



TERVEYSTALO GROUP

INTERIM REPORT 1.1.-30.9.2020

REVENUE INCREASED AND PROFITABILITY IMPROVED
IN THE THIRD QUARTER

July–September 2020 in brief

- **Revenue increased by 2.6 percent year-on-year to EUR 240.2 million (234.0).**
- **Adjusted¹⁾ earnings before interest, taxes, and amortization (EBITA) increased by 26.5 percent to EUR 30.9 million (24.4), representing 12.9 (10.4) percent of revenue.**
- Adjusted items affecting comparability were EUR 0.6 million (1.2).
- Profit for the period was EUR 16.1 million (10.4).
- Earnings per share (EPS) were EUR 0.13 (0.08).
- Cash flow from operating activities was EUR 8.6 million (26.4).

January–September 2020 in brief

- **Revenue decreased by 7.1 percent year-on-year to EUR 706.7 million (760.4).**
- **Adjusted¹⁾ earnings before interest, taxes, and amortization (EBITA) decreased by 24.3 percent to EUR 62.6 million (82.7), representing 8.9 (10.9) percent of revenue.**
- Adjusted items affecting comparability were EUR 3.7 million (4.1).
- Profit for the period was EUR 23.4 million (38.0).
- Earnings per share (EPS) were EUR 0.18 (0.30).
- **Net debt/adjusted EBITDA¹⁾²⁾ was 3.4 (3.5).**
- Cash flow from operating activities was EUR 77.4 million (124.1).

The figures in parentheses refer to the corresponding period one year ago.

1) *Adjustments are material items outside the ordinary course of business, associated with acquisition-related expenses, restructuring-related expenses, net gains and losses on the sale of assets, strategic projects, and other items affecting comparability.*

2) *The reference period includes only nine months of Attendo Health Services' result.*

Ville Iho, CEO: Terveystalo team showed great perseverance in challenging circumstances, revenue returned to growth and profitability improved

Terveystalo's revenue returned to growth in the third quarter of 2020 thanks to strong sales to private and corporate customers. Among private customers, demand recovered in line with our expectations and revenue grew by more than 9 percent. In the corporate customer segment, the demand for preventive services normalized and the demand for well-being services turned to growth. Among public sector customers, revenue declined primarily due to the expiration of outsourcing contracts at the turn of the year.

Since the beginning of the COVID-19 crisis, we have emphasized the importance of maintaining our agility and financial room to maneuver as uncertainty persists. Faced with rapidly changing demand conditions, we shifted the focus of our service production particularly toward testing and digital services during the third quarter. Thanks to our continued strict cost control and timely response to the development of the pandemic, our profitability in the third quarter also showed a substantial year-on-year improvement. The personnel adjustment measures initiated in the spring ended in the early part of the quarter, but the other measures continued. While the second quarter tested our ability to adjust to a sharp decline in demand, the third quarter tested our agility in scaling up our operations and creating new services. Terveystalo's employees demonstrated great spirit and excellent flexibility in both stages and each member of our team deserves acknowledgement and thanks for their hard work and good results.

The second wave of COVID-19 testing started at the beginning of August and we were able to quickly respond to the change in circumstances by quintupling our testing capacity over a period of a two weeks. We conducted more than 75,000 COVID-19 tests during the quarter and the demand for testing has remained high throughout the fall. With our COVID-19 strategy related services we want to do our share to make sure that the society remains open and operational, even though the related service chain consumes resources from other business areas.

At our Capital Markets Day in September, we discussed health care trends and the accelerating impact of the COVID-19 pandemic on health care transformation. The digital transformation of the industry is a fact and people's interest in their health and well-being is clearly growing. The developments seen in the third quarter reinforce this view. Demand has increasingly shifted toward digital services and health care professionals are now more willing than before to offer remote appointments. In the corporate customer segment, 15 percent of all visits to clinics are digital appointments, and Terveystalo Group as a whole passed the milestone of half a million digital appointments in October.

The pandemic is both an immediate health crisis and a slow-moving health crisis. The treatment backlog in Finland is growing every day due to the pandemic in spite of the partial recovery of demand and services. According to the Finnish Institute for Health and Welfare, the number of people who have been waiting for non-urgent care for more than six months approached 18,000 in August. The pandemic is also causing an increase in mental health problems: in Terveystalo's data, anxiety disorders are now the third-most common diagnosis and three of the top five causes of sickness absences are related to mental health problems.

Terveystalo has been on the frontlines in managing the immediate COVID-19 crisis, and we will be a part of the solution in managing the longer-term impacts of COVID-19. Dismantling treatment backlog will require private sector input and growing mental well-being challenges call for new, increasingly digital solutions. With the strength of our traditional clinic network and our digital capabilities, we play a key role in helping Finns overcome this crisis. Effective care benefits everyone – the individual, the employer and society.

In our business, the exceptional circumstances created by COVID-19 are not over. We will continue to emphasize agility and responsiveness, and we should not commit ourselves to any single scenario. While the uncertain environment and the need to maintain a shorter-term focus than usual has placed great demands on our organization, we have performed well. Amid all this uncertainty, I am proud of the performance of Terveystalo's employees and I am very pleased about the trust shown to us by customers and professionals. Our customer satisfaction has remained at a record-high level and students recently rated us as the most attractive employer in our industry for the seventh consecutive year. In addition, our brand preference is at an all-time high and clearly the highest in the industry. We are in a good position to keep fighting for a healthier life.

Ville Iho

Outlook

- In the short term, the market environment is still uncertain because of the changes in consumer behavior resulting from the COVID-19 pandemic, and predicting demand is challenging in the short term. Demand for tests increased strongly in the third quarter of the year and is expected to remain high in the acute phase of the pandemic. Overall demand for healthcare services can return to normal only if new significant restrictive measures can be avoided.
- Demand from corporate customers for preventive and statutory occupational health services has returned to normal. The recovery of demand for acute and non-urgent medical care is uncertain as the pandemic continues. Demand for coronavirus tests is expected to remain high in the acute phase of the pandemic. Demand for remote services will increase considerably. Significant changes in the employment rate may be reflected in the underlying demand.
- Overall demand from private customers is expected to remain normal, providing that, in particular, major restrictions to free movement can be avoided. Demand for acute and non-urgent medical care has returned to normal. However, as the pandemic continues, the future development of demand involves a certain degree of uncertainty. Demand for remote services will increase considerably. Significant changes in consumer confidence may be reflected in the underlying demand.
- Stable demand from the public sector is expected to continue in occupational health, service sales, and staffing services. Revenue from outsourcing business will fall significantly following the expiry of outsourcing contracts.

These views are based on the expected development of demand for Terveystalo's services within the next six months, compared with the past six months.

The impacts of COVID-19 and the measures taken by Terveystalo

To minimize the impacts of the pandemic, Terveystalo has continued to adjust operations to the exceptional circumstances and safeguarded the cash flow and profitability of the business by means such as freezing service purchasing and re-evaluating investment needs, freezing replacement recruitment and temporarily laying off employees in positions where work has temporarily decreased and/or the company's conditions for providing work have temporarily decreased. In the third quarter of the year, the full-time temporary lay-off notices given concerned approximately 227 persons (3,439 calendar days in total) and part-time lay-off notices concerned 574 persons. The need for adjustment measures decreased clearly in the third quarter of the year as demand was returning closer to normal. The focus of service production has shifted especially to COVID-19 testing and digital services, the demand for which has multiplied since the beginning of the year.

Due to the uncertainty in the economic operating environment, the credit loss risk of trade receivables and the impairment risk of assets were assessed in the light of the changed market outlook and latest forecasts in connection with the third quarter financial reporting. In the case of trade receivables, the risk of credit losses has not been found to have increased significantly. No increase in the risk of impairment of assets has been identified, and the impairment testing of goodwill is performed in accordance with the normal process in the fourth quarter of 2020.

