Purmo Group Plc

Interim report January-September 2024

Pick-up in demand in many sales regions during the quarter, adjusted EBITDA margin remained solid during the review period

July–September 2024

- Net sales decreased by 2 per cent to EUR 173.3 million (176.1). The organic[1] decline in net sales was 2 per cent.
- Net sales for the Climate Product & Systems division increased slightly to EUR 143.6 million (143.0) and net sales for the Climate Solutions division decreased by 9 per cent to EUR 30.3 million (33.2).
- Adjusted EBITDA decreased by 9 per cent to EUR 21.3 million (23.5).
- Adjusted EBITDA margin decreased to 12.3 per cent (13.3) mainly driven by lower volumes and temporarily higher operational costs during the quarter.
- EBIT decreased to EUR 5.3 million (11.2), which included EUR -8.4 million (-6.2) of comparability adjustments.
- Cash flow from operating activities decreased to EUR -12.6 million (1.1).
- The Accelerate PG programme's adjusted EBITDA run-rate improvements amounted to EUR 47.2 million (EUR 42.3 million at the end of Q2 2024), of which periodic impact for the third quarter was EUR 5.7 million (EUR 4.8 million in Q3 2023) compared to the previous year.

January–September 2024

- Net sales decreased by 6 per cent to EUR 532.7 million (568.2). The organic[1] decline in net sales was 6 per cent.
- Net sales for the Climate Product & Systems division decreased by 5 per cent to EUR 434.7 million (457.0) and net sales for the Climate Solutions division decreased by 11 per cent to EUR 99.1 million (111.5).
- Adjusted EBITDA decreased by 6 per cent to EUR 66.6 million (71.1).
- Adjusted EBITDA margin remained on the same level at 12.5 per cent (12.5) due to cost-saving actions.
- EBIT was EUR 29.1 million (35.2), which was burdened by EUR -15.3 million (-13.8) of comparability adjustments mainly related to the Accelerate PG programme.
- Cash flow from operating activities decreased to EUR -2.2 million (7.9).
- Adjusted operating cash flow (last 12 months) decreased by 7 per cent to EUR 74.6 million (80.1).

The tender offer

- On 2 August 2024, Project Grand Bidco (UK) Limited announced the final result of Project Grand Bidco (UK) Limited's public tender offer for all the shares in Purmo and that it will complete the tender offer and was commencing a subsequent offer period. According to the final result of the Tender Offer, the 40,341,493 shares validly tendered and not validly withdrawn in the Tender Offer or which the shareholders of Purmo Group had otherwise agreed to sell to the Offeror in connection with the Tender Offer, represented approximately 94.53 per cent of all the Shares in the aggregate. The Subsequent Offer Period commenced on August 5, 2024 at 9:30 a.m. (Finnish time) and expired on August 19, 2024 at 4:00 p.m. (Finnish time).

- On 8 August 2024, Purmo Group announced a new financing arrangement for Purmo Group and the plan for prepayment of existing loans. The Board of Directors of Purmo Group Plc had made a decision upon a loan agreement to be made with Project Grand Bidco (UK) Limited under which Grand Bidco would make available to the Company a term loan that could be at maximum up to EUR 300 million for the refinancing of the Company's existing indebtedness and for working capital and general corporate purposes. The Company's existing syndicated term loan and revolving credit facilities totalling around EUR 290 million from third parties would be prepaid with the loan provided by Grand Bidco.

- On 17 September 2024, Project Grand Bidco announced that the trustee had been appointed for the arbitration proceedings concerning the redemption of minority shares in Purmo Group Plc.

[1] Excluding currency effects and impacts from acquisitions and divestments.

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 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, is performing ahead of plan and further underpins Purmo Group's outlook for 2024. The cumulative targeted adjusted EBITDA run-rate improvements of the programme will be EUR 50.0 million, which are expected to be reached by the end of 2024. The programme also targets cumulative net working capital improvements of EUR 45.0 million by the end of 2024.

Key figures and financial performance

EUR million	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Net sales	173.3	176.1	-2%	532.7	568.2	-6%	743.2
Adjusted EBITDA[1]	21.3	23.5	-9%	66.6	71.1	-6%	92.3
Adjusted EBITDA margin, %[1]	12.3%	13.3%		12.5%	12.5%		12.4%
Adjusted EBITA[1]	14.7	18.3	-20%	47.4	51.8	-8%	66.3
Adjusted EBITA margin, %[1]	8.5%	10.4%		8.9%	9.1%		8.9%
EBIT	5.3	11.2	-52%	29.1	35.2	-18%	9.7
EBIT margin, %	3.1%	6.3%		5.5%	6.2%		1.3%
Profit for the period	-5.2	4.5		3.5	14.1	-75%	-9.3
Adjusted profit for the period[1 3]	1.2	9.6	-87%	14.9	25.3	-41%	32.2
Earnings per share, basic, EUR	-0.15	0.08		0.02	0.27	-93%	-0.32
Adjusted earnings per share, basic, EUR[1 3]	0.00	0.20	-99%	0.29	0.54	-46%	0.68
Cash flow from operating activities	-12.6	1.1		-2.2	7.9		40.4
Adjusted operating cash flow, last 12 months[1 2]				74.6	80.1	-7%	75.1
Cash conversion[1 2]				85.0%	91.6%		81.4%
Operating capital employed[1]				309.4	327.1	-5%	294.7
Return on operating capital employed, %[1]				1.2%	10.5%		2.9%
Net debt[1]				262.4	238.4	10%	219.6
Net debt / Adjusted EBITDA[1]				2.99	2.73	10%	2.38

[1] Purmo Group presents certain measures of financial performance, financial position and cash flows, which are alternative performance measures in accordance with the guidance issued by the European Securities and Markets Authority ('ESMA'). For the detailed definitions and reconciliation of alternative performance measures see page 45 in the January-September 2024 interim financial report.
[2] Change in net working capital includes assets held for sale. M&A and comparability adjustments totalled EUR 5.5 (9.6) million.
[3] Comparative figures for Q3 2023 have been restated due to change in calculation of the key figure, see page 46 in the January-September 2024 interim financial report.

CEO's review

During the third quarter of 2024, we saw signs of pick-up in the Nordics, and we grew in net sales also in Central, Eastern and Western Europe. Despite that low level of demand remained in most of our core markets, we made progress in expanding our product portfolio in our current markets and utilising more sales channels as part of our growth phase in the Accelerate PG programme. After the review period, we completed an acquisition of Unitherm Heating Solutions Ltd, which perfectly supports our solution selling strategy.

During the quarter, Project Grand Bidco (UK) Limited announced that it would complete the tender offer for all shares in Purmo Group. We look forward to working with the members of the consortium in the company's exciting period of growth.

Pick-up in demand in many sales regions, the acquisition of Unitherm in the Climate Solutions division completed after the review period

In the Climate Products & Systems division, a low-demand environment remained, although sales activities were at a good level in Finland, Central and Eastern Europe in addition to Western Europe, including Germany and Austria. As a result, the division's net sales were slightly above last year, EUR 143.6 million. In Western Europe, we expanded our long-standing customer relationships to cover more of our heating and cooling solutions. The adjusted EBITDA improved compared to the second quarter of 2024. However, we saw price pressure in all our markets and temporarily, our operational costs were also higher mainly due to the production transfer of operations from Zonhoven to Rybnik. This led to a decline of 9 per cent in adjusted EBITDA to EUR 20.3 million compared to the previous year.

In the Climate Solutions division, demand remained sluggish, whereas improvement in demand was visible in Emmeti's French and Spanish businesses. In France, we achieved solid growth thanks to heat pump sales during the quarter and the expansion of the distribution network for installers in the previous quarters. Furthermore, we introduced our Emmeti air-to-air heat pump range in Brazil. At the end of the third quarter, our adjusted EBITDA was at EUR 3.0 million, a decrease of 18 per cent from the previous year, driven mostly by lower volumes. The adjusted EBITDA margin decreased to 9.8 from 10.9 percentage points compared to last year.

An important milestone in growing our solutions business was achieved after the review period. We completed the acquisition of Unitherm Heating Systems Ltd, a provider of holistic climate solutions, mostly build around heat pumps. The solutions are sold mainly through wholesalers. The company is headquartered in Dublin and provides, among others, design and supply of heating systems solutions for residential and commercial buildings. I want to thank our Purmo Group team for this fine acquisition and warmly welcome Unitherm employees to the Purmo Group family.

Accelerate PG programme target EUR 50 million expected to be reached

Accelerate PG programme's cumulative adjusted EBITDA run-rate improvements of EUR 50.0 million are expected to be reached by the end of 2024. This is thanks to the strong execution of the programme, which has been proceeding ahead of plans. The execution of the growth phase is also proceeding as planned, including increased utilisation of different sales channels, such as with our Swedish customer, Ahlsell. Purmo Group's underfloor heating and water distribution solutions will be soon available in around 20 Ahlsell stores around Sweden. We also expanded our radiator and underfloor heating offerings to our existing customers in Western Europe, as part of the programme initiatives.

Sale of the Russian business

On 11 September 2024, we completed the sale of our Russian business to a Russian investment company. Following this divestment, we do not have any activities in Russia.

Continued improvement in health and safety

We continued our dedication to improving health and safety in Purmo Group. As a result, we were able to reduce our Lost Time Injury Frequency Rate to 2.5 compared to 4.0 in the previous year. As part of the initiatives, we launched a trial for Exoskeleton vests to avoid injuries for personnel working in the production lines, and also identified software for monitoring and acting more rapidly on health and safety issues.

Full year guidance 2024 unchanged

Thanks to strong execution by our team, we expect to reach the target for our strategy acceleration programme, Accelerate PG, for 2024. Combined with slight optimism in a few markets and customer expansions we are keeping our guidance for 2024 unchanged. The adjusted EBITDA in 2024 is expected to be on a similar or higher level than in 2023 (EUR 92.3 million).

John Peter Leesi
CEO, Purmo Group Plc

Group financial overview

Net sales

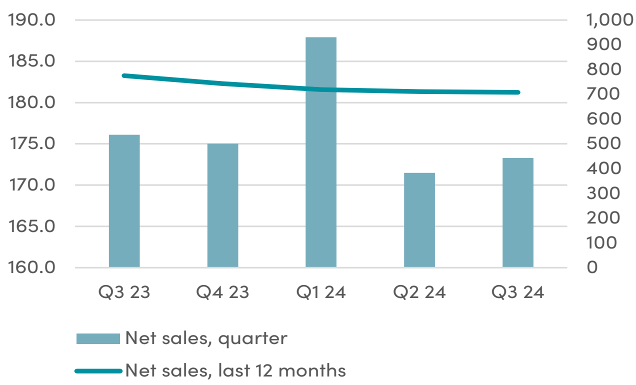
EUR million	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Net sales, by segment							
Climate Products & Systems	143.6	143.0	0%	434.7	457.0	-5%	591.9
Climate Solutions	30.3	33.2	-9%	99.1	111.5	-11%	151.6
Eliminations	-0.6	-0.1		-1.1	-0.3		-0.3
Total	**173.3**	**176.1**	**-2%**	**532.7**	**568.2**	**-6%**	**743.2**

In July-September 2024, Purmo Group's net sales were EUR 173.3 million (176.1); a decrease of 2 per cent. The organic decline in net sales, excluding currency effects, acquisitions and divestments, was 2 per cent. Acquisitions did not contribute to net sales. The net impact of changes in currencies was slightly positive.

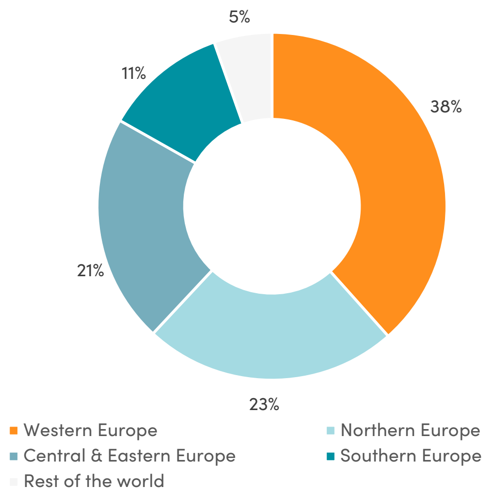
Net sales for the Group declined as a result of the low construction activity during the quarter. For the Climate Products & Systems division, net sales increased slightly compared to the previous year. Improvement in net sales was visible in Western, Central and Eastern Europe in addition to the Nordics. The Climate Solutions division suffered from low demand for heating and cooling projects in its main markets during the quarter, although sales improved within Emmeti's French and Spanish businesses.

Net sales from Northern Europe increased by 1 per cent amounting to EUR 40.7 million (40.2). Western Europe increased by 2 per cent, amounting to EUR 66.6 million (65.0). Central and Eastern Europe increased by 0.4 per cent to EUR 36.9 million (36.7). Southern Europe declined by 7 per cent to EUR 19.8 million (21.4) and the rest of the world region declined by 27 per cent to EUR 9.3 million (12.7).

Net sales, MEUR



Net sales by geographical area, 7-9/2024



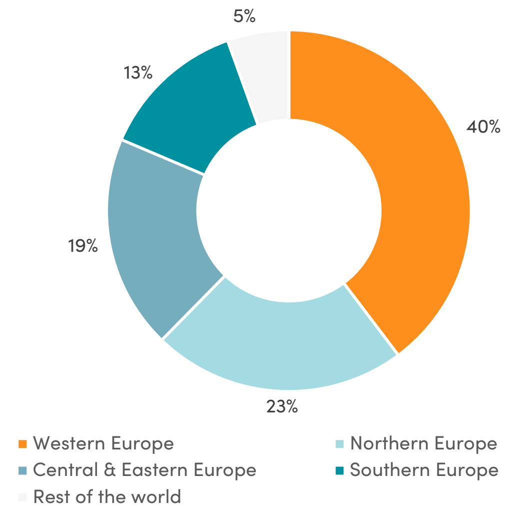
Net sales by geographical area

EUR million	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Northern Europe	40.7	40.2	1%	120.1	123.7	-3%	166.4
Western Europe	66.6	65.0	2%	211.8	227.7	-7%	287.5
Central and Eastern Europe	36.9	36.7	0%	102.0	99.8	2%	135.4
Southern Europe	19.8	21.4	-7%	69.8	79.1	-12%	110.3
Rest of the world	9.3	12.7	-27%	29.1	37.9	-23%	43.5
Net sales	**173.3**	**176.1**	**-2%**	**532.7**	**568.2**	**-6%**	**743.2**

In January–September 2024, Purmo Group's net sales were EUR 532.7 million (568.2); a decrease of 6 per cent. The organic decline in net sales, excluding currency effect, acquisitions and divestments was 6 per cent. Acquisitions did not contribute to net sales. The net impact of changes in currencies was slightly negative. Net sales declined due to low demand in most of the company's main markets, although sales in Central and Eastern Europe increased during the period.

