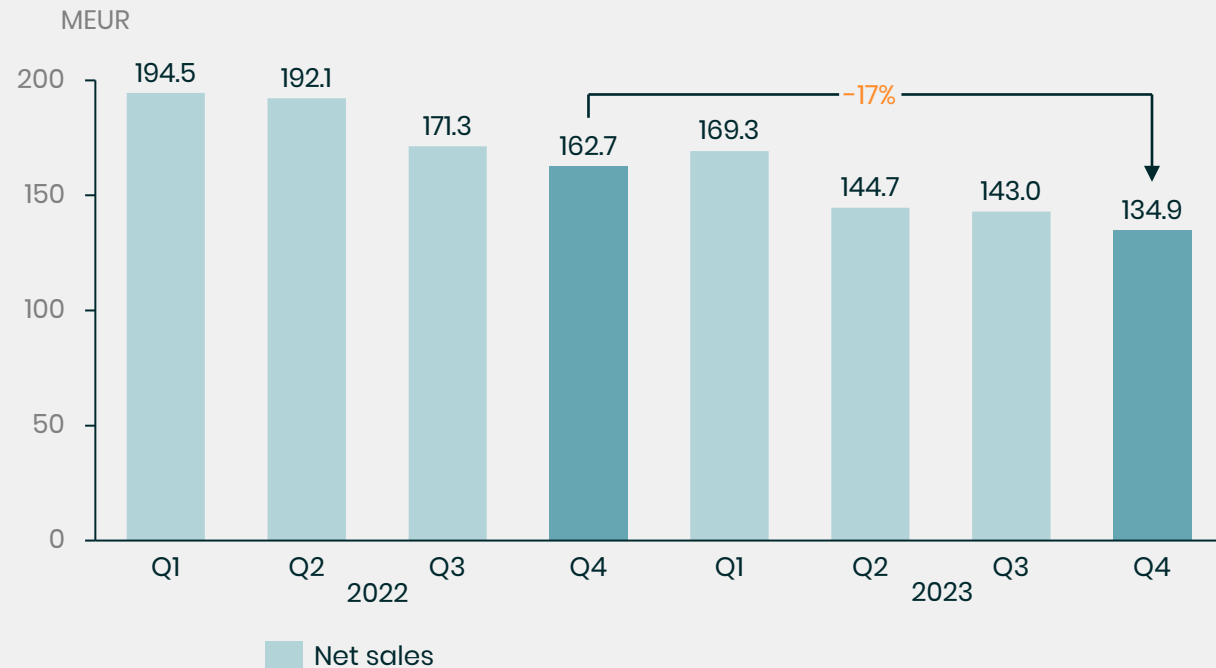


Change in sales, %



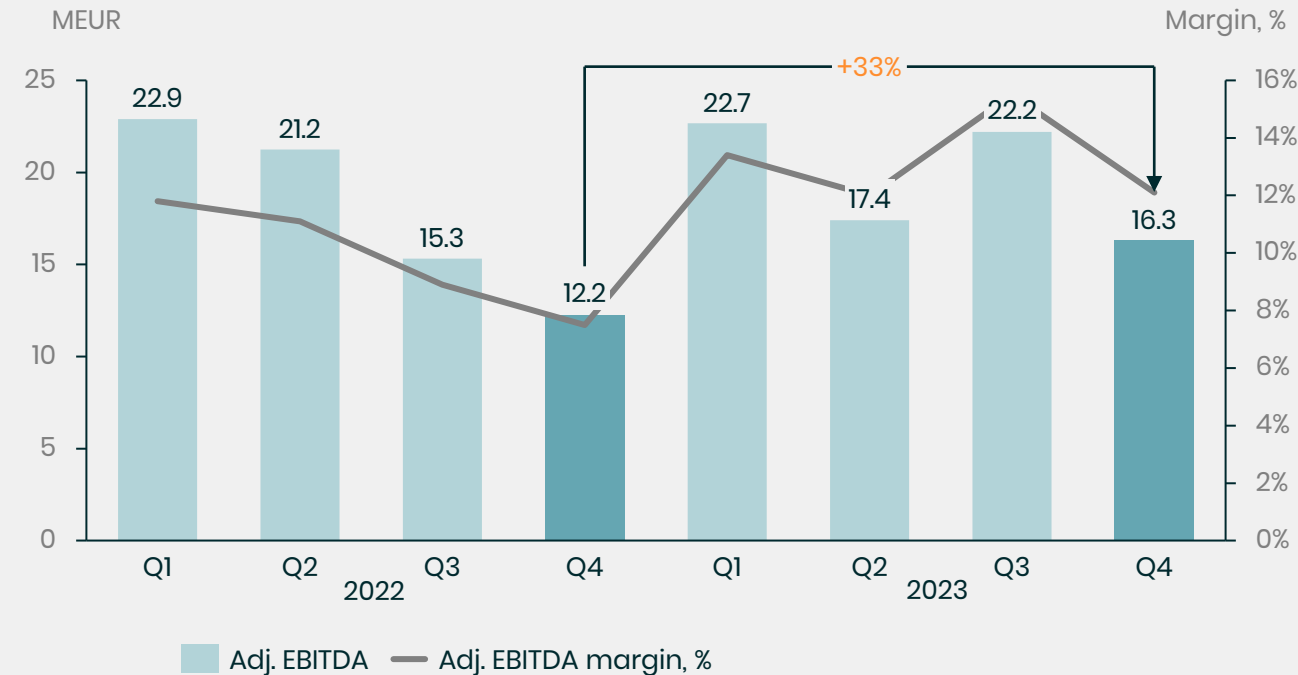
# Climate Products & Systems division

## Net sales



- Organic sales declined -16%, net currency -1%, acquisitions 0% in Q4/23
- Net sales in radiators amounted to EUR 94.4 (104.0) million
- Volume decline of -5% in radiators, due to the weak demand in renovation and new build markets
- Q4/23 net sales LTM 591.9 MEUR