The company's liquidity and financing situation has remained strong even in the exceptional circumstances. During the review period, the company fulfilled the covenant requirement included in the financing agreement that depicts relative indebtedness. Due to the prevailing uncertainty, Terveystalo continues to report the notes on financing concerning the liquidity, assets, and liabilities as well as the maturity of loans in Notes 12.

The company estimates that, in addition to the direct impacts of the crisis, changes in the employment rate and consumer confidence may be reflected in the underlying demand even after the acute phase has passed. Nevertheless, the company estimates that its diverse customer base and service selection will mitigate the impacts on its business from any changes in demand for individual services or in individual customer relationships.

Key figures

Terveystalo Group, EUR million	7-9/ 2020	7-9/ 2019	Change , %	1-9/ 2020	1-9/ 2019	Change, %	2019
Revenue	240.2	234.0	2.6	706.7	760.4	-7.1	1,030.7
Adjusted EBITDA * ¹⁾	46.1	39.8	15.8	108.3	128.5	-15.8	176.3
Adjusted EBITDA margin, % * ¹⁾	19.2	17.0	-	15.3	16.9	-	17.1
EBITDA ¹⁾	45.5	38.6	18.0	104.6	124.4	-15.9	171.2
EBITDA margin, % ¹⁾	19.0	16.5	-	14.8	16.4	-	16.6
Adjusted EBITA * ¹⁾	30.9	24.4	26.5	62.6	82.7	-24.3	115.1
Adjusted EBITA margin, % * ¹⁾	12.9	10.4	-	8.9	10.9	-	11.2
EBITA ¹⁾	30.3	23.2	30.7	58.9	78.6	-25.1	110.0
EBITA margin, % ¹⁾	12.6	9.9	-	8.3	10.3	-	10.7
Adjusted EBIT * ¹⁾	23.4	17.3	35.5	40.1	61.7	-35.1	86.5
Adjusted EBIT margin, % * ¹⁾	9.7	7.4	-	5.7	8.1	-	8.4
EBIT	22.9	16.1	42.2	36.4	57.6	-36.9	81.4
EBIT margin, %	9.5	6.9	-	5.1	7.6	-	7.9
Return on equity (ROE), % ¹⁾	-	-	-	7.2	9.3	-	10.3
Equity ratio, % ¹⁾	-	-	-	40.7	38.7	-	39.9
Earnings per share (EUR)	0.13	0.08	-	0.18	0.30	-	0.43
Gearing, % ¹⁾	-	-	-	96.2	108.1	-	101.3
Net debt/adjusted EBITDA (last 12 months) ^{1) 2)}	-	-	-	3.4	3.5	-	3.1

Total assets	–	–	–	1351.0	1358.8	-0.5	1,359.3
Average personnel in person-years	–	–	–	5,023	4,861	3.3	4,943
Personnel (end of period)	–	–	–	8,226	7,262	13.3	8,685
Private practitioners (end of period)	–	–	–	5,210	5,082	2.5	5,068
Net Promoter Score (NPS), appointments	–	–	–	80.5	72.4	–	72.5
Employee Net Promoter Score (eNPS) ³⁾	–	–	–	19	29	–	9
Mixed waste intensity ³⁾	–	–	–	4.91	5.02	–	4.85

**) Adjustments are material items outside the ordinary course of business, associated with acquisition-related expenses, restructuring-related expenses, gain on sale of assets, strategic projects, and other items affecting comparability.*

1) Alternative performance measure. In addition to the IFRS figures, Terveystalo presents additional, alternative performance indicators which the company monitors internally and which provide the company management, investors, stock market analysts, and other stakeholders with important additional information concerning the company's financial performance, financial position, and cash flows. These performance indicators should not be reviewed separate from the IFRS figures and they should not be considered to replace the IFRS figures.

2) The reference period includes only nine months of Attendo Health Services' result.

3) eNPS is measured every six months; the reported figure is the result of the latest measurement in spring 2020. Amount of mixed waste (metric tons) relative to total revenue (100 million)

Operating environment

The coronavirus pandemic had a material impact on the Finnish healthcare market in the review period. In the private healthcare sector, services focused more strongly on remote appointments, while demand for coronavirus testing started to increase heavily in August.

The duration and extent of the impacts of the coronavirus on the demand for private healthcare services depend largely on the development of the pandemic and its effects on consumer behavior and employment. The contraction of non-urgent care in the private and public healthcare sectors while the restrictions were in place resulted in a significant treatment gap in other illnesses. The use of services started to return towards normal in the third quarter of the year. The clearing of the queues for non-urgent care in public healthcare will require more extensive use of private healthcare services in the aftercare of the pandemic. According to the Finnish Institute for Health and Welfare (THL), 17,728 (12.9%) of those queuing for non-urgent specialized care had been in the queue for more than six months. For the past ten years, the average figure on the survey date has been 2,000 people.

In October, the Finnish government announced amendments to its proposal on health and social services reform in response to the comments received. According to the proposal, Finland will be divided into 21 wellbeing services counties that will be responsible for health and social services. With respect to outsourced services, the multiple provider model will remain, and service vouchers can be used as before. According to the company's assessment, the proposal has no material effect on Terveystalo's business. The Government aims to have the proposal discussed by the Parliament in December 2020.

With the most extensive network of clinics and hospitals as well as its broad range of services, the company believes that it is an attractive partner for different customer groups in the management of the pandemic as well as the post-pandemic clearing of queues and closing of the treatment gap. Terveystalo's diverse customer base and service selection will also mitigate the impacts on its business from any significant changes in demand for individual services. As a leading occupational healthcare service provider, Terveystalo has an important role in supporting the business sector in the return to normal and in the resumption of operations after the epidemic is over.

Group revenue

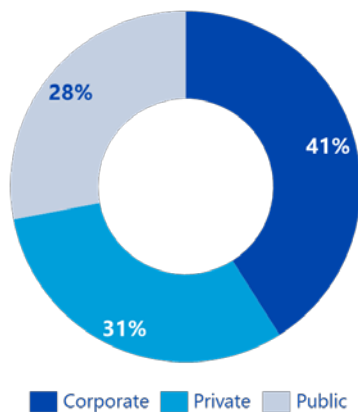
Revenue for the third quarter increased by 2.6 percent year-on-year to EUR 240.2 million (234.0), particularly as a result of strong private and corporate customer sales. In the third quarter, over 75,000 coronavirus tests were performed. Acquisitions did not have a material effect on the development of revenue. Despite the pandemic, Terveystalo's competitiveness was reflected in the positive development of insurance company sales, strong demand for well-being services, and multiplied demand for COVID-19 testing and remote appointments. Visits related to different acute infections remain clearly below comparison period. Revenue from well-being services increased by 9 percent to EUR 20.0 million (18.4). Appointments were increasingly provided remotely through digital channels. The number of remote appointments nearly quadrupled to approximately 198,000 appointments (approximately 52,000). There were 66 business days in July–September, equalling the reference period (66).

Revenue for **January–September** decreased by 7.1 percent year-on-year, amounting to EUR 706.7 (760.4) million.