Net sales in Northern Europe declined by 3 per cent to 120.1 million (123.7). Western Europe declined by 7 per cent, amounting to EUR 211.8 million (227.7). Central and Eastern Europe increased by 2 per cent to EUR 102.0 million (99.8). Southern Europe declined by 12 per cent to EUR 69.8 million (79.1) and the rest of the world region declined by 23 per cent to EUR 29.1 million (37.9).

Net sales by geographical area, 1-9/2024



Results and profitability

EUR million	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Adjusted EBITDA, by segment							
Climate Products & Systems	20.3	22.2	-9%	60.3	62.2	-3%	78.5
Climate Solutions	3.0	3.6	-18%	14.0	16.4	-15%	23.7
Other and unallocated	-2.0	-2.3	-15%	-7.7	-7.5	2%	-9.9
Total	**21.3**	**23.5**	**-9%**	**66.6**	**71.1**	**-6%**	**92.3**
Adjusted EBITDA margin, %	**12.3%**	**13.3%**		**12.5%**	**12.5%**		**12.4%**

In July-September 2024, Purmo Group's adjusted EBITDA declined to EUR 21.3 million (23.5); a decrease of 9 per cent.

The adjusted EBITDA margin declined to 12.3 (13.3) per cent. The decline in the adjusted EBITDA and in the adjusted EBITDA margin was driven by lower volumes and temporarily higher operational costs during the quarter. Operational costs were temporarily on a higher level primarily due to the production transfer from Zonhoven to Rybnik.

Comparability adjustments affecting EBITDA and EBITA amounted to EUR -8.4 million (-6.2). The adjustments were mainly related to the Accelerate PG programme, cumulative translation losses from the divestment of the Russian business and costs related to the public tender offers.

Profit for the review period was EUR -5.2 million (4.5) and adjusted profit for the period was EUR 1.2 million (9.6). Earnings per share were EUR -0.15 (0.08) and adjusted earnings per share were EUR 0.00 (0.20).

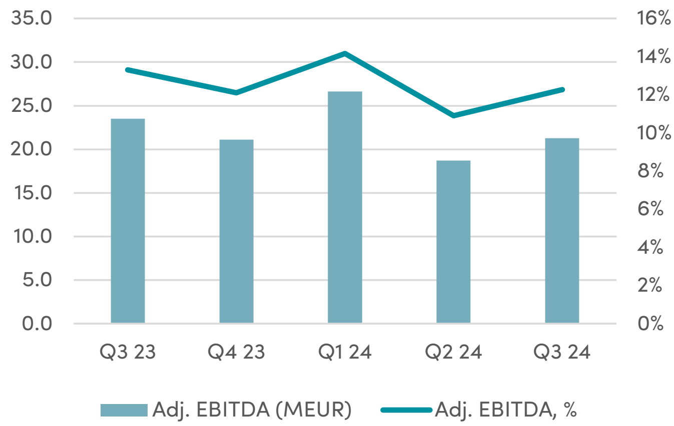
In January–September 2024, Purmo Group's adjusted EBITDA was EUR 66.6 million (71.1); a decrease of 6 per cent. The decline in the adjusted EBITDA for the Group was mainly a result of low volumes in both divisions, driven by the Climate Solutions division.

The adjusted EBITDA margin remained at the same level at 12.5 (12.5) per cent compared to the corresponding period last year as a result of strong margin management in the Climate Products & Systems division.

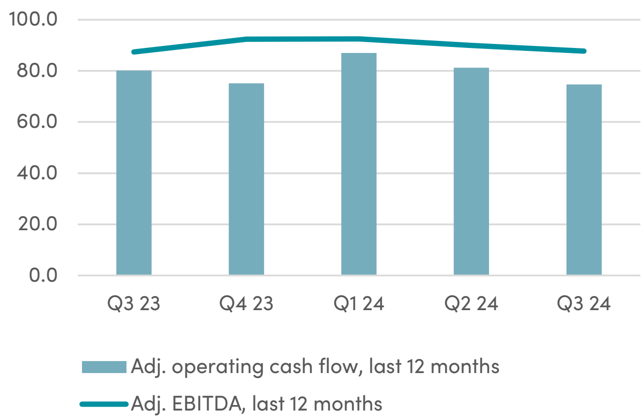
Comparability adjustments affecting EBITDA and EBITA amounted to EUR -15.3 million (-13.8). The adjustments were mainly related to the Accelerate PG programme, costs related to the public tender offers and cumulative translation losses from the divestment of the Russian business.

Profit for the review period was EUR 3.5 million (14.1), and adjusted profit for the period was EUR 14.9 million (25.3). Earnings per share were EUR 0.02 (0.27), and adjusted earnings per share were EUR 0.29 (0.54).

Adj. EBITDA and Adj. EBITDA, %



Adj. operating cash flow, last 12 months, MEUR



Cash flow and financial position

In July-September 2024, cash flow from operating activities decreased to EUR -12.6 million (1.1). The cash flow was negatively impacted by the change in net working capital and by the payments related to restructuring within the Accelerate PG programme. The cash flow was also impacted by the decrease in profit.

In January-September 2024, cash flow from operating activities decreased to EUR -2.2 million (7.9) and was negatively impacted by the change in net working capital and by the payments related to restructuring within the Accelerate PG programme of EUR -37.4 million (-21.3). The cash flow was also impacted by the decrease in profit.

Adjusted operating cash flow for the last 12 months decreased by 7 per cent to EUR 74.6 million (80.1), and the cash conversion was 85.0 per cent (91.6). The change was mainly a result of a decrease in net working capital of EUR 8.4 million (16.1). The adjusted EBITDA during the last 12 months increased to EUR 87.7 million and was higher than the previous year (87.4).

Cash flow from investment activities was EUR -22.1 million (-11.7) in the review period and was mainly attributed to payment of redemption liability, in addition to investments in property, plant and equipment and intangible assets.

Cash flow from financing activities, which include the payments of return of capital, repayment of lease liabilities and hybrid bond annual coupon payment, was EUR -20.7 million (37.3).

At the end of September 2024, the Group's net debt was EUR 262.4 million (31 Dec 2023: 219.6), and the net debt to adjusted EBITDA ratio, based on the last 12 months adjusted EBITDA, was 2.99 (31 Dec 2023: 2.38). The increase in the Group's net debt to adjusted EBITDA was mainly a result of a change in net working capital during the review period. The hybrid bond is treated as equity according to IFRS and therefore not included in net debt.

At the end of September 2024, the equity ratio was 42.9 per cent (31 Dec 2023: 43.7) having decreased mainly due to the hybrid bond related annual coupon payment and return of capital payments. The equity ratio calculation has been updated to be calculated from total equity instead of equity attributable to the owners of the company from the beginning of 2023.

At the end of September 2024, the liquidity position in terms of cash and cash equivalents totalled EUR 71.1 million (31 Dec 2023: 111.7). The company has a Finnish commercial paper programme of EUR 100.0 million (31 Dec 2023: 100.0), which was unutilised at the end of the review period. The company also has EUR 15.0 million (31 Dec 2023: 20.5) of unutilised overdraft facilities with core financial institutions.

Total equity decreased to EUR 415.5 million (31 Dec 2023: 435.7) compared to the period last year.

Market overview

Energy efficiency requirements for new and existing buildings are expected to favourably influence demand for Purmo Group's indoor climate comfort solutions. Governments and local authorities are incentivising the shift to renewable energy sources and energy efficiency through low-temperature systems as well as well-insulated housing. The incentives also support the introduction of energy performance requirements for new and renovated buildings. The European Union's Green Deal, aiming at making Europe the first carbon-neutral continent by 2050, is one example of a generic longer-term initiative. Furthermore, as a result of global warming and rising energy prices, consumers are showing an increasing preference and need for combatting climate change and supporting sustainability. Consumer preferences are moving towards sustainable solutions and products.

According to the European Commission, up to 75 per cent of the buildings in the EU require deep energy renovation, implying that the addressable energy renovation market opportunity is significant. Energy renovations in existing dwellings often include the replacement of fossil-fuel-based heat sources (e.g. gas boilers) with renewable-energy-based heat sources (e.g. heat pumps). Importantly, the growth of heat pumps also drives a shift from high-temperature to low-temperature heat distribution systems to enable the energy efficiency of the heat pump installation. This implies that emitters such as radiators will need to be upgraded when combined with heat-pump systems by becoming larger or more efficient, so they can generate equal heating output given the lower water temperature of the system.

Purmo Group is well positioned to support this transition, being a provider of complete heating and cooling solutions, including air-to-water heat pumps, low-temperature emitters and smart controls. The company's indoor climate comfort solutions are sold primarily across Europe mainly to residential buildings, but also to non-residential buildings. Around 60 per cent of Purmo Group's net sales are generated from renovation, with the remainder from new construction projects. The secular trend for energy renovations also helps to make the business even less reliant on new build construction markets.

The estimated compounded annual growth rate for Purmo Group's products and systems varies. As an example, the demand for air-to-water heat pumps is expected to grow by 14 per cent annually (CAGR) within the company's addressable markets (2024-2026) (BRG, June 2024).

The energy renovation trend in Europe requires an upgrade of radiators in conjunction with heat pump installations for consumers to capture full energy savings. This trend is expected to grow the radiator market by 5.6 per cent annually during 2022-2030 (CAGR) (Third party independent analysis).

During the third quarter of 2024, construction activity in Purmo Group's key markets remained weak. However, improvement and slight optimism was seen in a few markets. Sales in Central and Eastern Europe continued, and growth was visible in Western Europe in addition to the Nordics. The increased sales were partly a result of accelerated sales activities in addition to optimism regarding construction market recovery.

The construction markets in the new build and renovation segments are expected to remain challenging in 2024. Increased geopolitical risks and high overall uncertainties could also have an impact on Purmo Group's core markets.

The mid-to long-term market outlook is positive for Purmo Group given the support from secular green transition tailwinds. The need for radiator upgrades in conjunction with heat pump installations across Europe is also driving the demand for the heating and cooling products offered by the Group.

Climate Products & Systems Division

The Climate Products & Systems division sells via wholesalers to residential and non-residential sectors. Its sales regions are Northern, Western, Southern and Eastern Europe, and rest of the world, including Brazil, China, Japan and the United States. The main product categories within the division are panel, tubular and electric radiators as well as products for radiant heating and cooling (RHC); including underfloor heating, air heating and cooling, water distributions systems, and system components and controls.

EUR million	7-9/2024	7-9/2023	Change,	1-9/2024	1-9/2023	Change,	2023
Net sales	143.6	143.0	0%	434.7	457.0	-5%	591.9
Adjusted EBITDA	20.3	22.2	-9%	60.3	62.2	-3%	78.5
Adjusted EBITDA margin, %	14.1%	15.5%		13.9%	13.6%		13.3%
Depreciations, amortisations and impairments	-6.3	-4.8	30%	-18.4	-18.3	0%	-31.7

Net sales

In July-September 2024, net sales for the Climate Products & Systems division increased slightly to EUR 143.6 million (143.0). The organic growth in net sales was slightly positive. Acquisitions did not contribute to the division's net sales. The net impact of changes in currencies was slightly negative.

During the third quarter, an improvement in sales was seen in Western as well as in Central and Eastern Europe in addition to the Nordics. The growth was due to accelerated sales activities and slight optimism regarding construction market recovery. Net sales of radiators increased to EUR 97.1 million (94.8) during the third quarter of the year. The generally low demand environment decreased the organic sales volume in radiators by around 0.7 per cent during the quarter.

In January–September 2024, net sales for the Climate Products & Systems division decreased by 5 per cent to EUR 434.7 million (457.0). The organic decline in net sales was 5 per cent. Acquisitions did not contribute to the division's net sales. The net impact of changes in currencies was slightly negative.

Net sales of radiators for the review period amounted to EUR 290.7 million (297.6). The generally low demand environment during the review period led to a decline in the organic sales volume in radiators of around 2.3 per cent.

Profitability

In July-September 2024, adjusted EBITDA for the Climate Products & Systems division decreased by 9 per cent to EUR 20.3 million (22.2). The adjusted EBITDA margin declined to 14.1 per cent (15.5) from last year.

The adjusted EBITDA and the adjusted EBITDA margin declined due to low sales volumes and higher operational costs during the quarter. The division continued its cost-saving actions throughout the quarter.

In January–September 2024, adjusted EBITDA for the Climate Products & Systems division declined to EUR 60.3 million (62.2). The adjusted EBITDA margin improved to 13.9 per cent (13.6).

Climate Solutions Division

The Climate Solutions division sells integrated solutions directly to installers from the company's Emmeti business in South Europe, its Thermotech business in the Nordic region and its Merriott business in the United Kingdom and Ireland. The Climate Solutions division provides a comprehensive set of heating and cooling solutions for customers whose goal is to achieve energy savings and reduce emissions generated by energy consumption.