## Adj. EBITDA

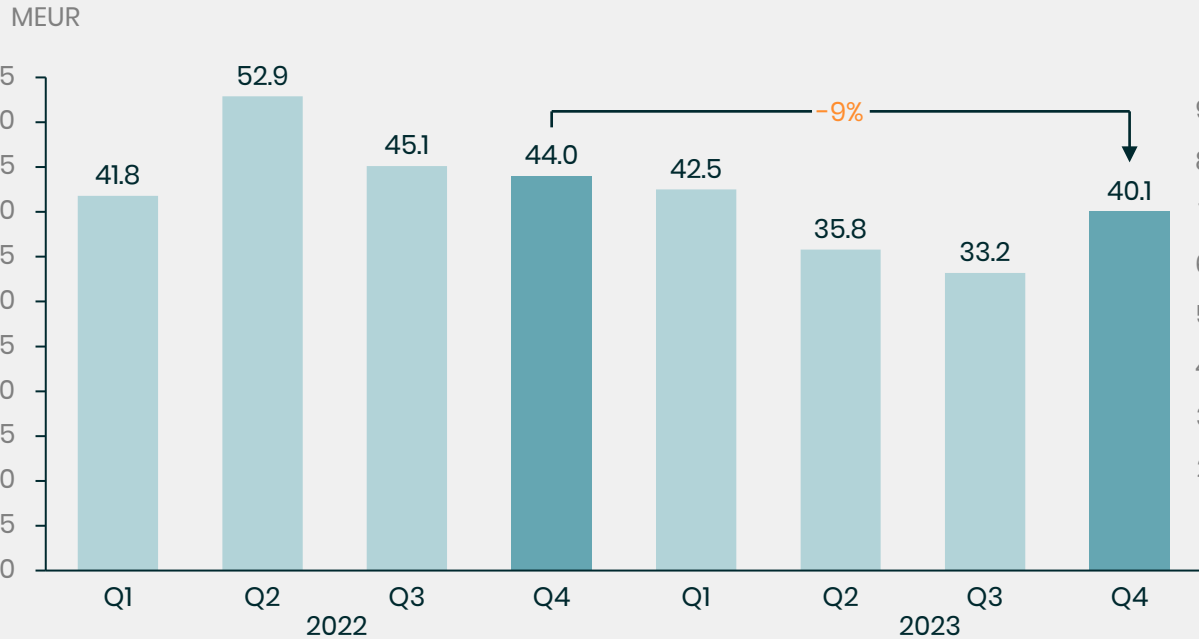


- Adjusted EBITDA margin improved to 12.1% in Q4/23 (7.5%)
- The improvement in adjusted EBITDA margin was a result of continued and systematic margin management actions in the division as well as good performance in the Accelerate PG programme
- Q4/23 Adj. EBITDA LTM 78.5 MEUR, Adj. EBITDA margin LTM 13.3%



