

Terveystalo

TERVEYSTALO TO ACQUIRE ATTENDO'S HEALTHCARE OPERATIONS IN FINLAND

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Disclaimer

This presentation includes forward-looking statements which include statements regarding Terveystalo Plc's ("Terveystalo") business strategy, financial condition, profitability, results of operations and market data, as well as other statements that are not historical facts. Words such as "believe," "anticipate," "plan," "expect," "target," "estimate," "project," "predict," "forecast," "guideline," "should," "aim," "continue," "could," "guidance," "may," "potential," "will," as well as similar expressions and the negative of such expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying these statements. By their nature, forward-looking statements are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements. Except for any ongoing obligation to disclose material information as required by the applicable law, Terveystalo does not have any intention or obligation to publicly update or revise any forward-looking statements after it distributes this announcement, whether to reflect any future events or circumstances or otherwise.



Terveystalo acquires Attendo's healthcare operations in Finland



Bringing together industry-leading competencies in healthcare with broad service offering and network across Finland - Attendo's healthcare operations in Finland would gain a strong Finnish owner



Considerable benefits for stakeholders including customers, employees, private practitioners and shareholders

Consideration

- Enterprise value of EUR 233 million in cash
- Implied EV/ Adjusted EBITA 2017 multiple of 13.3x, and 10.6x including run-rate synergies¹

Expected timetable

- **Expected completion in late 2018**, subject to approval by Finnish Competition and Consumer Authority

1) The estimated expected cost synergies from the Transaction are approximately EUR 5 million per year, which are expected to be implemented during the first twelve months following the closing of the Transaction; EUR 5 million of expected one time synergy implementation costs. Additionally, transaction costs are expected to be approximately EUR 7 million.

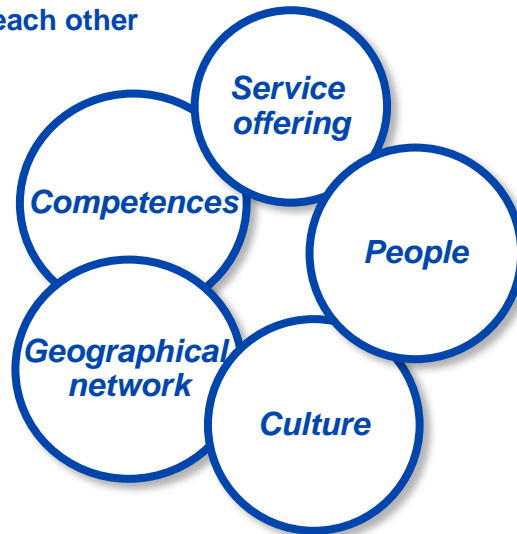


Strong strategic fit and complementary competencies

Transaction brings together



Complementing each other



Significant potential



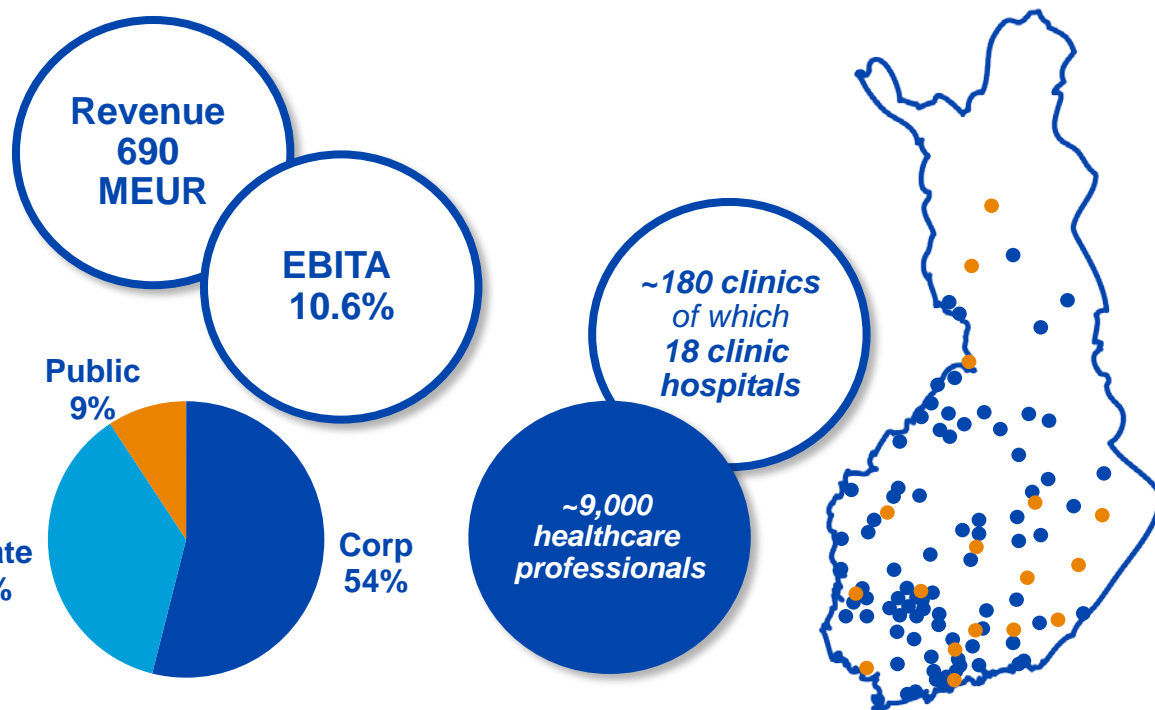
Ensuring large and complementary pool of physicians and other healthcare professionals for future growth