EUR million	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Net sales	30.3	33.2	-9%	99.1	111.5	-11%	151.6
Adjusted EBITDA	3.0	3.6	-18%	14.0	16.4	-15%	23.7
Adjusted EBITDA margin, %	9.8%	10.9%		14.1%	14.8%		15.6%
Depreciations, amortisations and impairments	-1.3	-1.2	5%	-3.8	-3.7	2%	-5.1

Net sales

In July-September 2024, net sales for the Climate Solutions division decreased by 9 per cent to EUR 30.3 million (33.2). The organic decline in net sales was 9 per cent. Acquisitions did not contribute to the division's net sales. The net impact of changes in currencies was 1 per cent.

During the third quarter, net sales for the Climate Solutions division were negatively impacted by low construction activity in Italy and the Nordics, although a recovery was visible in Finland. Furthermore, net sales of Emmeti's French and Spanish businesses improved compared to the corresponding period last year.

In January–September 2024, net sales for the Climate Solutions division decreased by 11 per cent to EUR 99.1 million (111.5). The organic decline in net sales was 12 per cent. The net impact of changes in currencies was 1 per cent.

Profitability

In July-September 2024, adjusted EBITDA for the Climate Solutions division decreased by 18 per cent to EUR 3.0 million (3.6). The adjusted EBITDA margin decreased to 9.8 per cent (10.9).

The decrease in adjusted EBITDA margin was a result of lower volumes in the division's main markets during the quarter.

In January–September 2024, adjusted EBITDA for the Climate Solutions division decreased by 15 per cent to EUR 14.0 million (16.4). The adjusted EBITDA margin declined to 14.1 per cent (14.8).

Investments, acquisitions, structural changes and R&D

Investments

In July–September 2024, capital expenditure, excluding business combinations and leased assets, totalled EUR 4.4 million (4.7) and in January-September 2024 EUR 13.0 million (11.8). The investments during the review period and the comparison period were related primarily to strategic projects as well as factory expansions and maintenance.

Acquisitions and disposals

On 11 September 2024, Purmo Group announced that it had sold its Russian operations to a Russian investment company. As a result of the divestment, Purmo Group does not have any activities in Russia. The company's redemption liability concerning the Russian business was paid soon after the completion of the transaction. The parties had agreed that the purchase price would not be disclosed.

In 2023, the business in Russia represented approximately 3 per cent of the Group's total net sales. The divestment does not have a material financial impact on Purmo Group and does not affect the financial guidance for 2024.

Structural changes

On 13 May 2024, Purmo Group announced that it had completed the consultation process with employee representatives relating to the closure of its Hull plant, in the United Kingdom. Over half of the production of low surface-temperature radiators was transferred to Gateshead in the third quarter of 2024. The rest of the production transfer will be completed by the end of the fourth quarter of 2024.

Research and development

Product development within Purmo Group focuses on connecting smart HVAC equipment, from the energy source to thermal emitters, in one unified and intelligent system. Combining and connecting heat pumps with heat emitters and other systems offered by the Group maximises energy savings for end-users. Additionally, focus is placed on minimising material usage, including product packaging, and on smart design that improves system performance. Purmo Group also continues its collaboration with its network in the field of control systems.

In line with its strategy, Purmo Group's pipeline of smart products focuses on three clear strategic priorities: intelligence and connectivity, sustainability and aesthetics.

Research and development (R&D) expenditure totalled EUR 1.2 million (1.1) in July-September 2024. Research and development (R&D) expenditure totalled EUR 4.2 million (4.3) in January-September 2024.

During the third quarter, Purmo Group launched a new vertical hydronic steel panel radiator characterised by higher heat outputs, lower production costs, and a higher maximum operating pressure. The launch was possible due to a significant investment in the Group's Rybnik site in Poland, with a new production hall, press equipment and a welding line. Furthermore, the Group developed various parallel private label emitter solutions during the quarter to support its major customers across Europe.

Strategy

The company's growth strategy is built on three pillars:

(i) scaling-up of solution-selling to provide complete solutions and to capture growth potential in underpenetrated markets;

(ii) launching and delivering smart products that are more intelligent, sustainable and aesthetic; and

(iii) focusing on growth markets to capture the biggest opportunities outside of current markets.

Growth is supported by M&A opportunities, which will foster consolidation and expansion.

The strategy is further supported by continuous improvement of operational excellence and by investments in people and culture.

Strategy acceleration programme

On 5 October 2022, Purmo Group announced a strategy acceleration programme, 'Accelerate PG', to strengthen the execution of the strategy. The programme supports the financial development of the Group. The programme focuses on improving net sales growth, profitability and net working capital efficiency to support reaching its financial targets.

The programme targets cumulative adjusted EBITDA run-rate improvements of EUR 50.0 million, which are expected to be reached by the end of 2024. The programme also targets cumulative net working capital improvements of EUR 45.0 million by the end of 2024.

The company has started the programme initiatives to improve net sales growth. The target for the growth phase is to achieve approximately EUR 15.0 million of incremental adjusted EBITDA run-rate improvements by the end of 2025.

Profitability improvements include both variable and fixed cost savings. Additionally, the company continues to assess optimising its manufacturing and supply chain footprint. Growth initiatives include utilisation of the existing offering across all markets, maximising the account coverage including distributors, installers and developers, launching new products and seising new sales channels as well as ensuring optimal enablers in terms of systems, processes, and ways of working.

The costs for the programme, excluding non-cash items, are expected to be approximately EUR 45.0 million, of which approximately EUR 34.0 million was generated during 2023, and the remainder will be incurred in 2024. In addition, non-cash costs for the programme are expected to be below EUR 5.0 million in 2024. In 2025, the costs recognised as adjusting items in the programme's growth initiatives are approximately half of the adjusted EBITDA run-rate improvements achieved during the year.

Accelerate PG is delivering improvements ahead of plan. Implemented adjusted EBITDA run-rate improvements at the end of the third quarter amounted to EUR 47.2 million. This was up from EUR 42.3 million at the end of the second quarter. Adjusted EBITDA periodic impact during the quarter amounted to EUR 5.7 million (EUR 4.8 million in Q3 2023) compared to the previous year. The programme has also realised a cumulative net working capital improvement of EUR 42.3 million, of which periodic impact amounted to EUR 1.1 million during the third quarter compared to the previous year.

The most significant improvements from the strategy acceleration programme have been generated in pricing and portfolio optimisation, procurement savings and efficiencies from footprint optimisation. In addition, the Group achieved improvements in net working capital efficiency. The savings reported in the programme are incremental and recurring and, thus, do not include inflationary effects on either sales price or input costs.

On 13 May 2024, Purmo Group announced that it had completed the consultation process with employee representatives relating to a closure of the Hull plant, the United Kingdom. The termination of employment of 23 employees was completed in the third quarter of 2024. The termination of the employment of further 10 employees, the closure of the Hull plant and the transfer of the remaining production of low surface-temperature radiators to Gateshead will be completed by the end of the fourth quarter of 2024.

Sustainability

Purmo Group's 'Complete Care' approach to sustainability is designed to be wide-reaching, transparent, tangible, measurable and effective. It covers four focus areas: **Production**, the way Purmo Group makes things; **Solutions**, the things it makes; **People**, the employees that make them; and **Communities**, those that it reaches. Purmo Group continued to make progress against its ESG targets in the third quarter of 2024.

Production

Carbon intensity decreased by 6 per cent to 79.5 (84.4) (tCO2e/net sales in EUR million) and Scope 1 and 2 greenhouse gas (GHG) emissions decreased by 7 per cent to 13,778 tCO2e (14,857) during the quarter. The decrease in Scope 1 and Scope 2 emissions was driven by lower volumes and seasonality in production.

Solutions

During the third quarter, the momentum for introducing new EPDs (Environmental Product Declarations) for Purmo Group's solutions continued as a result of increased customer demand. The Group is in the process of creating over ten EPDs for its products ranging from radiators to underfloor heating pipes and valves and has further submitted EPDs in the pipeline.

People

Lost Time Injury Frequency Rate per million hours worked (LTIFR) decreased to 2.5 (4.0). The decline was a result of continued improvements and focus on safety within the Group.

During the quarter, the Group launched a trial for Exoskeleton vests to assist employees in the manufacturing facilities in performing physically demanding tasks. The vests reduce the risk of injuries and strain associated with repetitive or strenuous work. Furthermore, software for monitoring and taking action on health and safety issues was identified. The number of safety observations decreased by 26 per cent to 161 (219) in the quarter. The proportion of women in senior management positions decreased to 24 per cent (31 per cent).

Communities

During the quarter, Purmo Group's employees dedicated 1,345 hours in total (1,261) to volunteering in local communities. The increase in volunteering hours was a result of organisational efforts in increasing volunteering events at the production plants.

During the quarter, the team in the plant in Hungary took part into a plastic-free challenge in July. As part of the challenge, the team served tap water in glass bottles in meetings to avoid single, plastic bottles. Furthermore, the employees successfully changed plastic water bottles to personal, reusable ones.

Other material activities

A comprehensive review of health and safety auditing tools was carried out during the quarter. As a result of the review, a preferred partner was identified to provide an online solution for managing health and safety audits across Purmo Group's manufacturing plants from 2025 onwards.

More information on Purmo Group's sustainability strategy is available on the company's website.

Key indicators

	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Production							
Scope 1 and 2 GHG emissions, tCO_2e[1 8]	13,778	14,857	-7%	46,339	48,736	-5%	63,898
Scope 3 GHG emissions from procured steel, tCO_2e[2]	51,087	46,793	9%	165,527	157,117	5%	211,445
Scope 1 and 2 carbon intensity[3 8]	79.5	84.4	-6%	87.0	85.6	2%	86.0
Solutions							
Customer Net Promoter Score, cNPS[4]	–[9]	–[9]	–	–[9]	–[9]	–	46
Customer Sustainability Net Promoter Score, sNPS[5]	–[9]	–[9]	–	–[9]	–[9]	–	21
People							
Lost Time Injury Frequency Rate, LTIFR[6] [8]	2.5	4.0	-38%	3.2	7.1	-55%	6.3
Number of safety observations[8]	161	219	-26%	533	793	-33%	1,076
Number of accidents[8]	3	5	-40%	12	28	-57%	33
Employee Net Promoter Score, eNPS[7]	–[9]	–[9]		–[9]	-6		-8
Proportion of women in senior management positions	24%	31%		24%	28%		26%
Communities							
Number of volunteering hours[8]	1,345	1,261	7%	3,811	5,665	-33%	7,213

[1] Market based GHG emissions based on Purmo Group's procurement mix of electricity and gas in countries with manufacturing operations. Purmo Group has applied the principles of the Operational Control Approach. Scope 1 (GRI 305-1) and scope 2 (GRI 305-2) only include gas and electricity.
[2] For 2024 Purmo Group applied the 2022 World Steel Association data of 1.91 tCO_2e embodied carbon produced for every tonne of crude steel cast. In 2023 Purmo Group applied the 2021 World Steel Association data of 1.89 tCO_2e embodied carbon produced for the same measure.
[3] tCO_2e/net sales in EUR million.
[4] Question asked: 'How likely is it that you would recommend <Purmo brand> to a friend or colleague?'
[5] Question asked: 'How likely is it that you would recommend <Purmo brand> to a friend or colleague as a leader in sustainable indoor climate comfort?'
[6] Lost Time Injury Frequency Rate (LTIFR) is the number of lost time injuries occurring in a workplace per 1 million hours worked.
[7] Question asked: 'How likely is it that you would recommend Purmo Group as an employer to a friend or an acquaintance?'
[8] Comparison figures recalculated due to additional data received after the publication of previous interim financial reports.
[9] Certain data is unavailable because it is currently not collected on a quarterly basis.

Other significant events during the quarter

On 15 July 2024, Haier Europe Appliances Holding B.V. announced a competing voluntary public cash tender offer for all shares in Purmo Group Plc.

On 15 July 2024, Project Grand Bidco (UK) Limited announced, that it had noted Haier Europe Appliances Holding B.V.'s competing offer for Purmo and that it would extend the offer period of its public cash tender offer.

On 16 July 2024, Project Grand Bidco (UK) Limited announced that it had waived the remaining regulatory approval condition in its tender offer and confirmed it will not increase its offer prices.

On 17 July 2024, Project Grand Bidco (UK) Limited announced that it had supplemented offer document of the public tender offer for the shares in Purmo and the new expiry date of the offer period.

On 19 July 2024, Haier Europe Appliances Holding B.V. announced that had adjusted the Class C Share Offer Price in its Tender Offer due to Purmo Group's Return of Capital.

On 24 July 2024, Purmo Group announced an updated statement of the Board. The Board upheld its recommendation for Project Grand Bidco (UK) Limited tender offer in the absence of sufficient key shareholder support for Haier tender offer.

On 25 July 2024, Haier announced that it intended to continue negotiations with Purmo Board.

On 26 July 2024, Project Grand Bidco (UK) Limited announced that it had supplemented the tender offer document relating to the public tender offer for all the shares in Purmo in light of Purmo's Board upholding its recommendation.

On 30 July 2024, Haier announced that it had changed the timetable for the commencement of the Offer Period under its Tender Offer and would announce the new timetable in due course.

On 31 July 2024, Haier Europe Appliances Holding announced that it would not proceed with its tender offer for all shares in Purmo.

On 31 July 2024, Project Grand Bidco (UK) Limited announced that the offer period of Project Grand Bidco (UK) Limited's public tender offer for all shares in Purmo had expired and the preliminary result indicated acceptances of 93.2 per cent.

On 2 August 2024, Project Grand Bidco (UK) Limited announced the final result of Project Grand Bidco (UK) Limited's public tender offer for all the shares in Purmo and that it completes the tender offer and commenced a subsequent offer period. According to the final result of the Tender Offer, the 40,341,493 Shares validly tendered and not validly withdrawn in the Tender Offer or which the shareholders of Purmo had otherwise agreed to sell to the Offeror in connection with the Tender Offer, represented approximately 94.53 per cent of all the Shares in the aggregate. The Subsequent Offer Period commenced on August 5, 2024 at 9:30 a.m. (Finnish time) and expired on August 19, 2024 at 4:00 p.m. (Finnish time).