# Climate Solutions division

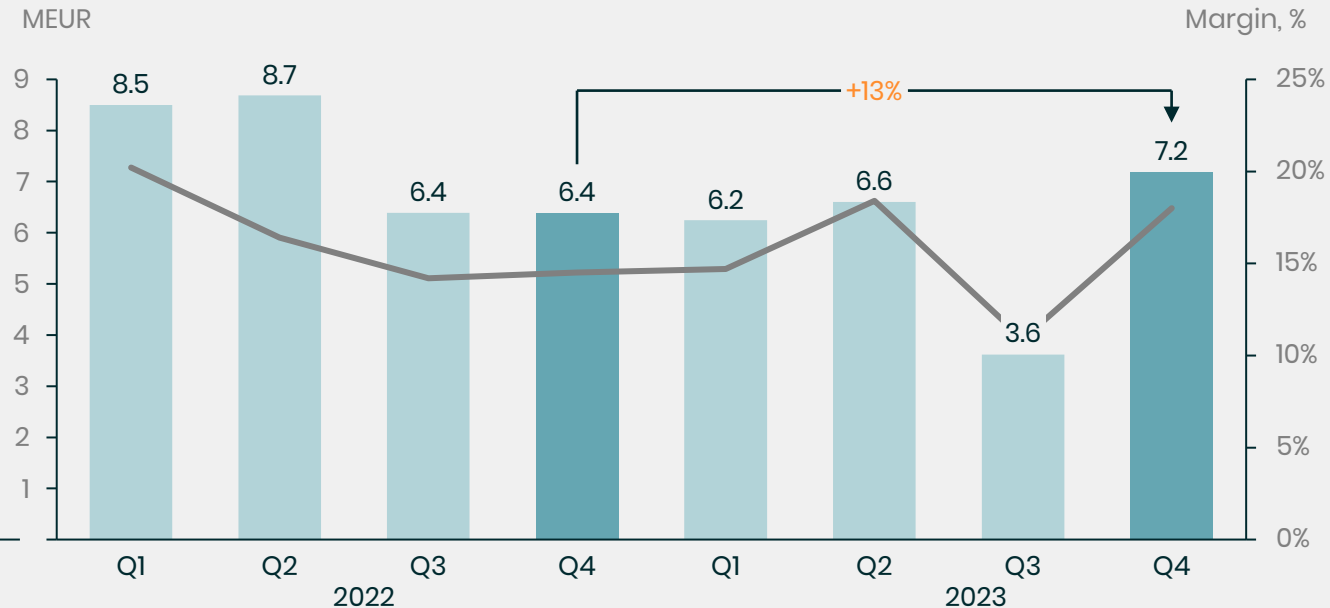
## Net sales



Net sales

- Organic decline in net sales 8% acquisitions 0%, net currency -1% in Q4/23
- Net sales declined due to low market sentiment across businesses in Italy, the Nordics, the United Kingdom and Ireland
- Net sales were supported by a pick-up in the Italian market towards the end of the year. The Emmeti business in France and Brazil performed well and grew in net sales in Q4/23
- Q4/23 net sales LTM 151.6 MEUR

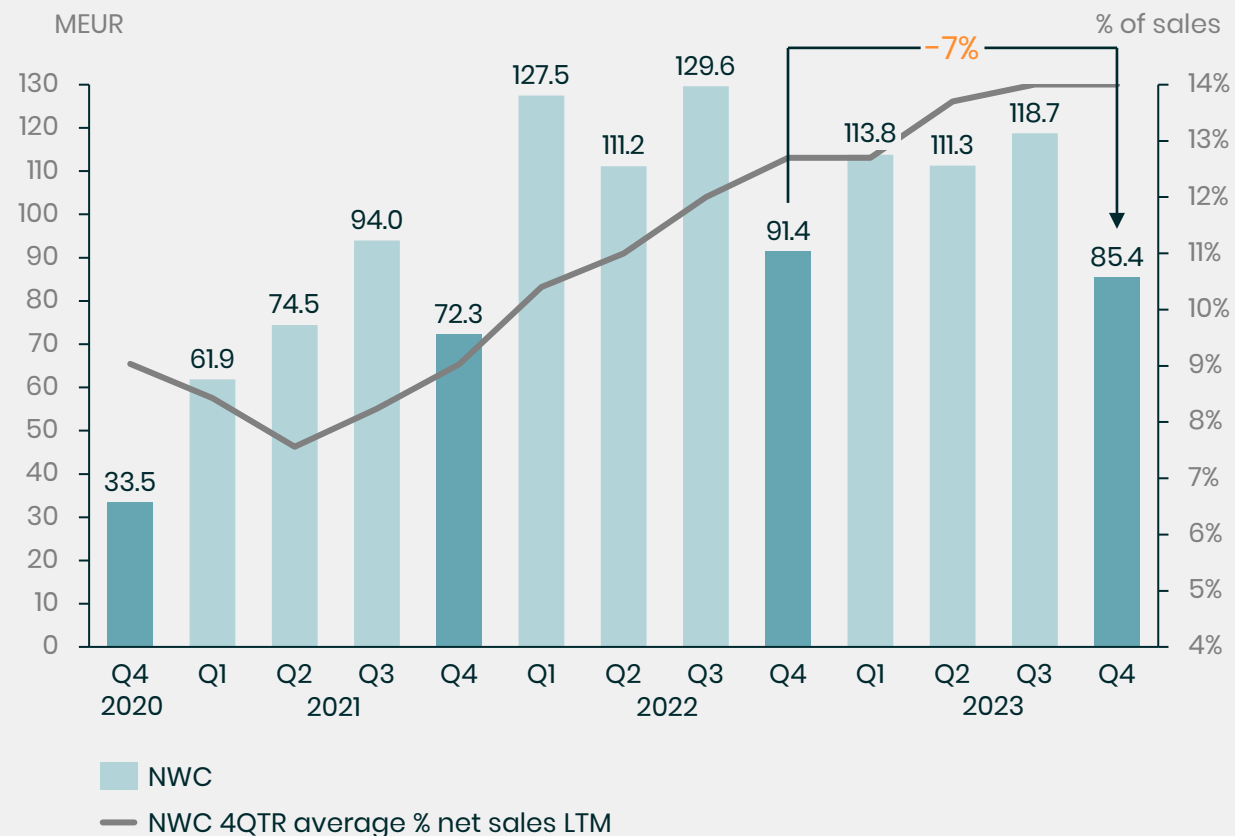
## Adj. EBITDA



Adj. EBITDA — Adj. EBITDA margin, %

- Adj. EBITDA margin improved to 18.0% (14.5%)
- The increase in adjusted EBITDA margin during the quarter was a result of successful margin management actions and a pick-up in demand in the Italian market in Q4/23
- The division also achieved cost savings in operative expenses and headcount reductions in Emmeti and Thermotech
- Thermotech contributed with EUR 0.2 million
- Q4/23 Adj. EBITDA LTM 23.7 MEUR, Adj. EBITDA LTM margin 15.6%