Strong strategic fit and complementary healthcare service offering



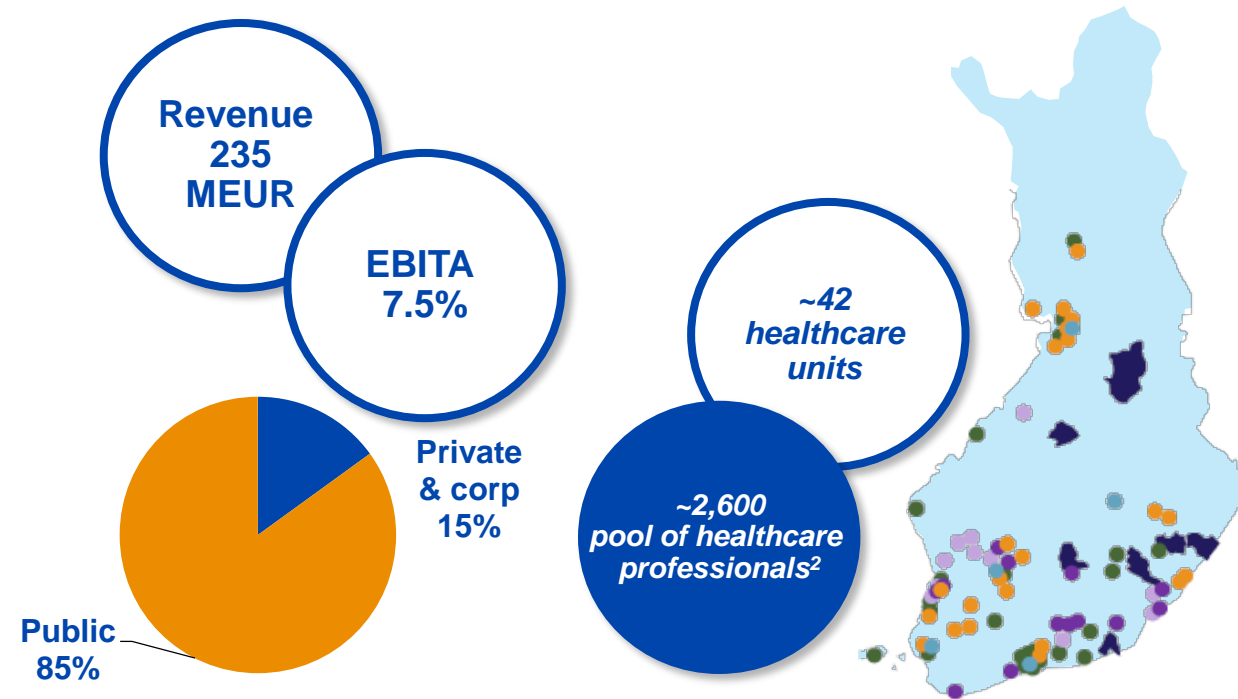
Transaction brings together two unique healthcare service companies

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Leading private healthcare service provider