On 8 August 2024, Purmo Group announced a new financing arrangement for Purmo Group and the plan for prepayment of existing loans. The Board of Directors of Purmo Group Plc had made a decision upon a loan agreement to be made with Project Grand Bidco (UK) Limited under which Grand Bidco would make available to the Company a term loan that could be at maximum up to EUR 300 million for the refinancing of the Company's existing indebtedness and for working capital and general corporate purposes. The Company's existing syndicated term loan and revolving credit facilities totalling around EUR 290 million from third parties would be prepaid with the loan provided by Grand Bidco.

On 14 August 2024, Purmo Group announced that Chief Operating Officer Erik Hedin had resigned to accept a new position outside the Group.

On 16 August 2024, Project Grand Bidco (UK) Limited announced that it commenced redemption proceedings in respect of the remaining minority shares in Purmo Group Plc.

On 20 August 2024, Project Grand Bidco (UK) Limited announced the preliminary result of the subsequent offer period of Project Grand Bidco (UK) Limited's public tender offer for all the shares in Purmo Group Plc. Based on the preliminary result of the Subsequent Offer Period, the 1,522,881 Shares validly tendered during the Subsequent Offer Period represented approximately 3.57 per cent of all the Shares. The Shares validly tendered during the Subsequent Offer Period, together with the Shares validly tendered during the initial offer period and the Shares which the shareholders of Purmo Group had otherwise sold to the Offeror in connection with the Tender Offer, represented preliminarily approximately 98.09 per cent of all the Shares.

On 21 August 2024, Project Grand Bidco (UK) Limited announced the final result of the subsequent offer period of Project Grand Bidco (UK) Limited's public tender offer for all the shares in Purmo Group Plc. Based on the final result of the Subsequent Offer Period, the 1,524,628 Shares validly tendered during the Subsequent Offer Period represented approximately 3.57 per cent of all the Shares. The Shares validly tendered during the Subsequent Offer Period, together with the Shares validly tendered during the initial offer period and the Shares which the shareholders of Purmo had otherwise sold to the Offeror in connection with the Tender Offer, represented approximately 98.10 per cent of all the Shares.

On 11 September 2024, Purmo Group announced that it had sold its Russian business to a Russian investment company. As a result of the divestment, Purmo Group does not have any activities in Russia. The company's redemption liability concerning the Russian business was paid soon after the completion of the transaction. The parties had agreed that the purchase price will not be disclosed.

On 17 September 2024, Project Grand Bidco (UK) Limited announced that the trustee had been appointed for the arbitration proceedings concerning the redemption of minority shares in Purmo Group Plc.

Events after the review period

On 1 October 2024, Purmo Group announced that it strengthens its Climate Solutions business with the acquisition of Unitherm Heating Systems Ltd in Ireland and the United Kingdom. Unitherm Heating Systems Ltd is a provider of holistic climate solutions, which are mostly built around heat pumps.

The group, headquartered in Dublin, Ireland, provides design, supply, commissioning, technical support and aftersales servicing of heating systems solutions for residential and commercial applications. Systems include heat pumps from 4kW to 4MW, in addition to a wide range of emitter systems, underfloor heating and ventilation solutions. The acquisition supports Purmo Group's ongoing solution selling strategy.

Founded in 2004, Unitherm operates from three locations in Ireland and in 2020, expanded its business into the United Kingdom. In 2023, the company's total net sales amounted to EUR 28.2 million and it has 65 employees today in Ireland and the United Kingdom. The Group offers heat pumps and other products from several leading manufacturers in their core markets. The company does not have its own production.

On 14 October 2024, Purmo Group announced that Chief Financial Officer and member of the Core Leadership Team of Purmo Group, Jan-Elof Cavander, will leave the Company to accept a new position outside the Group. Mr Cavander started at Purmo Group in 2023.

On 15 October 2024, Purmo Group announced that it will exercise its right to redeem its EUR 60 million green capital securities issued on 23 February 2023.

The Capital Securities will be redeemed in full on 14 February 2025 in accordance with clause 8.8 (Change of Control) of the terms and conditions of the Capital Securities. The change of control entitling the Company to redeem the Capital Securities relates to the completion of Project Grand Bidco (UK) Limited's voluntary public cash tender offer, recommended by the Board of Directors of the Company, to acquire all the issued and outstanding shares in the Company that are not held by the Company or any of its subsidiaries.

On the Redemption Date, the Company will pay the holders of Capital Securities a redemption price equal to their nominal amount together with any accrued interest to the Redemption Date.

Shares and shareholders

Share capital, number of shares and shareholders

	30 Sep 2024
Number of class C shares	41,112,713
Number of class F shares	1,565,217
Number of shareholders	1,086 (30 Sep 2023: 3,271)

Purmo Group Plc has two share classes of which class C shares are listed, and class F shares are held by Project Grand Bidco (UK) Limited.

The company's class F shares are subject to redemption and consent clauses in accordance with the Articles of Association, which restrict the rights to transfer and acquire class F shares. The holder of class F shares has the right to demand conversion into class C shares subject to certain price hurdles calculated in accordance with the Articles of Association. Further, class F shares carry a right to asset distribution equivalent to a certain proportion of asset distributed to class C shares in accordance with the Articles of Association.

The number of shares outstanding on 30 September 2024 was 41,112,713 class C shares and 1,565,217 class F shares. The company's registered share capital on 30 September 2024 was EUR 3,080,000. The company has no treasury shares.

On 30 September 2024, the five largest shareholders were Project Grand Bidco (UK) Limited (98.10 per cent of total shares), Supersorsa Investment Ltd (0.21 per cent), Nomad Invest Ltd (0.14 per cent), Mians Ltd (0.13 per cent) and Anna Sundelin (0.07 per cent).

Board authorisations

The Annual General Meeting held on 9 April 2024 resolved that the Board of Directors is authorised to resolve on the issuance of class C shares as well as the issuance of special rights entitling to class C shares referred to in Chapter 10, Section 1 of the Finnish Companies Act in one or several tranches.

The number of class C shares to be issued based on this authorisation shall not exceed 8,000,000 shares (including shares to be received based on special rights), which corresponds to approximately 19.46 per cent of all of class C shares in Purmo Group. The authorisation may be used to improve Purmo Group's capital structure, to finance or carry out corporate acquisitions or other arrangements, for incentive arrangements and remuneration schemes or for other purposes resolved by the Board of Directors. However, a maximum of 25 per cent of the authorisation, i.e., a maximum of 2,000,000 class C shares (including shares to be received based on special rights) may be used for incentive arrangements and remuneration schemes.

The Annual General Meeting resolved that the Board of Directors is authorised to resolve on the repurchase of class C shares owned by the Company as well as on the acceptance of them as pledge.

The number of class C shares to be repurchased or accepted as pledge by virtue of this authorisation shall not exceed 4,000,000 class C shares owned by the Company, which corresponds to approximately 9.73 per cent of all of class C shares in Purmo Group, subject to the provisions of the Finnish Companies' Act on the maximum number of own shares owned by or pledged to the Company and its subsidiaries.

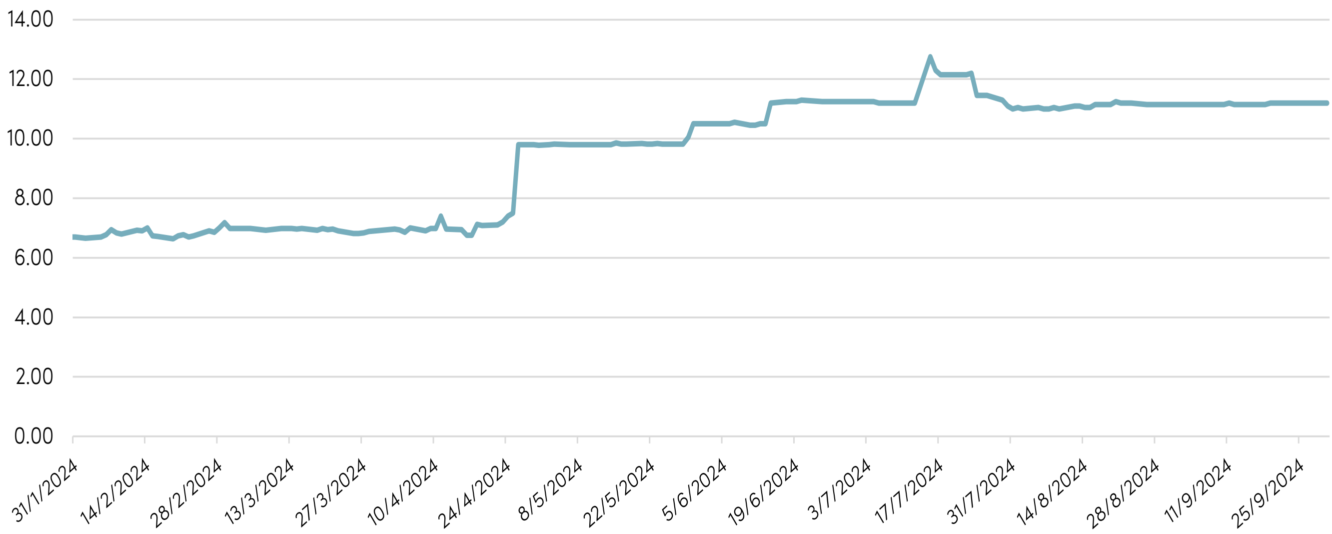
The shares will be repurchased to be used to improve Purmo Group's capital structure, to finance or carry out corporate acquisitions or other arrangements, for incentive arrangements and remuneration schemes or to be retained by the Company as treasury shares, transferred, cancelled or for other purposes resolved by the Board. The Board of Directors shall decide on all other terms and conditions regarding the repurchase of the Company's own shares and acceptance thereof as a pledge.

The authorisations are effective until the end of the next Annual General Meeting, however, no longer than until 30 June 2025.

Trading of shares on Nasdaq Helsinki

	1 Jan - 30 Sep 2024
High, EUR	13.40
Low, EUR	6.54
Volume-weighted average price	10.66
Closing price, EUR, 30 Sep 2024	11.20
Market Capitalisation, class C share, EUR million, 30 Sep 2024	460.5
Number of traded shares	44,467,311

Closing share price 1 January 2024 – 30 September 2024, EUR



Governance

Personnel

The number of Group full-time-equivalent employees averaged 3,017 (3,243) in January–September. At the end of the period, the Group had 2,769 (3,178) full-time-equivalent employees. The decrease in full-time-equivalent employees was mainly due to organisational effectiveness related to the Accelerate PG programme and sale of the Russian business.

Changes in the management team

On 14 August 2024, Purmo Group announced that Chief Operating Officer and a member of the Core Leadership Team of Purmo Group, Erik Hedin, had resigned to accept a new position outside the Group. Mr Hedin started at Purmo Group in 2020 when he was appointed Chief Financial Officer and a Core Leadership team member. In 2023, he was promoted to Chief Operating Officer.

On 14 October 2024, Purmo Group announced that Chief Financial Officer and member of the Core Leadership Team of Purmo Group, Jan-Elof Cavander, will leave the Company to accept a new position outside the Group. Mr Cavander started at Purmo Group in 2023.

Share based incentive plans

Due to the tender offer process of Project Grand Bidco (UK) Limited, the share based incentive plan for management and key employees, announced on 20 July 2022, was decided to be terminated on August 2024.

More information about Purmo Group Plc's remuneration is available on the company's website.

Extraordinary General Meeting

The Extraordinary General Meeting held on 3 September 2024 resolved on the remuneration of the members of the Board of Directors, the number of members of the Board of Directors, the election of members of the Board of Directors and the disbandment of the Shareholders' Nomination Board.

All resolutions are available on the company's website.

Remuneration of the Board of Directors

In accordance with the proposal, the Extraordinary General Meeting resolved that no remuneration is paid to the members of the Board of Directors to be elected for the term of office commencing at the closing of the Extraordinary General Meeting and ending at the closing of the next Annual General Meeting. Compensation for reasonable travel, accommodation and other expenses related to the Board of Directors and committee work are to be reimbursed according to the applicable policies of the Company.

Furthermore, in accordance with the proposal, the Extraordinary General Meeting resolved that the annual remuneration that has been paid by Purmo Group Plc to the current members of the Board of Directors in accordance with the resolution of the Annual General Meeting held on 9 April 2024 is paid in full and is not reclaimed in proportion to the length of their term in office.

Board of Directors

In accordance with the proposal, the Extraordinary General Meeting resolved that the number of members of the Board of Directors of Purmo Group Plc would be confirmed as five (5).

In accordance with the proposal, the Extraordinary General Meeting resolved that Waleed Elgohary, Trevor Mills, Jordan Lubkeman, Matts Rosenberg and John Peter Leesi be elected as members of the Board of Directors for a term of office commencing at the closing of the Extraordinary General Meeting and ending at the closing of the next Annual General Meeting.

The term of office of all other current members of the Board of Directors ended upon the commencement of the term of the aforementioned proposed members of the Board of Directors.

Disbandment of the Shareholders' Nomination Board

In accordance with the proposal, the Extraordinary General Meeting resolved that the Shareholder's Nomination Board be disbanded so that the decision would become effective immediately.

Board authorisations

Board authorisations decided by the Annual General Meeting 2024 are presented in the section 'Shares and Shareholders'.

Committees of the Board

In the constitutive meeting held subsequent to the Extraordinary General Meeting of Purmo Group on 3 September 2024, the Board of Directors appointed the following members to its committees:

- Matts Rosenberg was elected as the Chair of the Audit Committee with Jordan Lubkeman and John Peter Leesi as members of the Committee;
- Waleed Elgohary was elected as the Chair of the M&A Committee with Trevor Mills, Matts Rosenberg and John Peter Leesi as members of the Committee;
- Waleed Elgohary was elected as the Chair of the Remuneration Committee with Jordan Lubkeman and Trevor Mills as the members of the Committee.

Risks and uncertainties in the near future

Purmo Group's costs have been affected by high inflation, but the company has been able to manage profitability by focusing on strong and systematic margin management actions. In addition, the company has been successful in maintaining prices at a healthy level in a challenging market environment. Fluctuations in the prices of raw materials, consumables, energy, and freight rates as well as potential challenges with the availability of raw materials, supplies, labour and freight shipping may have a negative impact on Purmo Group's profitability and operations.