# Net working capital

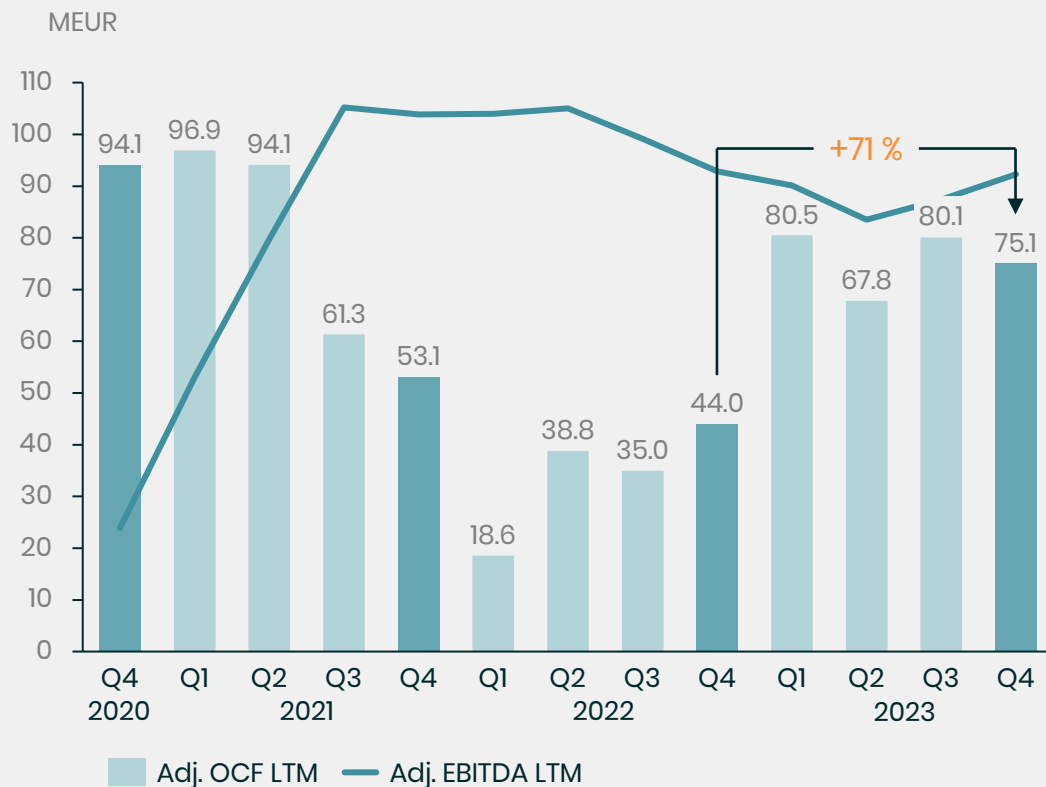


	Q4 2023	Q4 2022	Q3 2023
<b>Net working capital</b>			
Inventories	143.7	174.1	163.9
Operative receivables	98.6	110.5	113.3
Operative liabilities	156.9	193.1	158.5
<b>Net working capital</b>	<b>85.4</b>	<b>91.4</b>	<b>118.7</b>
% of net sales LTM, QTR	11.5%	10.1%	15.3%
% of net sales LTM, 4QTR average	14.0%	12.7%	14.0%

Notes: Quarterly data is unaudited



# Adjusted operating cash flow



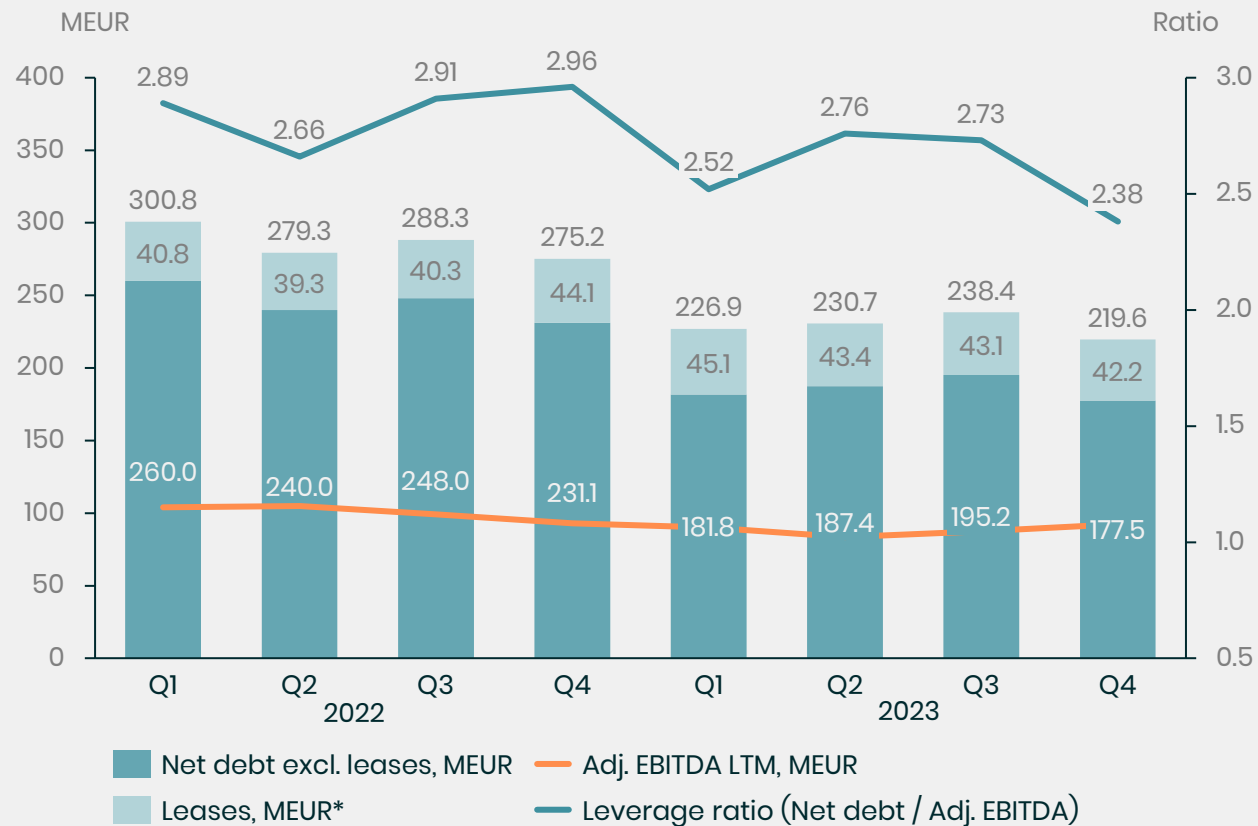
Adjusted operating cash flow, last 12 months	Q4 2023	Q4 2022	Q3 2023
Adjusted EBITDA LTM	92.3	92.9	87.4
NWC change*	3.2	-24.8	16.1
Capex LTM**	-20.3	-24.0	-23.4
<b>Adj. operating cash flow, LTM***</b>	<b>75.1</b>	<b>44.0</b>	<b>80.1</b>
Cash conversion	81.4%	47.4%	91.6%