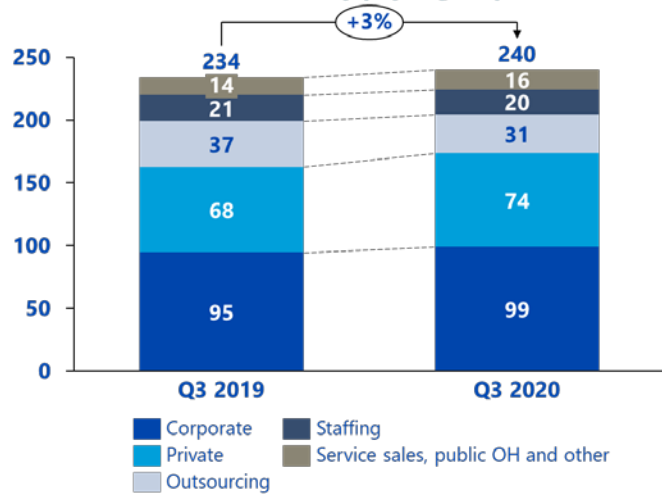
M€	7-9/ 2020	7-9/ 2019	Change, %	1-9/ 2020	1-9/ 2019	Change, %	2019
Corporate customers	99.2	94.6	4.9	297.5	316.9	-6.1	432.5
Private customers	74.3	68.0	9.2	212.1	224.0	-5.3	303.1
Public sector customers	66.7	71.4	-6.6	197.2	219.5	-10.2	295.1
Outsourcing	30.9	36.6	-15.8	90.1	112.7	-20.1	149.9
Staffing services	20.2	21.0	-3.8	61.5	64.3	-4.4	86.9
Service sales, occupational health and others	15.6	13.7	13.6	45.6	42.4	7.6	58.2
Total	240.2	234.0	2.6	706.7	760.4	-7.1	1030.7

Revenue by payer group

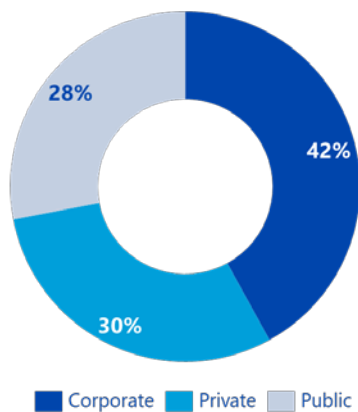
Q3 revenue by payor group, %



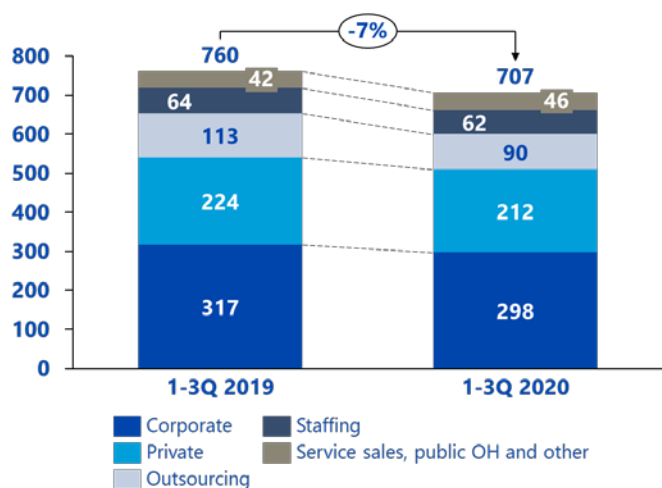
Q3 revenue by payor group, M€



Q1-Q3 revenue by payor group, %



Q1-Q3 revenue by payor group, M€



Corporate customers

Corporate customers constitute Terveystalo's largest customer group. Terveystalo's corporate customers consist of the company's occupational healthcare customers, excluding municipal occupational healthcare customers, which are included in the public sector customer group. The company provides statutory occupational health services and other occupational health and well-being services for corporate customers of all sizes. Terveystalo is the largest provider of occupational health services in Finland in terms of revenue and the number of end users. Terveystalo provides occupational health services for over 24,000 companies. In 2019, the company provided occupational health services for a total of approximately 700,000 customers.

Revenue from corporate customers in the third quarter increased by 4.9 percent to EUR 99.2 (94.6) million.

With respect to medical appointment services not related to the coronavirus, demand was clearly below the reference period level and the proportion of remote appointments increased. The pandemic continued to impact the development of the sales of preventive* occupational health services, which remained at the reference period level. The sales of well-being services**, excluding remote appointments, increased by approximately 4 percent year-on-year. Close to 52,000 coronavirus tests were performed on corporate customers altogether. The use of digital services more than tripled to approximately 157,000 appointments (approximately 44,500), representing over 15 percent of all Corporate Health clinic visits. The number of occupational health end customers was on a par with the reference period.

Revenue for January–September from corporate customers decreased by 6.1 percent to EUR 297.5 (316.9) million.

*The statutory task of occupational healthcare is to prevent work-related adverse health effects. Preventive services include, for example, workplace surveys to examine the conditions and exposures at the workplace; health examinations; suggested measures to improve work conditions and to promote the employees' ability to work; guidance and counseling; participation in the planning and implementation of measures that maintain work ability; promotion of coping at work and, when necessary, referrals to rehabilitation in case of reduced work ability; guidance in first aid preparedness at the workplace; and assessment and monitoring of the quality and impact of occupational healthcare activities.

**Well-being services include, for example, physiotherapy, mental well-being services (psychologists and psychotherapists), nutritional therapy, work ability coaching, and massage services at Rela hierojat (Terveystalo's subsidiary).

Private customers

Private customers are Terveystalo's second-largest customer group. Private customers include private individuals and families. The company's strong brand, easy access to services without long waiting times, extensive service portfolio for private customers, families, and senior citizens, and personalized digital services give Terveystalo a competitive edge over other private operators and public healthcare services and encourage customers to invest in their own health. Services for private customers are paid for either by the customers themselves or by their insurance companies.

Revenue from private customers in the third quarter increased by 9.2 percent year-on-year to EUR 74.3 (68.0) million.

Demand for GP and specialist appointments and oral health services started increasing in the beginning of the third quarter. Some pent-up demand was released, when treatment chains that were interrupted in the second quarter were resumed and postponed annual checkup appointments with specialists were realized. Demand stabilized towards the end of the period. Demand for acute illness related appointments partially recovered, but was still below the comparison period. The proportion of remote appointments continued to increase. The number of digital appointments increased more than fivefold to approximately 20,600 visits (approximately 3,700) year-on-year, representing over five percent of all appointments. Demand for surgical operations was also relatively strong. Imaging service sales developed in line with the sales of other services during the quarter, and coronavirus testing increased the sales of laboratory services considerably. Over 15,000 coronavirus tests were performed on private customers during the quarter. Sales of private healthcare services to occupational health customers increased year-on-year.

Revenue for January–September from private customers decreased by 5.3 percent year-on-year to EUR 212.1 (224.0) million.

Public sector customers

Terveystalo's public sector customer group consists of Finnish public sector organizations, such as municipalities, municipal federations, and hospital districts as well as municipal occupational healthcare customers. Terveystalo's broad nationwide platform, digital offering, good reputation, and established brand, as well as its thorough expertise and experience in healthcare services throughout the chain of care, make Terveystalo an attractive partner for the public sector. Terveystalo's services for public sector customers are mainly financed from budgets of municipalities, municipal federations, and hospital districts. The services offered to public sector customers include full and partial outsourcing, healthcare staffing services, specialized care services, other healthcare services as well as occupational health services for municipalities, municipal federations, and hospital districts.

Revenue from public sector customers in the third quarter decreased by 6.6 percent year-on-year to EUR 66.7 (71.4) million.

Revenue from outsourcing business decreased by 15.6 percent to EUR 30.9 (36.6) million as a result of the expiry of outsourcing contracts at the end of 2019. Service production began in April on the Hattula outsourcing agreement. In addition to hospital outsourcings and other partial outsourcings, Terveystalo had 10 full outsourcing agreements in effect in the third quarter.

Revenue from staffing services decreased by 3.8 percent, amounting to EUR 20.2 (21.0) million due to discontinued ER contracts.

Revenue from service sales, services provided for municipal occupational healthcare customers and other public sector customers, increased by 13.6 percent to EUR 15.6 (13.7) million, mainly owing to occupational health activities that have expanded through acquisitions. Digital appointments increased significantly, with the number of visits increasing more than fivefold to 19,800. The sales of well-being services, excluding digital appointments, also grew by 42 percent year-on-year.