Attendo's Healthcare operations in Finland¹



Pioneer in public pay healthcare services

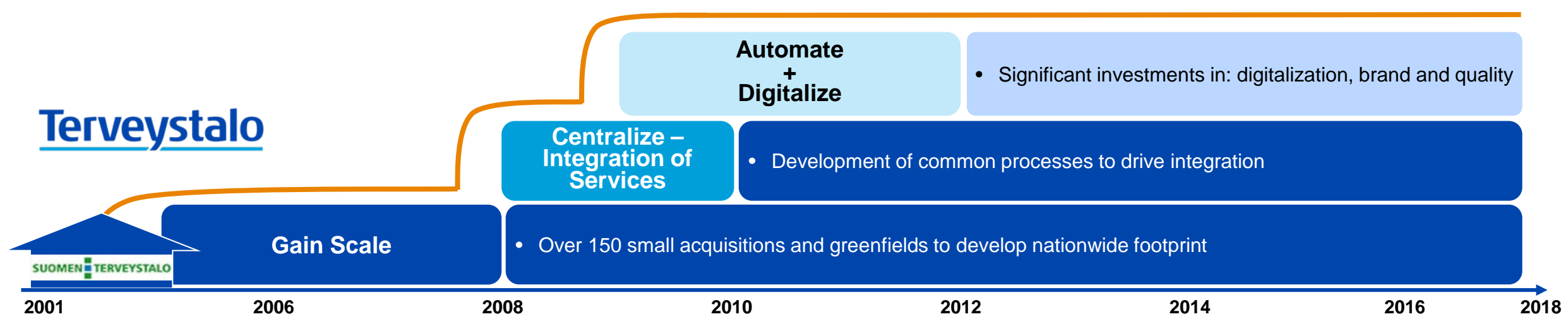
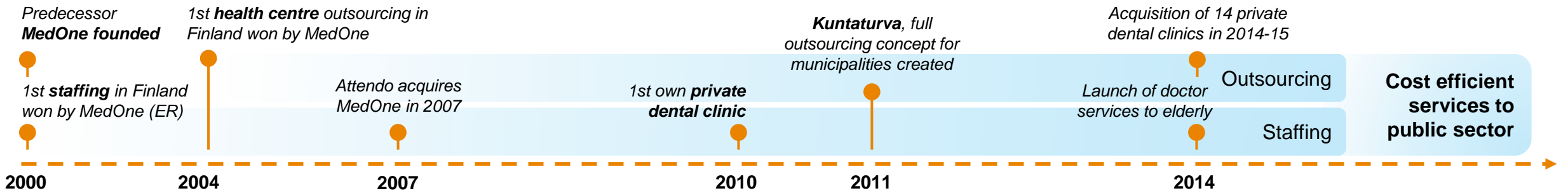
1) Unaudited carve out financial information, which has been prepared on a "carve out" basis and does not necessarily reflect what the combined results of operations would have been, had Attendo's healthcare operations in Finland operated as an independent group and had it presented stand-alone financial information under IFRS during the period presented

2) The Finnish healthcare operations' staffing pool of general practitioners, specialists and dentists amounts to approximately 2,600 professionals



Combining significant accumulated experience

Attendo's Healthcare operations – the pioneer in public healthcare outsourcing and staffing services in Finland