The short-term demand for Purmo Group's products depends on fluctuations in demand in the construction industry, which is cyclical in nature, especially new build. Volumes and profitability may vary as a result of economic conditions and the amount of investments in real estate.

Purmo Group operates across several countries in Europe. Due to the company's size and local presence, Purmo Group has a solid position in the European markets. As a result, changes in one European country may be compensated by a development in another country. However, the strong presence in Europe might enhance the impacts of economic fluctuations within the area.

Uncertainty in the global economy can increase volatility in foreign exchange rates as well as have an adverse effect on interest rates and the availability of funding. The Group's foreign exchange risk is managed by hedging highly probable net exposures in foreign currencies (including, but not limited to British pound, Swedish krona and Polish zloty). Regardless of hedging activities, the Group may encounter fluctuations in its financial position due to volatility in foreign exchange rates. A rise in interest rates would have an adverse impact on the cost of funding for Purmo Group. As a result of the refinancing in the third quarter, the Group has terminated interest rate derivatives, hedging floating rate interest risk.

The accelerated energy transition and customers' awareness of high energy prices create pressure for cost control and energy efficiency in some product groups of Purmo Group. However, the energy transition is expected to increase the demand for low-temperature systems and solutions which are compatible with energy sources other than fossil fuels. This creates an opportunity for the execution of the Group's solution selling strategy. There are differences between markets in how the transition changes the demand for certain products, however, the Group is well-positioned to manage the change and capture opportunities with the support of its wide product portfolio.

In addition to the energy efficiency of products, the expectations related to ESG are increasing. Purmo Group has a sustainability strategy and function. Proactive, effective and successful measures may mean that Purmo Group is able to create business opportunities relating to the expectations and requirements.

There is an increased level of cyber threat activity in Europe. The company has a function responsible for the Group's cyber security. In order to respond to the increased cyber threats, the company has developed an infrastructure setup and an active employee training process, which has been running since Q3 2021.

The war in Ukraine continues to have a significant negative impact on demand for Purmo Group's products in the country. The war has caused negative economic consequences also in other markets. There is a risk that private and commercial investment decisions will continue to be postponed or cancelled due to high inflation, increased interest rates and/or general economic uncertainty. Increased global geopolitical risks and general high market uncertainty may have an impact on demand, supply chains and raw material prices in Purmo Group's core markets.

Financial targets and dividend policy

Purmo Group has set the following financial targets and dividend policy:

Growth

Purmo Group is targeting organic net sales growth above market growth. In addition, Purmo Group aims for notable inorganic growth through acquisitions.

In July-September 2024, the organic decline in net sales was 2 per cent, while total net sales decreased by 2 per cent to EUR 173.3 million (176.1).

Net sales for the Group declined as a result of the low construction activity during the quarter.

Profitability

Purmo Group is targeting an adjusted EBITDA margin above 15 per cent in the medium- to long-term.

In July-September 2024, the adjusted EBITDA margin decreased to 12.3 per cent (13.3).

The decline in the adjusted EBITDA margin was mainly driven by lower volumes and temporarily higher operational costs during the quarter. Operational costs were temporarily on a higher level primarily due to the production transfer from Zonhoven to Rybnik.

The strategic transition to a solutions business and the Accelerate PG programme are expected to expand the adjusted EBITDA margin towards the 15 per cent medium- to long-term target.

Leverage

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.

At the end of September 2024, net debt / adjusted EBITDA was 2.99 (31 Dec 2023: 2.38). The increase in the Group's net debt to the adjusted EBITDA was mainly a result of a change in net working capital during the review period.

Dividend

Purmo Group's aim is to distribute at least 40 per cent 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.

For the financial year 2023, Purmo Group Plc distributes 46 per cent of annual net profit as return of capital: EUR 0.36 per class C share and EUR 0.07 per class F share. The return of capital will be paid in four instalments on 26 April 2024, 26 July 2024, 25 October 2024 and 24 January 2025.

Financial guidance for 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 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, is performing ahead of plan and further underpins Purmo Group's outlook for 2024. The cumulative targeted adjusted EBITDA run-rate improvements of the programme will be EUR 50.0 million, which are expected to be reached by the end of 2024. The programme also targets cumulative net working capital improvements of EUR 45.0 million by the end of 2024.

In Helsinki, 21 October 2024

Purmo Group Plc's Board of Directors

Condensed consolidated financial information

Consolidated statement of profit and loss

EUR million	Note	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Net sales	3	173.3	176.1	532.7	568.2	743.2
Cost of sales		-127.2	-128.5	-383.6	-417.9	-551.2
Gross profit		**46.1**	**47.6**	**149.2**	**150.2**	**192.0**
Sales and marketing expenses		-21.3	-20.2	-70.1	-64.2	-87.6
Administrative expenses		-10.9	-11.9	-35.7	-37.9	-51.1
Research and development expenses		-1.2	-1.1	-4.2	-4.3	-5.3
Other income		3.1	2.3	8.9	4.9	8.8
Other expenses		-10.4	-5.5	-19.0	-13.5	-47.1
Operational expenses		**-40.8**	**-36.4**	**-120.1**	**-115.0**	**-182.3**
EBIT		**5.3**	**11.2**	**29.1**	**35.2**	**9.7**
Finance income		2.5	3.5	8.6	7.3	13.2
Finance expenses		-12.0	-7.5	-28.6	-21.6	-32.5
Net financial items		**-9.5**	**-4.0**	**-19.9**	**-14.4**	**-19.3**
Profit before tax		**-4.2**	**7.2**	**9.1**	**20.8**	**-9.6**
Income tax expense	4	-1.0	-2.7	-5.6	-6.8	0.3
Profit for the period		**-5.2**	**4.5**	**3.5**	**14.1**	**-9.3**
Profit for the period attributable to:						
Owners of the parent		-5.2	4.5	3.5	14.1	-9.3
Earnings per share for profit attributable to the ordinary equity holders of the parent company:						
Earnings per share basic, EUR		-0.15	0.08	0.02	0.27	-0.32
Earnings per share diluted, EUR		-0.15	0.08	0.02	0.27	-0.32

Consolidated statement of comprehensive income

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Profit for the period	-5.2	4.5	3.5	14.1	-9.3
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Remeasurement of defined benefit liability (asset)	0.1	-0.4	-0.4	0.0	-3.2
Related tax	0.0	0.1	-0.0	-0.0	0.9
Total items that will not be reclassified to profit or loss	**0.1**	**-0.4**	**-0.4**	**0.0**	**-2.3**
Items that are or may be reclassified to profit or loss					
Foreign operations – foreign currency translation differences	-1.8	-1.5	-1.9	-4.0	-1.8
Reclassification of foreign currency translation differences through profit and loss[1]	2.2	–	2.2	–	–
Cash flow hedges – effective portion of changes in fair value	-1.3	-3.4	0.0	1.6	4.5
Cash flow hedges – reclassified to profit or loss	0.0	-1.2	-2.9	-1.9	-3.4
Related tax	0.3	0.9	0.6	0.1	-0.2
Total items that are or may be reclassified to profit or loss	**-0.6**	**-5.2**	**-1.9**	**-4.3**	**-0.9**
Other comprehensive income, net of tax	**-0.5**	**-5.6**	**-2.3**	**-4.3**	**-3.2**
Total comprehensive income for the period	**-5.7**	**-1.1**	**1.2**	**9.8**	**-12.5**
Total comprehensive income attributable to:					
Owners of the parent	-5.7	-1.1	1.2	9.8	-12.5

[1] The deconsolidation of Russian operations resulted in the recycling of EUR -2.2 million negative cumulative translation differences from equity to the income statement. The recycling did not have any impact on total equity.

Consolidated balance sheet

EUR million	Note	30 Sep 2024	30 Sep 2023	2023
Assets				
Non-current assets				
Goodwill	5	370.4	370.3	370.6
Other intangible assets	5	42.7	43.5	45.9
Property, plant and equipment	5	129.1	126.6	127.6
Right-of-use assets	5	34.7	38.2	35.8
Defined benefit assets		–	2.9	–
Derivative assets	7	–	2.7	1.0
Other receivables		6.5	1.4	4.5
Deferred tax assets		46.5	31.5	42.8
Total non-current assets		**629.9**	**617.1**	**628.2**
Current assets				
Inventories		153.4	163.9	143.7
Trade receivables	7	90.0	97.9	75.2
Derivative assets	7	2.2	3.8	4.7
Other receivables		19.6	19.9	24.2
Current tax asset		1.7	5.5	4.4
Cash and cash equivalents		71.1	89.9	111.7
Total current assets		**338.0**	**381.0**	**364.0**
Assets held for sale	11	**-**	**7.5**	**5.6**
Total assets		**968.0**	**1,005.5**	**997.8**
Equity and liabilities				
Equity				
Share capital		3.1	3.1	3.1
Reserve for invested unrestricted equity		351.0	373.3	365.9
Other reserves		-6.0	-9.4	-5.9
Retained earnings		4.6	24.9	22.8
Profit for the period		3.5	14.1	-9.3
Equity attributable to owners of the company		**356.2**	**406.0**	**376.4**
Hybrid bond		59.2	59.3	59.3
Total equity		**415.5**	**465.3**	**435.7**
Liabilities				
Non-current liabilities				
Loans and borrowings	7	292.4	278.2	277.9
Lease liabilities		29.2	33.1	31.7
Defined benefit liabilities		17.9	18.6	18.0
Derivative liabilities		–	0.1	0.3
Other payables		0.7	1.3	1.3
Provisions	8	7.3	7.5	8.1
Deferred tax liabilities		4.5	6.2	6.4
Total non-current liabilities		**352.1**	**344.9**	**343.8**
Current liabilities				
Loans and borrowings	7	–	5.2	7.3
Lease liabilities		11.9	10.0	10.4
Derivative liabilities	7	1.6	2.1	3.0
Trade and other payables	7	174.9	162.3	160.5
Provisions	8	7.2	1.3	24.8
Current tax liabilities		4.7	3.6	1.7
Total current liabilities		**200.3**	**184.4**	**207.8**
Total liabilities		**552.5**	**529.3**	**551.6**
Liabilities directly attributed to assets held for sale	11	**-**	**10.9**	**10.5**
Total equity and liabilities		**968.0**	**1,005.5**	**997.8**

Consolidated statement of cash flows

EUR million	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Cash flow from operating activities					
Profit for the period	-5.2	4.5	3.5	14.1	-9.3
Adjustments:					
Depreciation, amortisation and impairment losses	7.6	6.1	22.2	22.1	29.8
Gain on sale of property, plant and equipment and intangible assets	0.0	-0.0	0.0	-0.1	-0.1
Finance income and expenses	9.5	4.0	19.9	14.4	19.3
Income tax expenses	1.0	2.7	5.6	6.8	-0.3
Other non-cash items	1.8	1.8	2.1	3.3	39.1
Cash flow before change in net working capital	**14.7**	**19.0**	**53.3**	**60.5**	**78.6**
Changes in net working capital					
Inventories, increase (-) / decrease (+)	3.0	13.4	-9.5	11.7	32.8
Trade and other receivables, increase (-) / decrease (+)	-0.5	3.0	-14.6	-3.6	9.6
Trade and other payables, increase (+) / decrease (-)	-13.6	-19.0	5.2	-28.9	-44.3
Provisions and employee benefits, increase (+) / decrease (-)	-9.8	-1.1	-18.4	-0.6	-0.2
Changes in net working capital	**-20.9**	**-3.7**	**-37.4**	**-21.3**	**-2.1**
Net cash flow from operating activities before financial items and taxes	**-6.2**	**15.3**	**16.0**	**39.2**	**76.5**
Financial items, net	-4.3	-4.6	-13.9	-14.8	-15.9
Income tax paid, net	-2.1	-9.6	-4.3	-16.5	-20.1
Cash flow from operating activities	**-12.6**	**1.1**	**-2.2**	**7.9**	**40.4**
Cash flow from investing activities					
Proceeds from sale of subsidiaries	-1.1	–	-1.1	–	–
Purchases of property, plant and equipment and intangible assets	-4.4	-4.7	-13.0	-11.8	-20.3
Acquisitions of subsidiaries, net of cash acquired	-8.4	–	-8.4	–	–
Proceeds from long-term loan receivables	0.2	-0.0	0.5	0.1	0.1
Cash flow from investing activities	**-13.8**	**-4.7**	**-22.1**	**-11.7**	**-20.2**
Cash flow from financing activities					
Repayment of long-term borrowings	-280.0	–	-280.0	–	–
Proceeds from long-term borrowings from related parties	292.4	–	292.4	–	–
Return of capital paid	-3.7	-3.7	-11.0	-7.5	-11.1
Proceeds from hybrid bond	–	0.1	–	60.0	60.0
Hybrid bond interest and expenses	–	-0.1	-5.7	-0.7	-0.7
Repayment of lease liabilities	-3.0	-2.9	-9.1	-8.5	-11.8
Change in short-term borrowings	-5.6	3.2	-7.2	-6.0	-3.8
Cash flow from financing activities	**0.2**	**-3.4**	**-20.7**	**37.3**	**32.6**
Change in cash and cash equivalents, increase (+) / decrease (-)	**-26.1**	**-7.0**	**-44.9**	**33.6**	**52.8**
Cash and cash equivalents at beginning of the period	**90.8**	**97.9**	**116.3**	**65.4**	**65.4**
Impact of change in exchange rates	-0.5	-0.6	-0.2	2.0	-1.9
Cash classified as assets held for sale	7.0	-0.4	–	-6.8	-4.6
Cash and cash equivalents at the end of the period	**71.1**	**89.9**	**71.1**	**89.9**	**111.7**

Consolidated statement of changes in equity

	Attributable to owners of the parent company							
EUR million	Share capital	Reserve for invested unrestricted equity	Translation reserve	Fair value reserve	Retained earnings	Total	Hybrid bond	Total equity
Balance as at 1 Jan 2023	**3.1**	**380.8**	**-7.8**	**2.7**	**24.4**	**403.3**	**-**	**403.3**
Profit for the period					14.1	14.1		14.1
Other comprehensive income			-4.0	-0.3	0.0	-4.3		-4.3
Total comprehensive income for the period			**-4.0**	**-0.3**	**14.1**	**9.8**		**9.8**
Dividends and return of capital paid		-7.5				-7.5		-7.5
Share-based payments					0.4	0.4		0.4
Proceeds from hybrid bond						-	59.3	59.3
Balance as at 30 Sep 2023	**3.1**	**373.3**	**-11.8**	**2.4**	**39.0**	**406.0**	**59.3**	**465.3**
Profit for the period					-23.4	-23.4		-23.4
Other comprehensive income			2.3	1.2	-2.3	1.1		1.1
Total comprehensive income for the period			**2.3**	**1.2**	**-25.7**	**-22.3**		**-22.3**
Dividends and return of capital paid		-7.4				-7.4		-7.4
Share-based payments					0.2	0.2		0.2
Balance as at 31 Dec 2023	**3.1**	**365.9**	**-9.6**	**3.6**	**13.4**	**376.4**	**59.3**	**435.7**
Profit for the period					3.5	3.5		3.5
Other comprehensive income			0.0	-2.2	-2.3	-4.5		-4.5
Translation differences reclassified to income statement[1]			2.2			2.2		2.2
Total comprehensive income for the period			**2.2**	**-2.2**	**1.2**	**1.2**		**1.2**
Dividends and return of capital paid		-14.9				-14.9		-14.9
Share-based payments					-0.8	-0.8		-0.8
Hybrid bond interest and expenses after taxes					-5.7	-5.7		-5.7
Balance as at 30 Sep 2024	**3.1**	**351.0**	**-7.4**	**1.4**	**8.1**	**356.2**	**59.2**	**415.5**

[1] The deconsolidation of Russian operations resulted in the recycling of EUR -2.2 million negative cumulative translation differences from equity to the income statement. The recycling did not have any impact on total equity.