Revenue for January–September from public sector customers decreased by 10.2 percent year-on-year to EUR 197.2 (219.5) million.

Financial performance

Adjusted EBITDA for **the third quarter of 2020** increased by 15.8 percent year-on-year to EUR 46.1 million (39.8). Profitability was improved by increased revenue owing to strong private and corporate customer group sales and good management of the cost level in relation to revenue as well as temporary government subsidy for pension costs. Material costs relative to revenue increased year-on-year because of the costs related to protective gear. Purchased services relative to revenue decreased because of the lower costs of specialized care provided on outsourcing contracts, even though increased laboratory service purchases relating to coronavirus testing had an increasing effect on the costs. For this reason, materials and services in total, relative to revenue decreased year-on-year. Adjustment measures concerning the personnel were insignificant. In addition, employee benefit expenses were on a par with the comparison period, resulting from the postponing of recruitments. Other operating expenses decreased by 8.4 percent to EUR 16.5 (18.0) million, owing to cost cuts and spending freezes.

Adjusted earnings before interest, taxes and amortization (EBITA) increased by 26.5 percent to EUR 30.9 million (24.4), representing 12.9 (10.4) percent of revenue.

Adjusted operating profit for the third quarter amounted to EUR 23.4 (17.3) million, and profit before tax was EUR 20.0 (12.7) million.

As a result of the refinancing arrangement carried out in the latter part of 2019, net financial expenses decreased by 24.5 percent year-on-year to EUR 2.5 million (3.3). Income tax increased by 71.6 percent because of the higher taxable profit. Result for the third quarter was EUR 16.1 (10.4) million, and earnings per share were EUR 0.13 (0.08).

Although profit for the period increased, third-quarter operating cash flow decreased, amounting to EUR 8.6 (26.4) million. Higher trade receivables and lower personnel-related liabilities increased tied-up net working capital in the third quarter.

Third-quarter cash flow from investing activities was EUR -5.4 (-13.6) million. The change from the comparison period was mainly attributable to the smaller number of acquisitions as well as lower investments in intangible assets and property, plant, and equipment.

In the third quarter of 2020, cash flow from financing activities was EUR -28.6 (-13.1) million. The decrease in cash flow from financing activities resulted mainly from dividend paid out during the reporting period.

Adjusted EBITDA for **January–September 2020** decreased by 15.8 percent year-on-year to EUR 108.3 million (128.5). Profitability was reduced by lower sales volumes, particularly during Q2, and changes in the sales mix. Employee benefit expenses decreased by 3.0 percent as a result of the temporary layoffs carried out during the quarter and the postponed

recruitments. Other operating expenses decreased by 1.7 percent to EUR 53.8 (54.7) million, mainly owing to cost adjustments. IT expenses increased by 20.4 percent year-on-year.

Adjusted earnings before interest, taxes, and amortization (EBITA) fell by 24.3 percent to EUR 62.6 million (82.7), representing 8.9 (10.9) percent of revenue.

Adjusted operating profit was EUR 40.1 (61.7) million, and profit before tax was EUR 28.7 (46.9) million.

As a result of the refinancing arrangement carried out in the latter part of 2019, net financial expenses reduced by 31.8 percent to EUR 7.2 million (10.5). Income tax decreased by 40.3 percent as a result of lower taxable profit. Profit for the period was EUR 23.4 (38.0) million, and earnings per share were EUR 0.18 (0.30).

Operating cash flow decreased as a result of the contraction of business operations, amounting to EUR 77.4 (124.1) million in the review period. Other factors affecting operating cash flow in the review period included, among other items, reduction in personnel-related liabilities, which increased net working capital, and an increase in taxes paid year-on-year.

Cash flow from investing activities was EUR -22.6 (-33.7) million. The change from the comparison period was mainly attributable to reduced investments in acquisitions.

Cash flow from financing activities amounted to EUR -30.7 (-84.9) million. The change in the cash flow from financing activities was mainly due to a short-term loan from a financial institution withdrawn during the reporting period. The change was also attributable to the larger repayments of short-term loans and paid returns of equity in the comparison period.

The Group's financial position

Terveystalo's liquidity position is good. Cash and cash equivalents at the end of the reporting period amounted to EUR 64.8 million (EUR 42.4 million in September 2019). The company agreed on additional financing of EUR 40 million in June. The Group's total assets amounted to EUR 1,351.0 million (EUR 1,358.8 million in September 2019).

Equity attributable to owners of the parent company totaled EUR 548.9 (524.8) million. The growth was due to the increase in retained earnings. Dividend was distributed in the review period in accordance with the AGM's decision.

Gearing at the end of the review period was 96.2 (108.1) percent, and net interest-bearing debt amounted to EUR 528.0 (567.5) million.

In the final quarter of 2019, Terveystalo signed a financing agreement of EUR 410 million. During the review period, the company fulfilled the covenant requirement included in the financing agreement that depicts relative indebtedness. Of the credit included in the financing agreement, EUR 40 million remained unused at the end of the review period.

Return on equity for the review period was 7.2 (9.3) percent. Equity ratio was 40.7 (38.7) percent.

Seasonal variation and the impact of the number of business days

Terveystalo's revenue from corporate and private customers has typically been lower during the vacation seasons, particularly in July and August. The number of business days has an effect on the revenue and earnings development, particularly when comparing quarterly performance. Revenue from public sector customers is distributed evenly with the exception of staffing services. Because of the seasonal nature of business, the required net working capital varies during the year. Variation is caused by the timing of pension and VAT payments, vacation pay obligations and service fees related to occupational healthcare, etc.

Investments and acquisitions

Net investments* during the review period, including M&A, amounted to EUR 26.2 (44.1) million. The Group's net cash

capital expenditure, excluding M&A, was EUR 21.6 (21.7) million and the corresponding non-cash capital expenditure EUR 3.7 (10.2) million. The investments consisted mainly of investments in IT system projects (including ERP and EMR), digital application and service development, medical equipment, and the network. The relative share of intangible investments in gross investments increased, whereas the share of tangible investments fell respectively.

In the first quarter of 2020, Terveystalo carried out one acquisition to supplement its business, acquiring the business of Varkauden Fysiokeskus Oy. No acquisitions were made in the second quarter. During the third quarter of 2020, Terveystalo acquired the occupational health activities of Keski-Satakunnan Työterveydenhuolto and the business of Keski-Lapin Hammashuolto Oy.

** Net investments do not include the increases of right-of-use assets related to leases for business premises recognized on the balance sheet as a result of the adoption of IFRS 16.*

Personnel

The number of Terveystalo's employed staff on September 30, 2020 was 8,226 (7,262). In person-years, the average number of staff was 5,023 (4,861). The number of private practitioners increased to 5,210 (5,082) at the end of the review period. In the third quarter of the year, the full-time temporary lay-off notices given concerned 227 persons (3,439 calendar days in total) and part-time lay-off notices concerned 574 persons.

Changes in the Management Group

Marja-Leena Tuomola, b. 1962, LL.M., eMBA, has been appointed Senior Vice President, Corporate Health. She will start in the position during the first quarter of 2021 at the latest. Marja-Leena Tuomola will become a member of the Terveystalo Management Group, and she will report to President and CEO Ville Iho.

Events after the reporting period

Laura Rätty, Terveystalo's Senior Vice President of Public Services and a member of the Management Group, will leave Terveystalo during the last quarter of 2020. Mikko Tainio b. 1979, M.Sc. (Econ.), has been appointed Senior Vice President of Public Services. He will start on November 1, 2020. Mikko Tainio will become a member of the Terveystalo Management Group, and he will report to President and CEO Ville Iho.