\* Change compared to previous year same period, adjusted for impact from M&A. Including the Russian business which has been classified as assets held for sale. The 2022 comparison figure has been restated by EUR 9.6 million impairment charges related to the business in Russia.

\*\* Investments tangible and intangible assets, excluding acquisitions (M&A).

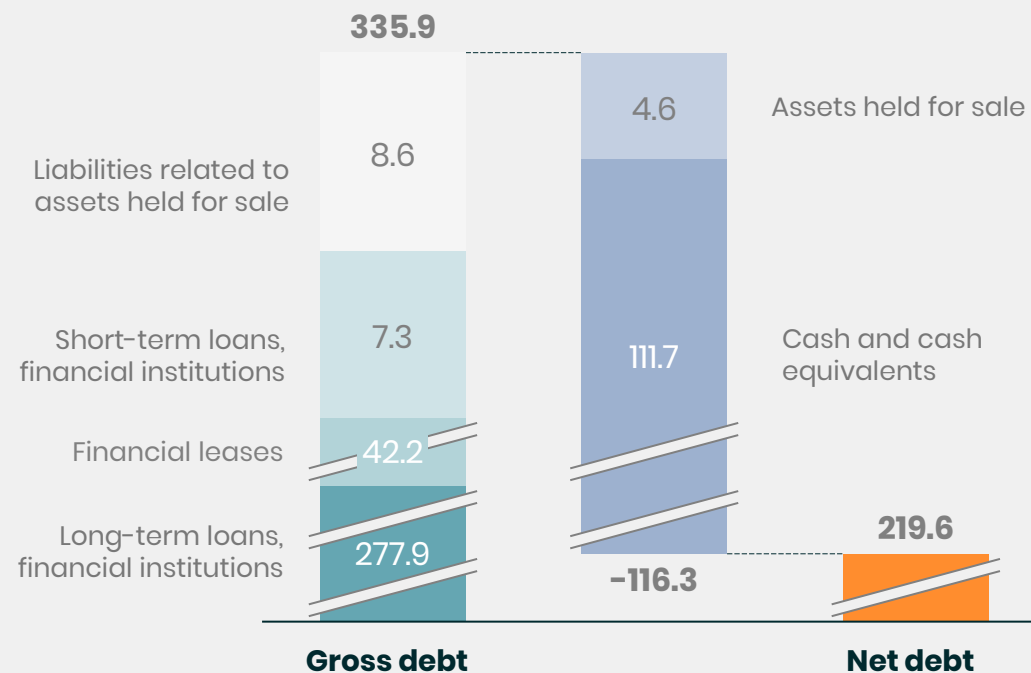
\*\*\* Adjusted operating cash flow before acquisitions and disposals of companies, financial net items and paid taxes.