Notes to the interim financial report

1. Reporting entity

Purmo Group Plc, 'Purmo Group' or the 'Company', business ID 2890898-5, is a public limited company domiciled in Helsinki. The registered address of Purmo Group is Bulevardi 46, 00120 Helsinki, Finland.

This interim financial report comprises the parent company Purmo Group Plc and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Company's class C shares are listed on the Nasdaq Helsinki stock exchange.

2. Basis of preparation

This unaudited interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS. This interim financial report does not include all information required for a complete set of financial statements prepared in accordance with IFRS. Selected explanatory notes are therefore included to explain events and transactions that are significant to understand the changes in the Group's financial position and performance since the last annual financial statements. The accounting policies applied are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023 except the adoption of new and amended standards.

This interim financial report is presented in million euros unless otherwise stated. The figures in the tables and texts are subject to rounding, which may cause some rounding inaccuracies in aggregate column and row totals.

New and amended standards

The Group has applied the relevant revised IFRS standards published by IASB effective for financial reporting periods commencing on 1 January 2024. The application of the revised standards has not had a material impact on the results, the financial position or the presentation of the interim financial report.

Seasonality

Purmo Group's business and cash flows are affected by seasonality. Typically, most of the demand for Purmo Group's products occurs during the peak heating season with a notable increase in monthly demand in September-November. Quarterly seasonality is more muted as the third and fourth quarters are typically tempered by lower demand in July-August and December due to holiday periods. Overall, demand is typically at the lowest level during the second quarter when the heating demand is at its lowest. This is only partially offset by the peak cooling season as Purmo Group has a relatively smaller exposure to demand for air conditioning systems. The quarterly comparisons of Purmo Group's sales and operating results are therefore impacted by seasonality and changes in raw material prices, and the results of any quarterly period may not be indicative of expected results for a full year.

Key accounting estimates and judgements

An IFRS-compliant interim financial report requires the Group's management to exercise judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and other information such as the amounts of income and expense. Although these estimates are based on the management's best knowledge at the time, it is possible that actual results differ from the estimates used in the interim financial reports.

The Group's management has reviewed the carrying values of the balance sheet items and the review did not indicate need for asset impairments.

3. Segment information and net sales

The **Climate Products & Systems** division sells via wholesalers in both residential and non-residential sector. Sales regions are Northern, Western, Southern and Eastern Europe, and the rest of the world, including Brazil, China, Japan and the United States.

The main product categories within Climate Products & Systems are panel radiators, tubular radiators, and electric radiators. In addition, radiant heating and cooling (RHC), including underfloor heating, air heating and cooling, water distribution systems as well as system components and controls belong to the main product categories within Climate Solutions & Systems.

The **Climate Solutions** division sells directly to installers from the company's Emmeti business in South Europe, Thermotech business in the Nordic region and Merriott business in the United Kingdom.

Climate Solutions provides integrated solutions, which include a comprehensive set of heating and cooling solutions for customers whose goal is to achieve energy savings and reduce the emissions generated by energy consumption.

Other and unallocated items comprise corporate headquarter functions and other Group level costs including Group Finance, Group Legal, Group Sustainability, Group Communications, Group Human Resources, and M&A. The head office costs comprise mostly of salaries, rent and professional fees that are operated for the benefit of the whole group and are not allocated to the divisions.

Purmo Group's Board of Directors, assisted by the CEO, is the Group's chief operating decision maker. The operating segments are defined based on the information that the Board of Directors uses to make decisions about the resources to be allocated to the divisions and to assess their performance.

The divisions' financial performance is assessed internally based on net sales and adjusted EBITDA. The adjusted EBITDA has been derived from the unadjusted EBITDA by removing material and unexpected items outside the ordinary course of business and that are considered to impact comparability of the underlying business operations and by excluding costs and income incurred in the group functions as described above. Such items include direct M&A related transaction and integration costs, restructuring costs and costs incurred in connection with performance improvement programs, impairment and write-down charges connected to the Russian business, and losses relating to sale of fixed assets.

7-9/2024

EUR million	Climate Products & Systems	Climate Solutions	Other and unallocated	Eliminations	Group
Net sales	**143.6**	**30.3**	**–**	**-0.6**	**173.3**
Adjusted EBITDA	**20.3**	**3.0**	**-2.0**	**0.0**	**21.3**
Adjusted EBITDA % of sales	**14.1%**	**9.8%**			**12.3%**
Comparability adjustments impacting EBITDA					-8.4
Depreciation, amortisation and impairment	-6.3	-1.3	-0.0	–	-7.6
EBIT					**5.3**
Net financial items					-9.5
Profit before tax					**-4.2**

7-9/2023

EUR million	Climate Products & Systems	Climate Solutions	Other and unallocated	Eliminations	Group
Net sales	**143.0**	**33.2**	**-0.0**	**-0.1**	**176.1**
Adjusted EBITDA	**22.2**	**3.6**	**-2.3**	**0.0**	**23.5**
Adjusted EBITDA % of sales	**15.5%**	**10.9%**			**13.3%**
Comparability adjustments impacting EBITDA					-6.2
Depreciation, amortisation and impairment	-4.8	-1.2	-0.0	–	-6.1
EBIT					**11.2**
Net financial items					-4.0
Profit before tax					**7.2**

1-9/2024

EUR million	Climate Products & Systems	Climate Solutions	Other and unallocated	Eliminations	Group
Net sales	**434.7**	**99.1**	**–**	**-1.1**	**532.7**
Adjusted EBITDA	**60.3**	**14.0**	**-7.7**	**0.0**	**66.6**
Adjusted EBITDA % of sales	**13.9%**	**14.1%**			**12.5%**
Comparability adjustments impacting EBITDA					-15.3
Depreciation, amortisation and impairment	-18.4	-3.8	-0.1	–	-22.3
EBIT					**29.1**
Net financial items					-19.9
Profit before tax					**9.1**

1-9/2023

EUR million	Climate Products & Systems	Climate Solutions	Other and unallocated	Eliminations	Group
Net sales	**457.0**	**111.5**	**-0.0**	**-0.3**	**568.2**
Adjusted EBITDA	**62.2**	**16.4**	**-7.5**	**0.0**	**71.1**
Adjusted EBITDA % of sales	**13.6%**	**14.8%**			**12.5%**
Comparability adjustments impacting EBITDA					-13.8
Depreciation, amortisation and impairment	-18.3	-3.7	-0.1	-	-22.1
EBIT					**35.2**
Net financial items					-14.4
Profit before tax					**20.8**

2023

EUR million	Climate Products & Systems	Climate Solutions	Other and unallocated	Eliminations	Group
Net sales	**591.9**	**151.6**	**-0.0**	**-0.3**	**743.2**
Adjusted EBITDA	**78.5**	**23.7**	**-9.9**	**0.0**	**92.3**
Adjusted EBITDA % of sales	**13.3%**	**15.6%**			**12.4%**
Comparability adjustments impacting EBITDA					-45.6
Depreciation, amortisation and impairment	-31.7	-5.1	-0.1	-	-36.9
EBIT					**9.7**
Net financial items					-19.3
Profit before tax					**-9.6**

Net sales by market area for divisions

The division sales divided into geographical areas is the primary aggregation criteria of sales that is monitored by the company.

	7-9/2024				7-9/2023			
EUR million	Climate Products & Systems	Climate Solutions	Eliminations	Group	Climate Products & Systems	Climate Solutions	Eliminations	Group
Northern Europe[1]	36.5	4.8	-0.6	40.7	34.8	5.4	-0.0	40.2
Western Europe	64.3	2.3	-	66.6	63.2	1.8	-	65.0
Central and Eastern Europe	34.9	2.0	-0.0	36.9	34.6	2.1	-0.0	36.7
Southern Europe	4.6	15.2	-0.0	19.8	4.9	16.6	-0.0	21.4
Rest of the world	3.3	6.0	-	9.3	5.5	7.2	-	12.7
Net sales	**143.6**	**30.3**	**-0.6**	**173.3**	**143.0**	**33.2**	**-0.1**	**176.1**

[1] Net sales in Finland (company's country of domicile) totalled to EUR 4.4 million (3.1).

EUR million	1-9/2024 Climate Products & Systems	Climate Solutions	Eliminations	Group	1-9/2023 Climate Products & Systems	Climate Solutions	Eliminations	Group
Northern Europe[1]	106.0	15.1	-0.9	120.1	105.8	18.1	-0.2	123.7
Western Europe	204.5	7.3	–	211.8	220.0	7.7	–	227.7
Central and Eastern Europe	96.2	5.8	-0.0	102.0	94.1	5.7	-0.0	99.8
Southern Europe	16.8	53.1	-0.1	69.8	18.4	60.7	0.0	79.1
Rest of the world	11.2	17.8	–	29.1	18.6	19.3	–	37.9
Net sales	**434.7**	**99.1**	**-1.1**	**532.7**	**457.0**	**111.5**	**-0.3**	**568.2**

[1] Net sales in Finland (company's country of domicile) totalled to EUR 11.3 million (10.4).

EUR million	2023 Climate Products & Systems	Climate Solutions	Eliminations	Group
Northern Europe[1]	143.3	23.3	-0.2	166.4
Western Europe	278.2	9.3	–	287.5
Central and Eastern Europe	128.1	7.3	–	135.4
Southern Europe	24.2	86.3	-0.2	110.3
Rest of the world	18.1	25.4	–	43.5
Net sales	**591.9**	**151.6**	**-0.3**	**743.2**

[1] Net sales in Finland (company's country of domicile) totalled to EUR 14.6 million (17.8).

The group has one customer whose share of the Group's total net sales is more than 10 per cent.

4. Taxes

In January-September 2024, the total income tax expense of the Group was EUR 5.6 million (6.8) corresponding to a reported effective tax rate of 61.5 per cent (32.5). The tax expenses are impacted by the following non-deductible items: a trademark amortisation of EUR 2.7 million related to previous years company structuring, cumulative translation losses of EUR 2.2 million relating to the sale of the Russian business as well as extraordinary current year and previous years taxes corresponding to income of EUR 10.8 million. When excluding these items, the adjusted effective tax rate is 22.6 per cent (24.1).

5. Intangible and tangible assets

Intangible assets

EUR million	30 Sep 2024	30 Sep 2023	31 Dec 2023
Opening balance	**416.5**	**417.5**	**417.5**
Effect of exchange rates	-0.3	-0.7	0.0
Additions	0.1	0.3	0.9
Disposals	–	-0.0	-0.1
Transfers	0.0	-0.5	1.9
Amortisation	-3.1	-2.8	-3.8
Closing balance	**413.1**	**413.8**	**416.5**

Property, plant and equipment

EUR million	30 Sep 2024	30 Sep 2023	31 Dec 2023
Opening balance	**127.6**	**127.3**	**127.3**
Effect of exchange rates	0.8	-1.1	1.6
Additions	12.0	13.0	21.6
Disposals	-1.7	-0.6	-13.6
Transfers	1.1	-0.2	-1.1
Depreciations	-12.0	-12.0	-16.4
Depreciations on disposals	1.3	–	12.0
Impairment charges	–	–	-3.9
Closing balance	**129.1**	**126.6**	**127.6**

Right-of-use assets

EUR million	30 Sep 2024	30 Sep 2023	31 Dec 2023
Opening balance	**35.8**	**39.3**	**39.3**
Effect of exchange rates	0.3	0.0	0.2
Additions	4.8	6.0	8.4
Disposals	-0.1	-0.2	-0.0
Depreciations	-7.1	-7.1	-9.6
Impairment charges	–	–	-2.4
Closing balance	**34.7**	**38.2**	**35.8**

6. Changes in the shares outstanding during the reporting period

There were no changes in the shares outstanding during the reporting period. The company's registered share capital on 30 September 2024 was EUR 3,080,00. The company has two share classes. The 41,112,713 class C shares are listed and the 1,565,217 class F shares are held by Project Grand Bidco (UK) Limited. The shares have no nominal value.

The company's class F shares ('Founder Shares') are subject to redemption and consent clauses in accordance with the Articles of Association, which restrict the rights to transfer or acquire Founder Shares. The Founder Shares are not publicly traded. The company has no treasury shares.