The most significant short-term risks and uncertainty factors

Terveystalo's risk management is governed by the risk management policy approved by the Board. The policy defines goals, principles, organizations, responsibilities, and practices for risk management. The management of financial risks complies with the Group's financing policy approved by Terveystalo's Board.

The risks and uncertainty factors described below are considered to potentially have a significant impact on the company's business operations, financial results and future outlook within the next 12 months. The list is not intended to be exhaustive.

- The global pandemic and the related restrictive measures may have a significant impact on consumer behavior, demand for healthcare services, and the company's expected financial development. The Emergency Powers Act and other regulations pertaining to emergency circumstances give the public sector the power to intervene in service production and even take private sector resources into public use if necessary.
- The restrictions complicate supply chain operations globally, which reduces the availability of the personal protective equipment necessary in service provision, among other things.
- Changes in the competitive landscape, new competitors entering the markets and increasing price competition may have a negative impact on the company's profitability and growth potential.
- The development and implementation of information system projects and services, service products, and operating models involves risks. The company is gradually replacing its operating systems and support systems as well as creating new digital customer solutions, which increases the overall risk related to information systems. Risk management is an essential aspect of the systems integration and deployment processes.

- The company's business operations rely on its capacity to identify, recruit, and retain competent and professional healthcare professionals, employees, and executives. The increased supply of services and increased competition may affect the availability of healthcare professionals, particularly in major cities. Turnover in key employees involves the risk of losing knowledge and expertise.
- The company may not be able to find suitable acquisition targets or expansion opportunities under favorable terms, and the integration of acquisition targets is not necessarily realized as planned.
- The company's business is very dependent on functioning information systems, data communication, and external service providers. Interruptions can result from hardware failure, software failure, or cyber threats. Long-lasting malfunction of information systems or payment transfers can lead to significant loss of sales and decline in customer satisfaction.
- Endangered data security or privacy can lead to losses and claims for damages and endanger reputation.
- Corporate responsibility aspects are increasingly important for customers, such as ensuring the responsibility of the product supply chain, fair and equal treatment of employees, avoidance of corruption, and protection of the environment. Possible failures associated with corporate responsibility would mean negative publicity for Terveystalo and could cause operational and financial damage. Challenges related to Terveystalo's corporate responsibility work include communicating the corporate responsibility principles to the key stakeholders and ensuring the responsibility of the product and service supply chain.
- The company is a party to, and may become a party to, legal action or administrative procedures initiated by the authorities, patients, or third parties. According to the company's opinion, its currently pending legal obligations and court cases are not significant in nature.

Risk management at Terveystalo and risks related to the company's business are described in more detail at <https://www.terveystalo.com/en/investors/Corporate-governance/Risk-management-and-risks/> and in the company's Annual Review.

Financial calendar and AGM in 2021

In 2021, Terveystalo Plc will publish financial reports as follows:

- Financial Statements Bulletin 2020 on Thursday, 11 February 2021
- Annual Report 2020 on week 7, 2021
- Interim report for January-March 2021 on Thursday, 29 April 2021
- Half-Year Report for January-June 2021 on Friday, 16 July 2021
- Interim report for January-September 2021 on Thursday, 28 October 2021

The Financial Statements Bulletin 2020 and financial reviews for 2021 will be published at approximately 9:00 a.m. EET/EEST. Financial reports are published in Finnish and English.

Terveystalo Financial Statements and the Report of the Board of Directors are published as a part of the Annual Report 2020.

Annual General Meeting of Terveystalo Plc will be held on Thursday, 25 March 2021 in Helsinki.

Briefing

Terveystalo will arrange a webcast in English on its result on October 29, 2020 starting at 11:00 EET.

You can watch the webcast online at: <https://terveystalo.videosync.fi/2020-q3-results>

To ask questions, please join the telephone conference 5–10 minutes prior to the start time using your local number (Finland: +358 981 710 310, Sweden: +46 856 642 651, UK: +44 33 3300 0804, US: +1 631 913 1422. If you are calling from another location, please use any of the numbers above. The Participant Passcode is 73187091#.

Helsinki, October 29, 2020

Terveystalo Plc

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Terveystalo in brief

Terveystalo is a listed company on the Helsinki Stock Exchange. Terveystalo is the largest healthcare service company in Finland with net sales and network. The company offers versatile primary and secondary healthcare services for corporate and private customers as well as the public sector. The nationwide network covers approximately 300 clinics across Finland. The clinic network is supplemented by 24/7 digital services.

In 2019, Terveystalo had approximately 1.2 million individual customers and approximately 3.7 million visits to a physician. Of the 13,000 healthcare professionals working at Terveystalo, less than half are independent practitioners. Terveystalo's services carry the Key Flag symbol and the company is a member of the Association for Finnish Work. www.terveystalo.com

Condensed consolidated statement of income

EUR mill.	Note	7-9/2020	7-9/2019	Change, %	1-9/2020	1-9/2019	Change, %	2019
Revenue	4	240.2	234.0	2.6	706.7	760.4	-7.1	1,030.7
Other operating income		0.5	0.6	-12.2	2.0	1.4	44.1	2.1
Materials and services	5	-108.1	-107.3	0.8	-324.7	-350.2	-7.3	-472.9
Employee benefit expenses	6	-70.6	-70.8	-0.3	-225.6	-232.5	-3.0	-314.3
Depreciation, amortisation and impairment losses		-22.7	-22.5	0.7	-68.2	-66.8	2.1	-89.8
Other operating expenses	7	-16.5	-18.0	-8.4	-53.8	-54.7	-1.7	-74.4
Operating profit/loss		22.9	16.1	42.2	36.4	57.6	-36.9	81.4
Financial income		0.1	0.2	-60.5	0.2	0.3	-25.4	0.3
Financial expenses		-2.6	-3.5	-26.4	-7.4	-10.8	-31.6	-14.7
Net finance income and expenses		-2.5	-3.3	-24.5	-7.2	-10.5	-31.8	-14.4
Share of result in associated companies		-0.4	-0.1	515.5	-0.5	-0.2	188.8	-0.2
Profit/loss before taxes		20.0	12.7	57.4	28.7	46.9	-38.9	66.8
Income tax expense	8	-3.9	-2.3	71.6	-5.3	-8.9	-40.3	-12.7
Profit/loss for the period		16.1	10.4	54.4	23.4	38.0	-38.5	54.1
Profit attributable to:								
Owners of the parent company		16.1	10.5	54.1	23.4	38.0	-38.6	54.2
Non-controlling interests		-0.0	-0.0	-94.0	-0.0	-0.0	-90.4	-0.1

Consolidated statement of comprehensive income

EUR mill.	Note	7-9/2020	7-9/2019	Change, %	1-9/2020	1-9/2019	Change, %	2019
Profit/loss for the period		16.1	10.4	54.4	23.4	38.0	-38.5	54.1
Total comprehensive income		16.1	10.4	54.4	23.4	38.0	-38.5	54.1
Total comprehensive income attributable to:								
Owners of the parent company		16.1	10.5	54.1	23.4	38.0	-38.6	54.2
Non-controlling interest		-0.0	-0.0	-94.0	-0.0	-0.0	-90.4	-0.1
Earnings per share for profit attributable to the shareholders of the parent company, in euro								
Basic earnings per share		0.13	0.08		0.18	0.30		0.43
Diluted earnings per share		0.13	0.08		0.18	0.30		0.43

The notes are an integral part of the consolidated interim financial statements.