# Net debt and leverage



\* Does not include leases related to assets held for sale

## Distribution of gross and net debt (MEUR)

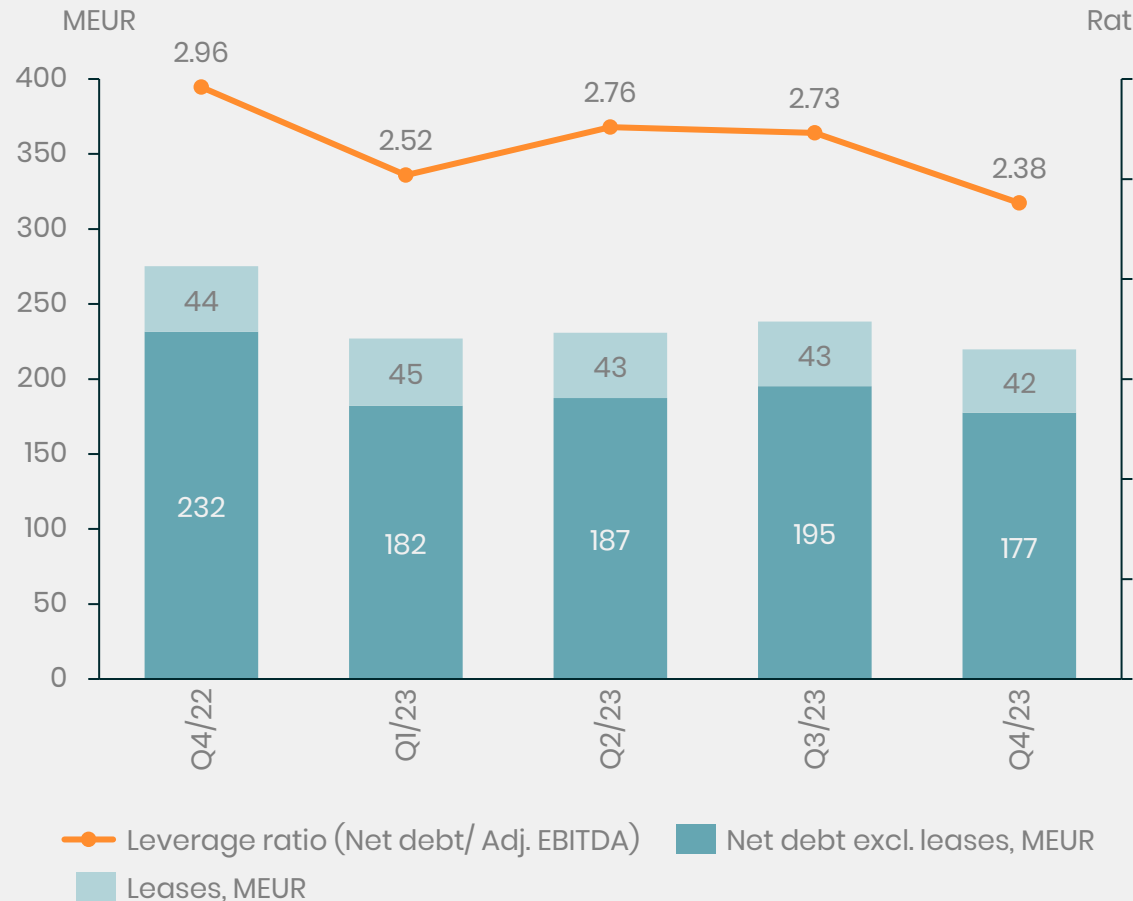


- Liabilities related to assets held for sale EUR 8.6 million mainly redemption liability related to business in Russia
- Assets held for sale (cash) EUR 4.6 million related to business in Russia