7. Financial instruments

30 Sep 2024

	Carrying amount					
EUR million	Fair value through OCI	Fair value through profit or loss	Amortised cost	Total	Fair value	Fair value hierarchy
Financial assets						
Foreign exchange derivatives	1.8	0.5		2.2	2.2	Level 2
Trade receivables			90.0	90.0	90.0	
Cash and cash equivalents			71.1	71.1	71.1	
Total assets	**1.8**	**0.5**	**161.1**	**163.4**	**163.4**	
Financial liabilities						
Foreign exchange derivatives	0.9	0.7		1.6	1.6	Level 2
Loans from related parties			292.4	292.4	292.4	
Trade payables			81.7	81.7	81.7	
Total liabilities	**0.9**	**0.7**	**374.1**	**375.7**	**375.7**	

30 Sep 2023

EUR million	Carrying amount: Fair value through OCI	Fair value through profit or loss	Amortised cost	Total	Fair value	Fair value hierarchy
Financial assets						
Foreign exchange derivatives	1.7	2.0		3.8	3.8	Level 2
Interest rate derivatives	2.7			2.7	2.7	Level 2
Loan receivables			0.5	0.5	0.5	
Trade receivables			97.9	97.9	97.9	
Cash and cash equivalents[1]			96.8	96.8	96.8	
Total assets	**4.5**	**2.0**	**195.1**	**201.7**	**201.7**	
Financial liabilities						
Foreign exchange derivatives	1.5	0.6		2.1	2.1	Level 2
Interest rate derivatives	0.1			0.1	0.1	Level 2
Loans from financial institutions			283.3	283.3	283.3	
Redemption liability[2]			8.4	8.4	8.4	
Trade payables			76.5	76.5	76.5	
Total liabilities	**1.5**	**0.6**	**368.3**	**370.4**	**370.4**	

[1] Cash and cash equivalents include EUR 6.8 million classified as assets held for sale and short-term bank deposits of EUR 35.0 million.

[2] The redemption liability has been classified as liabilities related to assets held for sale.

31 Dec 2023

EUR million	Carrying amount: Fair value through OCI	Fair value through profit or loss	Amortised cost	Total	Fair value	Fair value hierarchy
Financial assets						
Foreign exchange derivatives	4.6	0.2		4.7	4.7	Level 2
Interest rate derivatives	1.0			1.0	1.0	Level 2
Loan receivables			0.5	0.5	0.5	
Trade receivables			75.2	75.2	75.2	
Cash and cash equivalents[1]			116.3	116.3	116.3	
Total assets	**5.5**	**0.2**	**192.0**	**197.7**	**197.7**	
Financial liabilities						
Foreign exchange derivatives	0.8	2.2		3.0	3.0	Level 2
Interest rate derivatives	0.3			0.3	0.3	Level 2
Loans from financial institutions			285.1	285.1	285.1	
Redemption liability[2]			8.6	8.6	8.6	
Trade payables			71.2	71.2	71.2	
Total liabilities	**1.1**	**2.2**	**364.9**	**368.3**	**368.3**	

[1] Cash and cash equivalents include EUR 4.6 million classified as assets held for sale and short-term bank deposits of EUR 82.0 million.

[2] The redemption liability has been classified as liabilities related to assets held for sale.

The company has a EUR 60.0 million hybrid bond, which according to IFRS is recognised in equity and is thus not included in the company's financial liabilities.

During the reporting period the company repaid and terminated its existing term loan and revolving credit facility and entered into a new financing arrangement with Project Grand Bidco (UK) Limited. The related party loan facility is up to EUR 300.0 million of which EUR 292.4 million was utilised at the end of the reporting period.

At the end of the reporting period the company had the following undrawn credit facilities; EUR 100.0 million unutilised Finnish commercial paper program and EUR 15.0 million overdraft facilities.

Carrying amounts and fair values of financial instruments

The fair value of items which are measured at fair value are categorised in three levels:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Fair value determined by observable parameters
- Level 3: Fair value determined by non-observable parameters

The tables above show the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for trade receivables, trade payables, or other short-term financial assets and liabilities, as their carrying amount is a reasonable approximation of fair value due to their short maturities. There have been no transfers between fair value levels during the reporting period.

Financial assets and liabilities recognised at fair value through profit and loss comprise mainly currency derivatives. The recurring measurement of these instruments at fair value is based on commonly applied valuation methods and uses observable market-based variables. Therefore, these measurements are categorised in the fair value hierarchy as level 2 fair values.

8. Provisions

EUR million	30 Sep 2024	30 Sep 2023	31 Dec 2023
Non-current			
Warranties and guarantees	1.4	1.5	1.4
Restructuring	0.0	0.0	0.0
Other provisions	6.0	6.0	6.7
Total	**7.3**	**7.5**	**8.1**
Current			
Warranties and guarantees	0.0	0.0	0.0
Restructuring	7.2	1.2	23.8
Other provisions	–	–	1.0
Total	**7.2**	**1.3**	**24.8**

The restructuring provisions are mainly related to the closure of the radiator plant in Zonhoven, Belgium as announced on 28 November 2023 and the closure of the radiator plant in Hull, United Kingdom, as announced on 13 May 2024.

9. Commitments and contingent assets and liabilities

EUR million	30 Sep 2024	30 Sep 2023	31 Dec 2023
Guarantees			
Bank guarantees	3.7	5.3	5.4
Parent guarantees	10.0	15.4	19.9
Total	**13.7**	**20.7**	**25.4**

Off-balance sheet leases include low-value leases in accordance with the exemption of IFRS 16, and leases that have not yet commenced. The Group does not have material lease agreements not yet commenced as at the balance sheet dates.

Purmo Group is involved in certain minor legal actions, claims and proceedings. The outcome of these matters cannot be predicted. Considering all available information to date, the outcome is not expected to have a material impact on the financial position of the Group.

The accrued unrecognised interest on the hybrid bond amounted to EUR 3.4 million (3.5) as of 30 September 2024.

10. Related party transactions

The following table summarizes the related party transactions and balances:

EUR million	1-9/2024	1-9/2023	2023
Items in the income statement			
Interest income	–	0.0	0.0
Interest expenses	-3.2	–	–
Purchases	-0.1	-0.2	-0.2

EUR million	30 Sep 2024	30 Sep 2023	31 Dec 2023
Items in the balance sheet			
Non-current receivables	–	0.2	0.2
Current receivables	–	0.0	–
Non-current payables	292.4	–	–
Items recognised in equity			
Dividend and repayment of capital	-7.1	-2.4	-7.1

Parties are considered to be related if one party has the ability to control or exercise significant influence on the other party, or if the parties exercise joint control in making financial and operating decisions.

Purmo Group's related parties include subsidiaries as well as the members of the Board of Directors and the CEO and members of the Group management.
In addition, the immediate parent company Project Grand Bidco (UK) Limited and the ultimate controlling party AP Grand Aggregator SCSp and their subsidiaries, associated companies and joint ventures are related parties. Until the change of control on 16 August 2024, due to the Project Grand Bidco tender offer, Rettig Ltd was the immediate parent and the ultimate controlling party Rettig Capital Ltd and their subsidiaries, associated companies and joint ventures were related parties. Tomas von Rettig and Maria von Rettig had significant influence over Rettig Capital Ltd. All transactions and outstanding balances with these related parties are priced on an arm's length basis.

In July 2022 Purmo Group Purmo Group announced that the Board of Directors had decided to launch a new share-based incentive plan intended for management and key employees. Following the Project Grand Bidco tender offer, the share-based incentive plan was prematurely terminated and loans to management were repaid during the review period.

11. Business combinations and assets held for sale

EUR million	30 Sep 2024	30 Sep 2023	2023
Assets held for sale[1]			
Right-of-use assets	-	0.1	-0.0
Inventories	-	0.2	0.0
Other assets	-	0.3	1.0
Cash and cash equivalents	-	6.8	4.6
Total	**-**	**7.5**	**5.6**
Liabilities related to assets held for sale[1]			
Interest-bearing liabilities	-	8.7	8.6
Other liabilities	-	2.3	1.9
Total	**-**	**10.9**	**10.5**

[1] Amounts are presented net of internal balances with other Purmo Group subsidiaries.

In September 2024, Purmo Group divested its Russian subsidiaries, Evroradiators LLC and ZAO EVRA Varme RUS, to a Russian investment company. As a result of the divestment, Purmo Group does not have any activities in Russia and the EUR 8.4 million redemption liability was paid. The impact of the divestment on the profit for the reporting period was EUR -2.8 million. The impact is mainly due to negative cumulative translation differences from equity to the income statement. The recycling did not have any impact on total equity.

12. Events after the reporting period

On 1 October 2024, Purmo Group announced that it strengthens its Climate Solutions business with the acquisition of Unitherm Heating Systems Ltd in Ireland and the United Kingdom. Unitherm Heating Systems Ltd is a provider of holistic climate solutions, which are mostly built around heat pumps.

The group, headquartered in Dublin, Ireland, provides design, supply, commissioning, technical support and aftersales servicing of heating systems solutions for residential and commercial applications. Systems include heat pumps from 4kW to 4MW, in addition to a wide range of emitter systems, underfloor heating and ventilation solutions. The acquisition supports Purmo Group's ongoing solution selling strategy.

Founded in 2004, Unitherm operates from three locations in Ireland and in 2020, expanded its business into the United Kingdom. In 2023, the company's total net sales amounted to EUR 28.2 million and it has 65 employees today in Ireland and the United Kingdom. The Group offers heat pumps and other products from several leading manufacturers in their core markets. The company does not have its own production.

On 14 October 2024, Purmo Group announced that Chief Financial Officer and member of the Core Leadership Team of Purmo Group, Jan-Elof Cavander, will leave the Company to accept a new position outside the Group. Mr Cavander started at Purmo Group in 2023.

On 15 October 2024, Purmo Group announced that it will exercise its right to redeem its EUR 60 million green capital securities issued on 23 February 2023.

The Capital Securities will be redeemed in full on 14 February 2025 in accordance with clause 8.8 (Change of Control) of the terms and conditions of the Capital Securities. The change of control entitling the Company to redeem the Capital Securities relates to the completion of Project Grand Bidco (UK) Limited's voluntary public cash tender offer, recommended by the Board of Directors of the Company, to acquire all the issued and outstanding shares in the Company that are not held by the Company or any of its subsidiaries.

On the Redemption Date, the Company will pay the holders of Capital Securities a redemption price equal to their nominal amount together with any accrued interest to the Redemption Date.

Key figures

EUR million	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Net sales	173.3	176.1	-2%	532.7	568.2	-6%	743.2
EBITDA	12.9	17.3	-25%	51.3	57.3	-10%	46.6
EBITDA margin	7.5%	9.8%		9.6%	10.1%		6.3%
Adjusted EBITDA	21.3	23.5	-9%	66.6	71.1	-6%	92.3
Adjusted EBITDA margin	12.3%	13.3%		12.5%	12.5%		12.4%
EBITA	6.3	12.1	-48%	32.2	38.0	-15%	14.4
EBITA margin	3.7%	6.9%		6.0%	6.7%		1.9%
Adjusted EBITA	14.7	18.3	-20%	47.4	51.8	-8%	66.3
Adjusted EBITA margin	8.5%	10.4%		8.9%	9.1%		8.9%
EBIT	5.3	11.2	-52%	29.1	35.2	-18%	9.7
EBIT margin	3.1%	6.3%		5.5%	6.2%		1.3%
Profit before tax	-4.2	7.2		9.1	20.8	-56%	-9.6
Profit for the period	-5.2	4.5		3.5	14.1	-75%	-9.3
Adjusted profit for the period [2]	1.2	9.6	-87%	14.9	25.3	-41%	32.2
Earnings per share, basic, EUR	-0.15	0.08		0.02	0.27	-93%	-0.32
Adjusted earnings per share, basic, EUR	0.00	0.20	-99%	0.29	0.54	-46%	0.68
Cash flow from operating activities	-12.6	1.1		-2.2	7.9		40.4
Capex	4.4	4.7	-5%	13.0	11.8	10%	20.3
Acquisitions (M&A)[3]	8.4	-		8.4	-		-
Adjusted operating cash flow for the last 12 months[1]				74.6	80.1	-7%	75.1
Cash conversion[1]				85.0%	91.6%		81.4%
Cash and cash equivalents				71.1	89.9	-21%	111.7
Net working capital				102.9	118.7	-13%	85.4
Operating capital employed				309.4	327.1	-5%	294.7
Return on operating capital employed				1.2%	10.5%		2.9%
Net debt				262.4	238.4	10%	219.6
Net debt / Adjusted EBITDA				2.99	2.73	10%	2.38
Equity / Asset ratio				42.9%	46.3%		43.7%
Return on equity				-4.7%	1.6%		-2.2%

[1] Change in net working capital includes assets held for sale. M&A and comparability adjustments totalled EUR 5.5 (9.6) million.

[2] The definition of adjusted profit for the period has been updated to include tax impact from comparability adjustments from Q4 2023 and the comparative data for Q3 2023 has been restated.

[3] The acquisition in Q3 2024 is related to the redemption liability payment.