Condensed consolidated statement of financial position

EUR mill.	Note	30 Sep 2020	30 Sep 2019	31 Dec 2019
ASSETS				
Non-current assets				
Property, plant and equipment	9	68.5	68.6	69.5
Right-of-use assets *	9, 11	172.3	192.6	193.2
Goodwill	10	780.0	781.7	779.2
Other intangible assets	10	150.9	158.8	161.9
Investment properties		0.5	0.5	0.5
Investments in associates		1.7	2.7	2.3
Loan receivables		0.5	0.0	0.3
Deferred tax assets		4.4	3.7	3.7
Total non-current assets		1,178.9	1,208.7	1,210.7
Current assets				
Inventories		7.7	6.0	5.6
Trade and other receivables		98.9	100.9	101.6
Cash and cash equivalents		64.8	42.4	40.6
Total current assets		171.4	149.3	147.8
Non-current assets held for sale		0.8	0.8	0.8
TOTAL ASSETS		1,351.0	1,358.8	1,359.3
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Company				
Share capital		0.1	0.1	0.1
Invested non-restricted equity reserve		492.8	492.8	492.8
Treasury shares		-6.7	-6.7	-6.7
Retained earnings		62.7	38.6	55.1
Non-controlling interest		0.0	0.1	0.0
TOTAL EQUITY		548.9	524.9	541.2
Non-current liabilities				
Non-current financial liabilities		327.7	366.6	344.1
Non-current lease liabilities *	11	139.1	158.5	159.9
Deferred tax liabilities		26.8	30.5	30.3
Provisions		8.0	7.6	7.5
Other liabilities		9.3	10.0	9.7
Total non-current liabilities		510.9	573.3	551.5
Current liabilities				
Provisions		2.3	1.5	1.6
Trade and other payables		158.8	166.1	165.4
Current tax liabilities		4.3	8.3	14.8
Current financial liabilities		87.0	46.2	46.7
Current lease liabilities *	11	38.9	38.6	38.1
Total current liabilities		291.3	260.6	266.6
TOTAL LIABILITIES		802.3	833.9	818.0
TOTAL EQUITY AND LIABILITIES		1,351.0	1,358.8	1,359.3

The notes are an integral part of the consolidated interim financial statements.

*) The presentation of statement of financial position has been changed and the comparison period has been restated respectively.

Consolidated statement of changes in equity

Equity attributable to owners of the parent company							
EUR mill.	Share capital	Invested non-restricted equity reserve	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
Equity 1 Jan 2020	0.1	492.8	-6.7	55.1	541.2	0.1	541.2
Comprehensive income							
Profit for the period	-	-	-	23.4	23.4	0.0	23.4
Transactions with owners							
Share-based payments	-	-	-	0.9	0.9	-	0.9
Dividend	-	-	-	-16.5	-16.5	-	-16.5
Equity 30 Sep 2020	0.1	492.8	-6.7	62.7	548.9	0.1	548.9

Equity attributable to owners of the parent company							
EUR mill.	Share capital	Invested non-restricted equity reserve	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
Equity 1 Jan 2019	0.1	518.2	-6.7	0.1	511.7	0.1	511.8
Comprehensive income							
Profit for the period	-	-	-	38.0	38.0	-0.0	38.0
Transactions with owners							
Share-based payments	-	-	-	0.4	0.4	-	0.4
Equity repayment	-	-25.5	-	-	-25.5	-	-25.5
Other adjustments	-	-	-	0.1	0.1	-	0.1
Equity 30 Sep 2019	0.1	492.8	-6.7	38.6	524.8	0.1	524.9

The notes are an integral part of the consolidated interim financial statements.

Condensed consolidated statement of cash flows

EUR mill.	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
Cash flows from operating activities					
Profit before income taxes	20.0	12.7	28.7	46.9	66.8
Adjustments for					
Non-cash transactions					
Depreciation, amortisation and impairment losses	22.7	22.5	68.2	66.8	89.8
Change in provisions	-0.4	-0.3	1.2	-1.2	-1.2
Other non-cash transactions	-0.1	-0.6	-0.7	-1.9	-2.4
Gains and Losses on sale of property, plant, equipment and other changes	-0.0	0.0	0.0	-0.2	0.0
Net finance expenses	2.5	3.3	7.2	10.5	14.4
Changes in working capital					
Trade and other receivables	-17.3	0.6	-1.4	-9.7	-7.9
Inventories	0.2	-0.3	-2.1	-0.2	0.3
Trade and other payables	-18.7	-10.7	-7.0	15.9	17.7
Interest received	0.1	0.2	0.2	0.3	0.3
Income taxes paid	-0.3	-1.0	-16.8	-3.2	-4.1
Net cash from operating activities	8.6	26.4	77.4	124.1	173.6
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired	-	-5.2	-0.2	-10.9	-12.3
Acquisition of property, plant and equipment	-2.3	-3.3	-10.4	-10.1	-15.9
Acquisition of intangible assets	-2.8	-4.5	-11.5	-11.9	-17.7
Investments to associated companies	-	-	0.0	-0.5	-0.3
Proceeds from sale of available-for-sale financial assets	-	0.0	0.0	0.3	0.3
Acquisition of business operation, net of cash acquired	-0.4	-0.8	-0.6	-0.8	-1.0
Loan receivables	-	-	-0.2	-	-0.3
Repayment of long term loans	-	0.2	-	0.2	0.2
Proceeds from sale of property, plant and equipment	0.1	-	0.3	-	0.1
Dividends received	0.0	0.0	0.0	0.0	0.1
Net cash from investing activities	-5.4	-13.6	-22.6	-33.7	-46.7
Cash flows from financing activities					
Proceeds from non-current borrowings	-	-	-	-	370.0
Repayment of non-current borrowings	-0.1	-	-15.8	-10.7	-401.4
Proceeds from current borrowings	-	-	40.0	-	-
Repayment of current borrowings	-	-	-	-10.0	-10.0
Payment of lease liabilities	-9.5	-9.2	-28.3	-27.6	-37.1
Payment of hire purchase liabilities	-1.3	-1.6	-4.1	-3.7	-4.9
Interests and other financial expenses paid	-1.2	-2.2	-6.0	-7.4	-14.2
Dividends paid and equity repayment	-16.5	0.0	-16.5	-25.5	-25.5
Net cash from financing activities	-28.6	-13.1	-30.7	-84.9	-123.1
Net change in cash and cash equivalents	-25.4	-0.3	24.2	5.5	3.8
Cash and cash equivalents at the beginning of the period	90.2	42.6	40.6	36.9	36.9
Cash and cash equivalents at the end of the period	64.8	42.4	64.8	42.4	40.6

The notes are an integral part of the consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. Basis of accounting principles

These interim financial statements are unaudited and have been prepared in accordance with IAS 34 Interim Financial Reporting -standard, and should be read in conjunction with the Group's latest annual consolidated financial statements as at and for the year ended 31 December 2019. The accounting policies adopted are consistent with those of the annual financial statements for 2019. All presented figures have been rounded. Financial ratios have been calculated using exact figures.

2. Use of judgments and estimates and information about the COVID-19 outbreak on financial reporting

In preparing these interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were mainly the same as those that applied to the consolidated financial statements as at the year ended 31 December 2019.

To minimize the impacts of the epidemic, Terveystalo has continued to adjust its operations to the exceptional circumstances and safeguard the cash flow and profitability of the business by, for example, freezing service purchasing, re-evaluating investment needs, freezing replacement recruitment and temporarily laying off employees in positions where work has temporarily decreased and/or the company's conditions for providing work have temporarily decreased. The need for adjustment decreased clearly in the third quarter of the year as demand was returning closer to normal.

Due to the uncertainty caused by COVID-19 outbreak, Terveystalo has valued the associated knock-on effects to its financial reporting and estimates as described below. In this current situation, these estimates rely significantly to the judgments made by management.

Due to the uncertainty in the economic operating environment, the credit loss risk of trade receivables and the impairment risk of assets were assessed in the light of the changed market outlook and latest forecasts in connection with the third quarter financial reporting. In the case of trade receivables, the risk of credit losses has not been found to have increased significantly. No increase in the risk of impairment of assets has been identified, and the impairment testing of goodwill is performed in accordance with the normal process in the fourth quarter of 2020.