Note: ER = Emergency room



Broad healthcare service offering across Finland

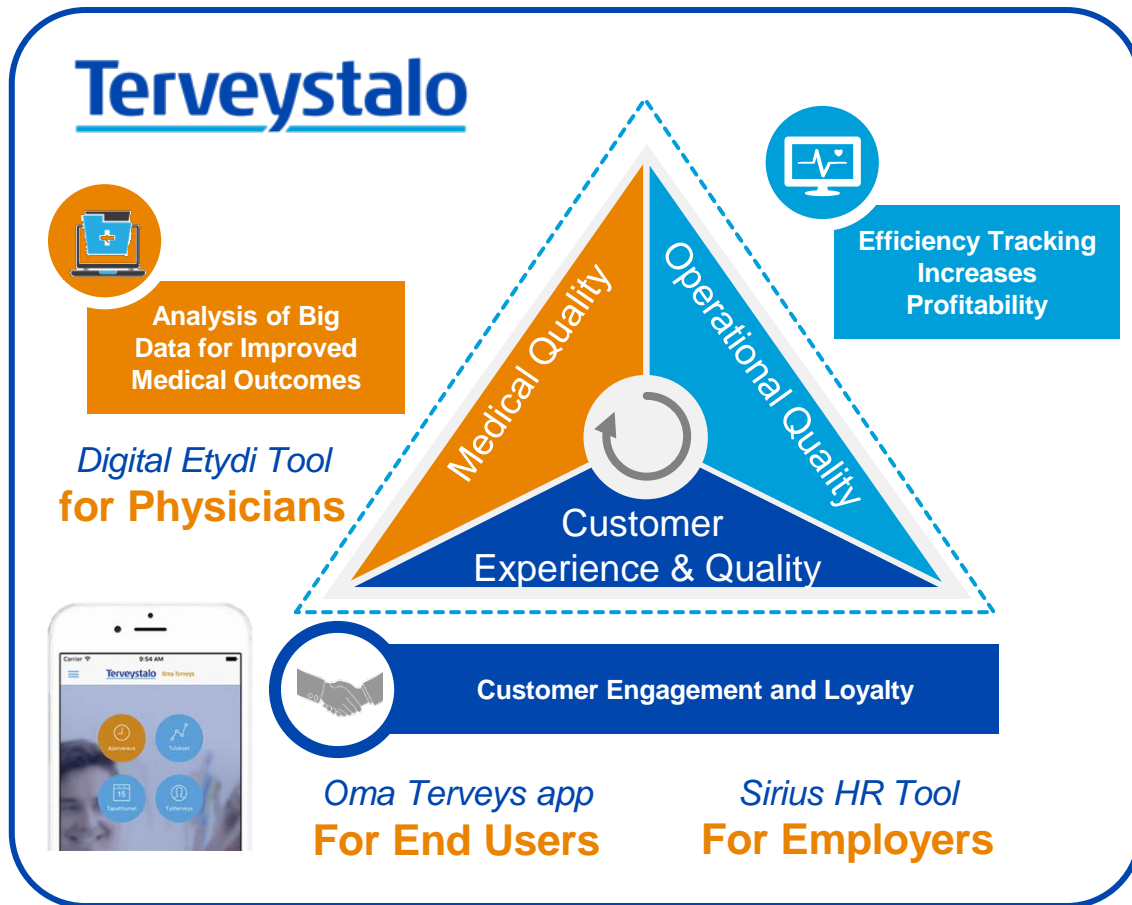
- Further strengthens the availability of healthcare services of high medical quality, utilizing modern digital tools
- Stronger, nationwide, domestic healthcare services operator with large network and presence across Finland, both in small towns and large cities
- Complementary service offering further enhances the integrated care chains provided for Finnish people
- Increased scale enables continued investments in digitalization and operations
- Further strengthens capacity to provide high quality and cost efficient services to municipalities

Finns benefit from a stronger, nationwide operator capable of delivering cost-effective and versatile services, physical and digital, to the needs of different customer groups and in different life phases of citizens

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Bringing together industry-leading competencies in healthcare



THE MOST DESIRED EMPLOYER FOR PHYSICIANS AND STUDENTS FOR THE SIXTH CONSECUTIVE YEAR

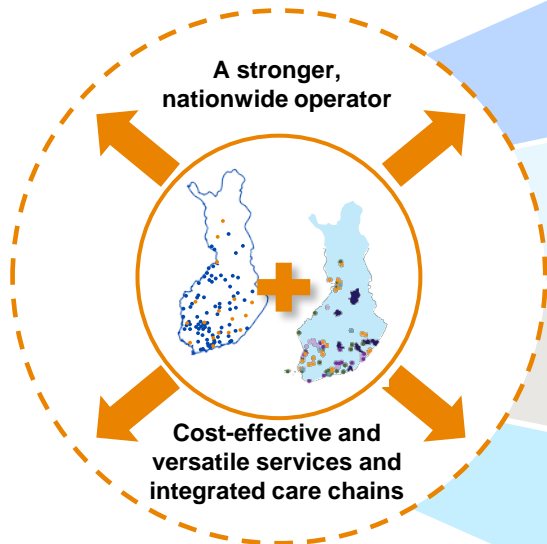
95.9%
of staff
satisfied
with their
own work

92.7%
of staff
satisfied with
career
opportunities



Significant strategic synergy potential

Significant potential for value creation through operative strategic synergies



Many of which are actionable from closing

Examples

Even better service offering

- Optimizing services and offering to existing and new customers

Staffing services, recruitment and HR

- Utilization of staffing services as well as recruitment and HR operations in Terveystalo's current operations

Leveraging OH and dental competencies

- Leveraging Terveystalo's competencies and accumulated experience

Cross-selling opportunities

- Offering the complementary, more comprehensive service scope to customers

Further benefits of the combination

Stronger partner for the public sector

Improve competitiveness in the public healthcare outsourcing business

Opex savings and capex synergies



Value creation through cost synergies



Potential for value creation through operational efficiency improvements and implementation of cost synergies