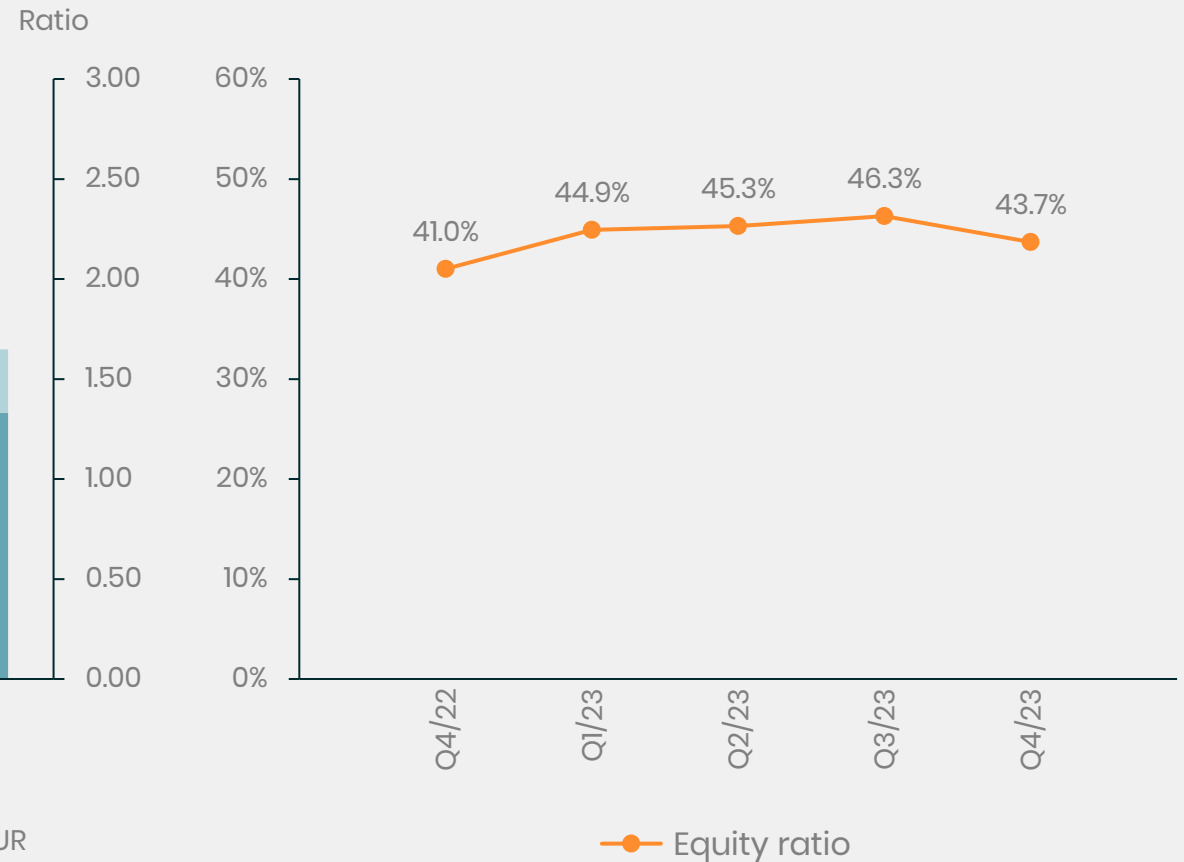


# Net debt, leverage and equity ratio

## Net debt and leverage



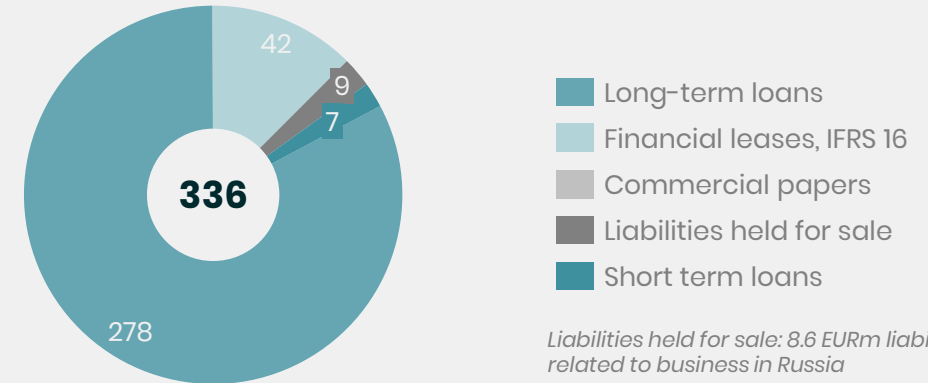
## Equity ratio



# Healthy financial position

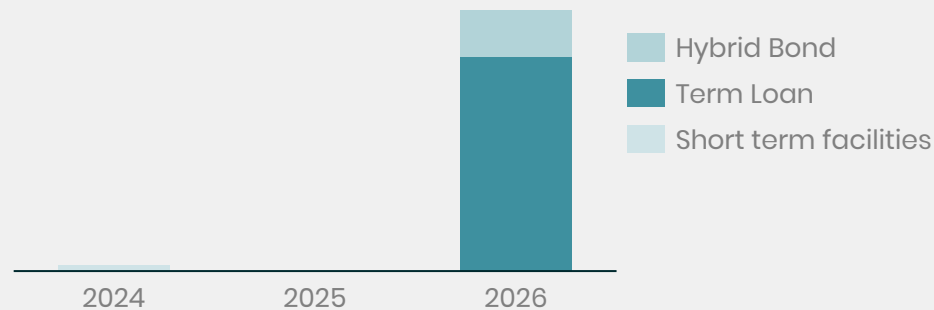
- Group net debt EUR 219.6 million
- Cash and cash equivalents totaled EUR 116.3 million
- Commercial paper program EUR 100 million, undrawn
- Undrawn committed revolving credit facility of EUR 80.0 million and undrawn overdraft facilities of EUR 20.5 million with core financial institutions
- Undrawn uncommitted M&A facility of EUR 125.0 million

## Interest bearing debt

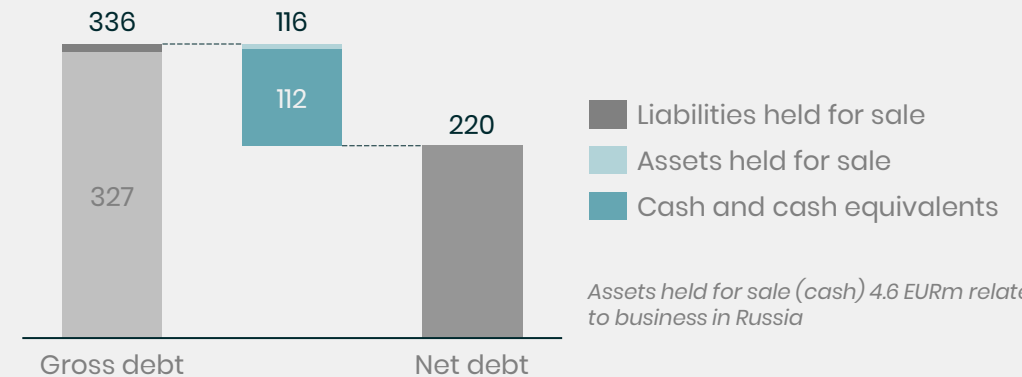


*Liabilities held for sale: 8.6 EURm liabilities related to business in Russia*

## Illustrative debt maturity profile excluding leases



## Gross interest-bearing debt and net debt



*Assets held for sale (cash) 4.6 EURm related to business in Russia*



# Financial guidance 2024

**Adjusted EBITDA in 2024 is expected to be on a similar or higher level than in 2023 (EUR 92.3 million).**

Wholesalers' stock levels have stabilised, and the lower interest rates support the expectations of a gradual market activity improvement. Strong margin management actions, which will continue in 2024, provide confidence in the guidance for the Group. However, increased geopolitical risks and high overall uncertainties can have an impact on Purmo Group's core markets.