The company's liquidity and financing situation has remained strong even in the exceptional circumstances. During the review period, the company fulfilled the covenant requirement included in the financing agreement that depicts relative indebtedness. Due to the prevailing uncertainty, Terveystalo continues to report the notes on financing concerning the liquidity, assets, and liabilities as well as the maturity of loans in Notes 12.1-12.3.

3. Events after the reporting period

Laura Rätty, Terveystalo's Senior Vice President of Public Services and a member of the Executive team, has announced that she will resign. Mikko Tainio, has been appointed Senior Vice President of Public Partnerships, he will start on November 1, 2020.

4. Revenue

The Group's distribution of revenue is based on the customer types. The Group does not have customers whose revenue exceeds 10 percent of the Group's total revenue. Terveystalo offers its primary and outpatient secondary health care services to three distinct customer groups: corporate customers, private customers and public customers.

Corporate customers constitute Terveystalo's largest customer group. Terveystalo's corporate customers consist of the company's occupational health care customers, excluding municipal occupational health care customers. The company provides statutory occupational health services and other occupational health and well-being services for corporate customers of all sizes. Terveystalo is the largest provider of occupational healthcare services in Finland in terms of revenue and the number of end-users. Terveystalo provides occupational healthcare services for over 24,000 companies.

Private customers are Terveystalo's second-largest customer group. Private customers include private individuals and families. The company's strong brand, easy access to services without long waiting times, leading service portfolio for private customers, families, and senior citizens, and personalized digital services give Terveystalo a competitive edge over public health care services and encourage customers to invest in their own health. Services for private customers are paid for either by the customers themselves or by their insurance companies.

Terveystalo's public customer group is made up of Finnish public sector organizations, such as municipalities, municipal federations, and hospital districts, as well as municipal occupational health care customers. Terveystalo's broad nationwide platform, digital offering, good reputation, and established brand, as well as its thorough expertise and experience in health care services throughout the chain of care, make Terveystalo an attractive partner for the public sector. Terveystalo's services for public sector customers are mainly financed from budgets of municipalities, municipal federations, and hospital districts. The services offered to public sector customers include full and partial outsourcings, health care staffing services, specialized care services, other health care services, as well as occupational health care services for municipalities, municipal federations, and hospital districts.

Disaggregation of revenue

EUR mill.	7-9/2020	7-9/2019	Change, %	1-9/2020	1-9/2019	Change, %	2019
Corporate	99.2	94.6	4.9	297.5	316.9	-6.1	432.5
Private	74.3	68.0	9.2	212.1	224.0	-5.3	303.1
Public	66.7	71.4	-6.6	197.2	219.5	-10.2	295.1
<i>Outsourcing</i>	30.9	36.6	-15.8	90.1	112.7	-20.1	149.9
<i>Staffing services</i>	20.2	21.0	-3.8	61.5	64.3	-4.4	86.9
<i>Service sales, occupational health and others</i>	15.6	13.7	13.6	45.6	42.4	7.6	58.2
Total	240.2	234.0	2.6	706.7	760.4	-7.1	1,030.7

5. Materials and services

EUR mill.	7-9/2020	7-9/2019	Change, %	1-9/2020	1-9/2019	Change, %	2019
Purchase of materials	-7.4	-6.9	8.3	-25.9	-23.1	12.3	-32.0
Change in inventories	-0.2	0.3	-185.5	2.3	0.2	>200.0	-0.3
External services	-100.5	-100.7	-0.2	-301.0	-327.3	-8.0	-440.6
Total	-108.1	-107.3	0.8	-324.7	-350.2	-7.3	-472.9

6. Employee benefit expenses

EUR mill.	7-9/2020	7-9/2019	Change, %	1-9/2020	1-9/2019	Change, %	2019
Salaries and fees	-59.4	-58.7	1.3	-189.4	-193.1	-1.9	-261.2
Share-based payments	-0.3	-0.2	42.4	-0.9	-0.4	100.7	-0.7
Other personnel expenses	-10.8	-11.9	-9.1	-35.3	-39.0	-9.4	-52.5
Total	-70.6	-70.8	-0.3	-225.6	-232.5	-3.0	-314.3

7. Other operating expenses

EUR mill.	7-9/2020	7-9/2019	Change, %	1-9/2020	1-9/2019	Change, %	2019
Rents, leases and premises	-3.7	-4.2	-11.0	-12.5	-12.0	4.2	-16.0
IT expenses	-6.0	-5.5	9.3	-18.4	-15.3	20.4	-21.1
Other operating expenses	-6.7	-8.3	-18.8	-22.9	-27.5	-16.5	-37.3
Total	-16.5	-18.0	-8.4	-53.8	-54.7	-1.7	-74.4

8. Income taxes

Income taxes in the statement of income

EUR mill.	7-9/2020	7-9/2019	Change, %	1-9/2020	1-9/2019	Change, %	2019
Current tax for the reporting year	-5.1	-3.5	45.5	-9.6	-10.5	-9.2	-15.6
Income taxes for prior periods	-0.0	-0.0	-20.7	0.0	-0.0	>-200.0	0.0
Deferred taxes	1.2	1.2	-2.3	4.2	1.6	158.4	2.8
Total income taxes	-3.9	-2.3	71.6	-5.3	-8.9	-40.3	-12.7

Deferred taxes have been calculated using the enacted tax rate of 20 %.

9. Property, plant and equipment and right-of-use assets

1-9/2020	Land and water, buildings and constructions	Right-of-use assets	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
EUR mill.						
Acquisition cost 1 Jan 2020	2.1	252.8	115.6	44.1	1.7	416.4
Additions	-	16.6	9.2	4.4	-	30.3
Disposals	-	-6.1	-0.4	-	-	-6,5
Transfers between items	-	-	0,1	0,6	-0.6	-
Acquisition cost 30 Sep 2020	2.1	263.7	124.5	49.1	1.2	440.2
Accumulated depreciation and impairment losses 1 Jan 2020	-1.1	-59.4	-74.3	-19.0	-	-153.8
Depreciation for the reporting period	-0.0	-31.5	-10.5	-3.8	-	-45.7
Accumulated depreciation and impairment losses 30 Sep 2020	-1.1	-91.2	-84.8	-22.8	-	-199.5
Carrying amount 1 Jan 2020	1.0	193.2	41.3	25.1	1.7	262.7
Carrying amount 30 Sep 2020	1.0	172.3	39.8	26.4	1.2	240.8

1-9/2019	Land and water, buildings and constructions	Right-of-use assets	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
EUR mill.						
Acquisition cost 1 Jan 2019	2.1	36.9	98.1	38.0	0.7	175.8
IFRS 16 implementation	-	199.8	-	-	-	199.8
Business combination	-	-	0.1	-	-	0.1
Additions	-	1.1	14.6	3.5	1.2	20.4
IFRS 16 transactions	-	3.8	-	-	-	3.8
Disposals	-	-0.1	-0.6	-	-	-0.6
Acquisition cost 30 Sep 2019	2.1	241.5	112.3	41.5	2.0	399.2
Accumulated depreciation and impairment losses 1 Jan 2019	-0.8	-17.2	-60.2	-13.9	-	-92.1
Depreciation for the reporting period	-0.2	-2.8	-10.5	3.8	-	-17.1
IFRS 16 depreciation	-	-28.5	-	-	-	-28.5
Impairment losses	-	-	-	-0.0	-	-0.0
Accumulated depreciation and impairment losses 30 Sep 2019	-1.0	-48.5	-70.7	-17.5	-	-137.8
Carrying amount 1 Jan 2019	1.3	19.7	37.9	24.1	0.7	83.6
Carrying amount 30 Sep 2019	1.1	192.7	41.6	23.8	2.0	261.3