Procurement

Sharing of best practices

Harmonization of operations

Operational efficiency

- One-time synergy implementation costs of approximately EUR 5 million
- Transaction costs are expected to be approximately EUR 7 million



Estimated expected
cost synergies
EUR 5 million¹

Transaction
expected to be
EPS accretive
from the first full
calendar year following
completion

1) The Transaction is expected to create significant shareholder value through stronger growth and targeted quantified cost synergies of approximately EUR 5 million, expected to be realized within 12 months from the completion of the Transaction

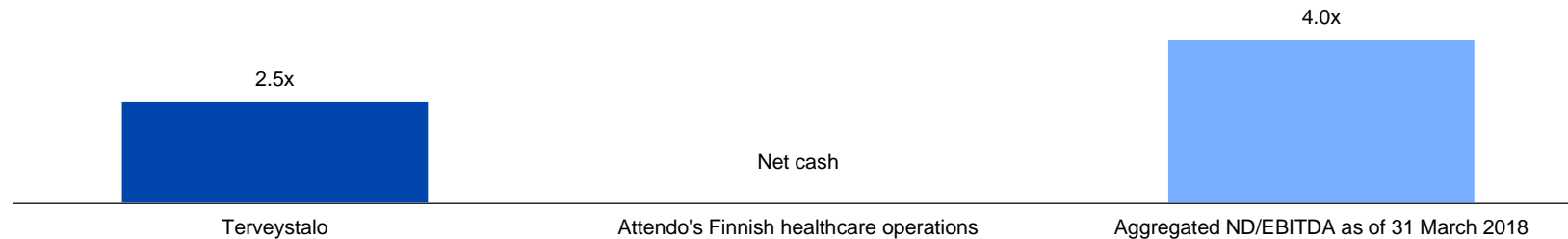


Financing and leverage impact

Financing

- Terveystalo is financially well-prepared for the Transaction
- The current lending banks of Terveystalo have arranged committed debt facilities for the purposes of financing the Transaction

Leverage impact



- Based on the aggregated financial information, Terveystalo would have had a preliminary aggregated net debt of EUR 479 million with implied net debt to LTM EBITDA of 4.0x as of 31 March 2018, excluding synergies

A new, strong, domestic player

Brings together two industry leading healthcare service companies: complementary service offerings and strong network across Finland

Excellent strategic fit with Terveystalo's occupational healthcare as well as private and public healthcare businesses, strengthening and complementing services provided to various customers groups

Ensures large and complementary pool of physicians and other healthcare professionals for future growth

Benefits for stakeholders including customers, employees, private practitioners and shareholders

Creates shareholder value through stronger growth and targeted cost synergies of approximately EUR 5 million, and significant operative strategic synergies



Thank you!



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Key figures

EUR million	Terveystalo ¹	Attendo's Finnish healthcare operations ²	Combined
1-12/2017			
Revenue	689.5	234.9	924.4
Adj. EBITDA	92.4	20.0	112.5
Adj. EBITDA margin (%)	13.4	8.5	12.2
Adj. EBITA	73.0	17.5	90.5
Adj. EBITA margin (%)	10.6	7.5	9.8
As at 31/12/2017			
Personnel & private practitioners	8,696	>3,700 ³	>12,000
OH end customers	680,000	38,000	718,000
Clinics and health centres	180	42	222
Dental units	18	35	53

Note: The aggregated combined financial information is for illustrative purposes only. The combined financial information gives an indication of the combined company's sales and earnings assuming the activities were included in the same company from the beginning of the last financial year. The aggregated combined financial information is based on a hypothetical situation and should not be viewed as pro forma financial information as purchase price allocation, transaction costs and differences in accounting principles have not been taken into account

- 1) The Group made a number of business acquisitions in 2017. The financial statements of Porin Lääkäritalo Oy Group and Diacor terveystalot Oy Group have been included in the consolidated financial statements of Terveystalo Group from the beginning of January 2017 and the end of March 2017, respectively.
- 2) Unaudited carve out financial information, which has been prepared on a "carve out" basis and does not necessarily reflect what the combined results of operations would have been, had Attendo's healthcare operations in Finland operated as an independent group and had it presented stand-alone financial information under IFRS during the period presented
- 3) Physicians, other healthcare professionals and personnel that work for or provide services to Attendo's Finnish healthcare operations