Calculation of key figures

Key figure	Definition	Reason for use
EBIT	Profit before tax and net financial items (Operating profit).	EBIT is used to measure profitability generated by operating activities of the Group.
EBIT margin	EBIT as per centage of net sales.	
EBITDA	Operating profit before depreciation, amortisation and impairment.	EBITDA is an indicator to measure the operating performance of the Group, before depreciation, amortisation and impairment.
EBITDA margin	EBITDA as per centage of net sales.	
EBITA	Operating profit before the amortisation of intangibles including trademarks.	EBITA is an indicator to measure the operating performance of the Group, before amortisation of intangibles including trademarks.
EBITA margin	EBITA as per centage of net sales.	
Gross profit	Net sales less cost of sales.	
Comparability adjustments	Comparability adjustments comprise of direct transaction and integration costs on M&A activities, restructuring costs and costs incurred in connection with performance improvement programmes, other one-off costs such as legal claims or significant out-of-period adjustments and exceptional gains and losses on sale of fixed assets.	Comparability adjustments account for items that have been adjusted due to specific events that otherwise affect comparability between different periods. Provides a better understanding to management and investors of the comparable operating activities.
Adjusted EBITDA	EBITDA before comparability adjustments.	Adjusted EBITDA, adjusted EBITDA margin, Adjusted EBITA and Adjusted EBITA margin are presented in addition to EBIT, EBITDA and EBITA to reflect the underlying business performance by adjusting for items that the Group considers impacting comparability ('Comparability adjustments').
Adjusted EBITDA margin	Adjusted EBITDA as per centage of net sales.	
Adjusted EBITA	EBITA before comparability adjustments.	
Adjusted EBITA margin	Adjusted EBITA as per centage of net sales.	
Adjusted profit for the period	Profit for the period before comparability adjustments and their tax impact.	
Capex	Capex is a measure of capital expenditure for the period which comprises the Group's investments in property plant and equipment and intangible assets derived from the consolidated cash flow statement.	Capex is an indicator of the Group's investments in property plant and equipment and intangible assets.
Acquisitions (M&A)	Acquisitions of subsidiaries and investments in associates derived from the consolidated cash flow statement for the period.	Acquisition capex is an indicator for investments in acquisition of businesses that are intended to grow the Group's product or service offering, assets or technologies, productive capacity or performance.

Key figure	Definition	Reason for use
Adjusted operating cash flow for the last 12 months	Adjusted EBITDA on a rolling twelve-month basis less change in net working capital and capex on a rolling twelve-months basis. Change in net working capital and capex are adjusted with M&A, and impairment and write-down charges classified as comparability adjustments.	Adjusted operating cash flow provides information on the Group's operating cash flow on an annualised basis, excluding adjusting items.
Cash conversion	Adjusted operating cash flow divided by Adjusted EBITDA based on a rolling twelve-month calculation.	Cash conversion is used to assess Purmo Group's efficiency to convert its operating results into cash. The ratio indicates the Group's capacity to pay dividends and / or generate funds for acquisitions or other transactions.
Net working capital	Purmo Group's inventories, operative receivables less trade and other operative liabilities.	Net working capital is a useful measure to monitor the level of direct net working capital tied to the operations and changes therein.
Operating capital employed	Net working capital, other intangible assets, property, plant, equipment and right-of-use assets.	Capital employed presents the total investment in the Group's business operations.
Return on operating capital employed	EBIT based on a rolling twelve-month calculation divided by quarterly end average operating capital employed.	Measures the return on the capital tied up in the business.
Net debt	Non-current and current borrowings (including shareholder loan) and non-current and current lease liabilities less cash and cash equivalents.	To show the net of interest-bearing assets and interest-bearing liabilities.
Net debt/Adjusted EBITDA	Net debt divided by Adjusted EBITDA based on a rolling twelve-month calculation.	The ratio indicates how fast the Group can repay its net debt using adjusted EBITDA (expressed in years), and it is a useful measure to monitor the level of the Group's indebtedness.
Equity to Asset ratio	Total equity divided by total assets derived from the IFRS consolidated financial statements.	The ratio is a useful indicator to measure how much of the Group's assets are funded by equity rather than through external borrowings.
Return on equity	Group's profit for the period based on a rolling twelve-month basis divided by the average total equity.	Shows owners the return on their invested capital.

From Q4 2023 onwards Purmo Group has revised the definition of adjusted profit for the period to include tax impact from comparability adjustments. The definition has been revised due to significant tax impact from comparability adjustments in Q4 2023. The comparative figures have been restated accordingly.

Reconciliation of Alternative Performance Measures

EUR million unless otherwise indicated	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Comparability adjustments					
M&A related transactions and integration costs	0.3	0.1	0.5	0.1	0.3
Restructuring costs and one-off costs related to efficiency programs	3.3	4.0	9.5	10.5	46.0
Public tender offer related costs	1.7	–	3.3	–	–
Impairment and write-down charges	–	1.7	–	3.0	5.2
Divestment costs	2.8	–	2.8	–	–
Other	0.3	0.4	-0.8	0.2	1.3
Total comparability adjustments affecting in EBITDA and EBITA[1]	**8.4**	**6.2**	**15.3**	**13.8**	**52.8**
Taxes relating to comparability adjustments[1]	-2.0	-1.1	-3.9	-2.6	-11.2
Total comparability adjustments[1]	**6.4**	**5.1**	**11.4**	**11.2**	**41.6**
Net sales	173.3	176.1	532.7	568.2	743.2
EBIT	**5.3**	**11.2**	**29.1**	**35.2**	**9.7**
EBIT margin	**3.1%**	**6.3%**	**5.5%**	**6.2%**	**1.3%**
Amortisation and impairment	1.0	0.9	3.1	2.8	4.7
EBITA	**6.3**	**12.1**	**32.2**	**38.0**	**14.4**
EBITA margin	**3.7%**	**6.9%**	**6.0%**	**6.7%**	**1.9%**
Depreciation and impairment	6.6	5.2	19.2	19.3	32.2
EBITDA	**12.9**	**17.3**	**51.3**	**57.3**	**46.6**
EBITDA margin	**7.5%**	**9.8%**	**9.6%**	**10.1%**	**6.3%**
Adjusted EBITDA					
EBIT	5.3	11.2	29.1	35.2	9.7
Depreciation, amortisation and impairment excluding comparability adjustments	7.6	6.1	22.2	22.1	29.8
Total comparability adjustments affecting in EBITDA and EBITA[1]	8.4	6.2	15.3	13.8	52.8
Adjusted EBITDA[1]	**21.3**	**23.5**	**66.6**	**71.1**	**92.3**
Adjusted EBITDA margin[1]	**12.3%**	**13.3%**	**12.5%**	**12.5%**	**12.4%**
Adjusted EBITA					
EBIT	5.3	11.2	29.1	35.2	9.7
Amortisation excluding comparability adjustments	1.0	0.9	3.1	2.8	3.8
Total comparability adjustments affecting in EBITDA and EBITA[1]	8.4	6.2	15.3	13.8	52.8
Adjusted EBITA[1]	**14.7**	**18.3**	**47.4**	**51.8**	**66.3**
Adjusted EBITA margin[1]	**8.5%**	**10.4%**	**8.9%**	**9.1%**	**8.9%**
Adjusted profit/loss for the period					
Profit/loss for the period	-5.2	4.5	3.5	14.1	-9.3
Total comparability adjustments[1]	6.4	5.1	11.4	11.2	41.6
Adjusted profit/loss for the period[1]	**1.2**	**9.6**	**14.9**	**25.3**	**32.2**

[1] The definition of adjusted profit for the period to include tax impact from comparability adjustments has been updated from Q4 2023 and the comparative data for Q3 2023 has been restated.

EUR million unless otherwise indicated	30 Sep 2024	30 Sep 2023	2023
Adjusted operating cash flow for the last 12 months			
Adjusted EBITDA for the last 12 months	87.7	87.4	92.3
Change in net working capital compared to previous year same period[1]	8.4	16.1	3.2
Capex for last 12 months	-21.5	-23.4	-20.3
Adjusted operating cash flow for the last 12 months	**74.6**	**80.1**	**75.1**
Cash conversion			
Adjusted operating cash flow for the last 12 months	74.6	80.1	75.1
Adjusted EBITDA in the last 12 months	87.7	87.4	92.3
Cash conversion[1]	**85.0%**	**91.6%**	**81.4%**
Net working capital			
Inventories	**153.4**	**163.9**	**143.7**
Non-current operative other receivables[2]	6.4	0.8	4.0
Trade receivables	90.0	97.9	75.2
Current operative other receivables[2]	17.4	14.6	19.4
Operative receivables	**113.8**	**113.3**	**98.6**
Non-current operative payables[3]	0.7	1.0	1.0
Trade payables	81.7	76.5	71.2
Current operative payables[3]	81.8	81.0	84.7
Operative liabilities	**164.3**	**158.5**	**156.9**
Net working capital	**102.9**	**118.7**	**85.4**
Operating capital employed			
Net working capital	102.9	118.7	85.4
Other intangible assets	42.7	43.5	45.9
Property, plant and equipment	129.1	126.6	127.6
Right-of-use assets	34.7	38.2	35.8
Operating capital employed	**309.4**	**327.1**	**294.7**
Return on operating capital employed			
Quarterly end average operating capital employed	302.2	319.9	331.9
EBIT for the last 12 months	3.5	33.7	9.7
Return on operating capital employed	**1.2%**	**10.5%**	**2.9%**
Net debt			
Loans and borrowings (non-current)	292.4	278.2	277.9
Loans and borrowings (current)	-0.0	5.2	7.3
Loans and borrowings, assets held for sale	0.0	8.4	8.6
Lease liabilities (non-current)	29.2	33.1	31.7
Lease liabilities (current)	11.9	10.0	10.4
Lease liabilities, assets held for sale	0.0	0.2	0.0
Cash and cash equivalents	-71.1	-89.9	-111.7
Cash and cash equivalents, assets held for sale	0.0	-6.8	-4.6
Net debt	**262.4**	**238.4**	**219.6**
Net debt/Adjusted EBITDA			
Net debt	262.4	238.4	219.6
Adjusted EBITDA in the last 12 months	87.7	87.4	92.3
Net debt/Adjusted EBITDA	**2.99**	**2.73**	**2.38**
Equity/Asset ratio			
Total equity	415.5	465.3	435.7
Total assets	968.0	1,005.5	997.8
Equity/Asset ratio	**42.9%**	**46.3%**	**43.7%**
Return on equity			
Cumulative last 12-month profit attributable to owners of the company	-19.9	7.0	-9.3
Total equity at the beginning of the period	435.7	403.3	403.3
Total equity at the end of the period	415.5	465.3	435.7
Total equity average	425.6	434.3	419.5
Return on equity	**-4.7%**	**1.6%**	**-2.2%**

[1] Change in net working capital includes assets held for sale. M&A and comparability adjustments totalled EUR 5.5 (9.6) million.
[2] Non-current and current operative other receivables are in the balance sheet presented in non-current and current other receivables.
[3] Non-current and current operative payables are presented in the balance sheet in non-current other payables and current trade and other payables.

EUR million unless otherwise indicated	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Basic earnings per share					
Profit/loss attributable to shareholders of the parent company for class C shares	-5.1	4.4	3.5	14.0	-9.3
Profit/loss attributable to shareholders of the parent company for class F shares	-0.0	0.0	0.0	0.1	-0.1
Profit/loss attributable to the owners of the company	**-5.2**	**4.5**	**3.5**	**14.1**	**-9.3**
Accumulated interest expenses on hybrid bond after taxes	-1.1	-1.2	-2.7	-2.8	-3.9
Profit/loss used in calculation of earnings per share	**-6.3**	**3.3**	**0.8**	**11.3**	**-13.3**
Weighted average number of shares outstanding (pcs)[1]	41,406,191	41,406,191	41,406,191	41,406,191	41,406,191
Basic earnings per share, EUR	**-0.15**	**0.08**	**0.02**	**0.27**	**-0.32**
Diluted earnings per share					
Profit/loss attributable to shareholders of the parent company for class C shares	-5.1	4.4	3.5	14.0	-9.3
Profit/loss attributable to shareholders of the parent company for class F shares	-0.0	0.0	0.0	0.1	-0.1
Profit/loss attributable to the owners of the company	**-5.2**	**4.5**	**3.5**	**14.1**	**-9.3**
Accumulated interest expenses on hybrid bond after taxes	-1.1	-1.2	-2.7	-2.8	-3.9
Profit/loss used in calculation of earnings per share	**-6.3**	**3.3**	**0.8**	**11.3**	**-13.3**
Diluted weighted average number of shares outstanding (pcs)[1]	41,406,191	41,406,191	41,406,191	41,406,191	41,406,191
Diluted earnings per share, EUR	**-0.15**	**0.08**	**0.02**	**0.27**	**-0.32**
Adjusted basic earnings per share					
Total comparability adjustments[2]	6.4	6.2	11.4	7.6	41.6
Adjusted profit/loss attributable to shareholders of the parent company for class C shares[2]	1.2	9.5	14.8	25.1	32.0
Adjusted profit/loss attributable to shareholders of the parent company for class F shares	0.0	0.1	0.1	0.2	0.2
Adjusted profit/loss attributable to the owners of the company[2]	**1.2**	**9.6**	**14.9**	**25.3**	**32.2**
Accumulated interest expenses on hybrid bond after taxes	-1.1	-1.2	-2.7	-2.8	-3.9
Adjusted profit/loss used in calculation of earnings per share[2]	**0.1**	**8.4**	**12.1**	**22.5**	**28.3**
Weighted average number of shares outstanding (pcs)[1]	41,406,191	41,406,191	41,406,191	41,406,191	41,406,191
Adjusted basic earnings per share, EUR[2]	**0.00**	**0.20**	**0.29**	**0.54**	**0.68**
Adjusted diluted earnings per share					
Total comparability adjustments[2]	6.4	6.2	11.4	11.2	41.6
Adjusted profit/loss attributable to shareholders of the parent company for class C shares[2]	1.2	9.5	14.8	25.1	32.0
Adjusted profit/loss attributable to shareholders of the parent company for class F shares	0.0	0.1	0.1	0.2	0.2
Adjusted profit/loss attributable to the owners of the company[2]	**1.2**	**9.6**	**14.9**	**25.3**	**32.2**
Accumulated interest expenses on hybrid bond after taxes	-1.1	-1.2	-2.7	-2.8	-3.9
Adjusted profit/loss used in calculation of earnings per share[2]	**0.1**	**8.4**	**12.1**	**22.5**	**28.3**
Diluted weighted average number of shares outstanding (pcs)[1]	41,406,191	41,406,191	41,406,191	41,406,191	41,406,191
Adjusted diluted earnings per share, EUR[2]	**0.00**	**0.20**	**0.29**	**0.54**	**0.68**

Purmo Group Plc

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