The strategy acceleration programme, Accelerate PG, performs ahead of plan and further underpins Purmo Group's outlook for 2024. As a result, the company updates the programme's target. The cumulative targeted adjusted EBITDA run-rate improvements will be EUR 50 million (previously: above EUR 40 million), which are expected to be reached by the end of 2024. The programme also targets cumulative net working capital improvements of EUR 45 million by the end of 2024 (previously: more than EUR 30 million).

# Long-term financial targets and dividend policy

Growth	> <b>Market organic growth and notable M&amp;A</b>	Net sales growth
Profitability	> <b>15%</b>	Adj. EBITDA margin %
Leverage <sup>1</sup>	≤ <b>3.0x</b>	Interest bearing net debt / Adj. EBITDA on a rolling twelve-month basis
Dividend <sup>2</sup>	≥ <b>40%</b>	Distributed as a % of annual net profit

1) The leverage ratio is targeted not to exceed 3.0x, measured as interest bearing net debt / Adjusted EBITDA on a rolling twelve-month basis. However, leverage may temporarily exceed the target level, for example in conjunction with acquisitions or restructuring actions.

2) Purmo Group's aim is to distribute at least 40% of annual net profit as dividends or return of capital, intended to be paid out after considering earnings trends for the group, its financial position and future growth potential.

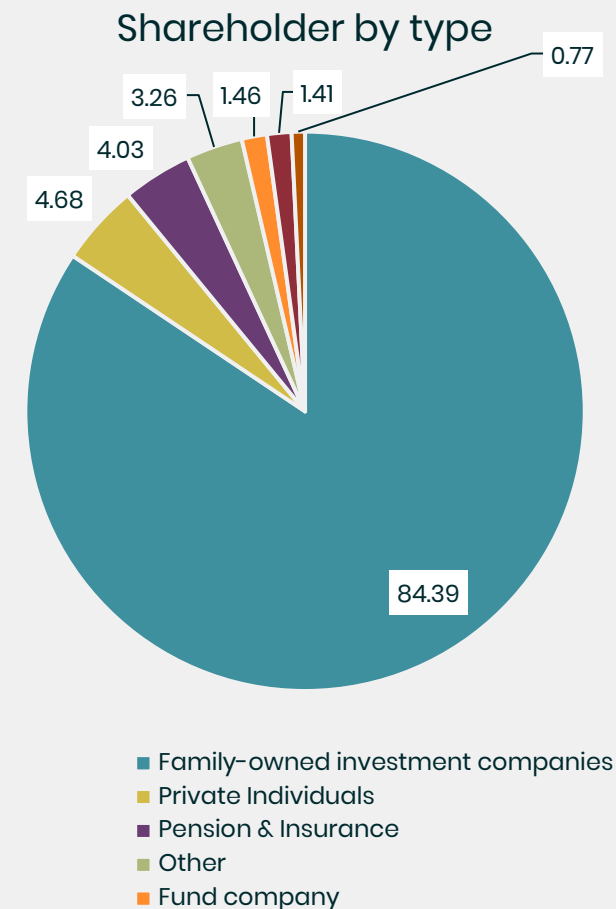


# Largest shareholders



# Largest shareholders on 23 February 2024

#	Name	Shares	Change	% of shares
1	Rettig Ltd	26,373,971	0	61.80%
2	Viralta Corporation*	6,471,739	0	15.16%
3	Ahlstrom Invest B.V.	1,200,700	0	2.81%
4	Varma Mutual Pension Insurance Company	1,000,000	0	2.34%
5	Jussi Capital Oy	606,951	0	1.42%
6	Fennia Mutual Insurance Company	500,000	0	1.17%
7	Oy Julius Tallberg Ab	442,000	0	1.04%
8	John Peter Leesi	418,927	0	0.98%
9	Alcur Fonder	408,036	0	0.96%
10	Svenska Litteratursällskapet i Finland	400,000	0	0.94%
11	Aipa Invesco AB	337,208	0	0.79%
12	Erik Hedin	255,256	+2,000	0.60%
13	Tannergård Invest AB	250,798	0	0.59%
14	Seafarers' Pension Fund	200,000	0	0.47%
15	Föreningen Konstsamfundet	175,000	-3,400	0.41%
16	Turret Oy Ab	168,000	0	0.39%
17	Oy G.W. Sohlberg Ab	150,000	0	0.35%
18	Hammarén & Co Oy Ab	150,000	0	0.35%
19	Jyri Merivirta	130,000	0	0.30%
20	Sp-Fund Management Company	111,267	0	0.26%
	<b>Total</b>	<b>39,749,853</b>	<b>-1,400</b>	<b>93.13%</b>
	Others	2,928,077		6.87%
	<b>Total</b>	<b>42,677,930</b>		<b>100%</b>



\*Viralta Corporation holds 4.906.522 class C and 1.565.217 class F shares of Purmo Group.  
More information: <https://investors.purmogroup.com/share/shareholders/>.



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