2019	Land and water, buildings and constructions	Right-of-use assets	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
EUR mil.						
Acquisition cost 1 Jan 2019	2.1	36.9	98.1	38.0	0.7	175.8
IFRS 16 implementation	-	199.8	-	-	-	199.8
Business combination	-	-	0.3	-	-	0.3
Additions	-	1.4	18.4	6.1	1.0	27.1
IFRS 16 transactions	-	14.9	-	-	-	14.9
Disposals	-	-	-1.3	-	-	-1.3
Acquisition cost 31 Dec 2019	2.1	252.8	115.6	44.1	1.7	416.2
Accumulated depreciation and impairment losses 1 Jan 2019	-0.8	-17.2	-60.2	-13.9	-	-92.1
Depreciation for the reporting period	-0.2	-3.9	-14.1	-4.8	-	-23.0
IFRS 16 depreciation	-	-38.3	-	-	-	-38.3
Impairment losses	-	-	-	-0.3	-	-0.3
Accumulated depreciation and impairment losses 31 Dec 2019	-1.1	-59.4	-74.3	-19.0	-	-153.8
Carrying amount 1 Jan 2019	1.3	19.7	37.9	24.1	0.7	83.6
Carrying amount 31 Dec 2019	1.1	193.2	41.3	25.1	1.7	262.7

10. Intangible assets

1-9/2020	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
EUR mill.					
Acquisition cost 1 Jan 2020	847.2	153.7	82.9	61.0	1,144.9
Business combination	0.8	0.2	-	-	1.0
Additions	-	-	-	11.3	11.3
Disposals	-	-	-	-0.0	-0.0
Acquisition cost 30 Sep 2020	848.0	154.0	82.9	72.3	1,157.1
Accumulated amortisations and impairment losses 1 Jan 2020	-68.0	-79.5	-25.1	-31.1	-203.7
Amortisation for the reporting period	-	-13.3	-3.1	-6.1	-22.5
Accumulated amortisations and impairment losses 30 Sep 2020	-68.0	-92.8	-28.2	-37.2	-226.2
Carrying amount 1 Jan 2020	779.2	74.2	57.8	29.9	941.2
Carrying amount 30 Sep 2020	780.0	61.2	54.7	35.1	930.9

1-9/2019	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
EUR mill.					
Acquisition cost 1 Jan 2019	836.7	149.5	82.9	42.7	1,111.7
Business combination	12.6	-	-	-	12.6
Additions	0.3	-	-	11.9	12.2
Acquisition cost 30 sep 2019	849.7	149.5	82.9	54.6	1,136.7
Accumulated amortisations and impairment losses 1 Jan 2019	-68.0	-62.1	-21.0	-24.4	-175.4
Amortisation for the reporting period	-	-12.9	-3.1	-4.6	-20.3
Impairment losses	-	-	-	-0.3	-0.3
Accumulated amortisations and impairment losses 30 Sep 2019	-68.0	-74.9	-24.1	-29.2	-196.2
Carrying amount 1 Jan 2019	768.7	87.4	61.9	18.4	936.4
Carrying amount 30 Sep 2019	781.7	74.6	58.8	25.4	940.5

2019	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
EUR mill.					
Acquisition cost 1 Jan 2019	836.7	149.5	82.9	42.7	1,111.7
Business combination	10.6	4.2	-	0.6	15.4
Additions	-	-	-	17.7	17.7
Acquisition cost 31 Dec 2019	847.2	153.7	82.9	61.0	1,144.8
Accumulated amortisations and impairment losses 1 Jan 2019	-68.0	-62.1	-21.0	-24.4	-175.4
Amortisation for the reporting period	-	-17.4	-4.1	-6.5	-28.0
Impairment losses	-	-	-	-0.3	-0.3
Accumulated amortisations and impairment losses 31 Dec 2019	-68.0	-79.5	-25.1	-31.1	-203.7
Carrying amount 1 Jan 2019	768.7	87.4	61.9	18.4	936.4
Carrying amount 31 Dec 2019	779.2	74.2	57.8	29.9	941.2

11. Right of-use-assets and leasing liabilities

1-9/2020 EUR mill.	Right -of-use assets	Lease liabilities
Carrying amount 1 Jan 2020	193.2	198.1
Transactions	10.5	10.5
Depreciation	-31.5	-
Payment of lease liabilities	-	-30.5
Carrying amount 30 Sep 2020	172.3	178.1

In 30 September 2020 lease liabilities EUR 160,7 million is due to the implementation of IFRS 16 and EUR 17,4 million is lease liability of previous standards.

1-9/2019 EUR mill.	Right -of-use assets	Lease liabilities
Opening balance 1 Jan 2019	219.5	222.5
Transactions	4.8	4.8
Depreciation	-31.6	-
Payment of lease liabilities	-	-30.1
Carrying amount 30 Sep 2019	192.7	197.1

In 30 September 2019 lease liabilities EUR 176.9 million is due to the implementation of IFRS 16 and EUR 20.2 million is lease liability of previous standards.

2019 EUR mill.	Right -of-use assets	Lease liabilities
Opening balance 1 Jan 2019	219.5	222.5
Transactions	16.0	16.1
Depreciation	-42.3	-
Payment of lease liabilities	-	-40.5
Carrying amount 31 Dec 2019	193.2	198.1

In 31 December 2019 lease liabilities EUR 178.7 million is due to the implementation of IFRS 16 and EUR 19.4 million is lease liability of previous standards.

12. Financing

12.1 Liquidity

EUR mill.	30 Sep 2020	31 Dec 2019
Cash and cash equivalents	64.8	40.6
Committed undrawn revolving facilities	48.0	48.0
Repayment of the interest-bearing liabilities in the following 12 months *	91.0	50.6
Liquidity	21.8	38.0

* Includes only the future repayments and interests of the loans from financial institutions and hire purchase liabilities.

12.2 Financial assets and liabilities – carrying amount and fair value and fair value hierarchy

EUR mill. 30 Sep 2020	Financial assets and liabilities at fair value	Financial assets and liabilities at amortised cost	Carrying amount	Fair value	Fair value hierarchy
Financial assets					
Non-current					
Loan receivables	0.5	-	0.5	0.5	Level 2
Current					
Cash and cash equivalents	-	64.8	64.8	64.8	Level 2
Total	0.5	64.8	65.3	65.3	
Financial liabilities					
Non-current					
Loans from financial institutions	-	316.1	316.1	316.1	Level 2
Hire purchase liabilities	-	11.6	11.6	11.6	Level 2
Accrued additional purchase price liabilities	0.9	-	0.9	0.9	Level 3
Current					
Loans from financial institutions	-	81.4	81.4	81.4	Level 2
Hire purchase liabilities	-	5.6	5.6	5.6	Level 2
Accrued additional purchase price liabilities	0.9	-	0.9	0.9	Level 3
Interest rate derivatives	1.4	-	1.4	1.4	Level 2
Total	3.2	414.7	417.9	417.9	

EUR mill. 31 Dec 2019	Financial assets and liabilities at fair value	Financial assets and liabilities at amortised cost	Carrying amount	Fair value	Fair value hierarchy
Financial assets					
Non-current					
Loan receivables	0.3	0.0	0.3	0.3	Level 2
Current					
Cash and cash equivalents	-	40.6	40.6	40.6	Level 2
Total	0.3	40.6	40.9	40.9	
Financial liabilities					
Non-current					
Loans from financial institutions	-	331.6	331.6	331.6	Level 2
Hire purchase liabilities	-	12.5	12.5	12.5	Level 2
Accrued additional purchase price liabilities	1.2	-	1.2	1.2	Level 3
Current					
Loans from financial institutions	-	41.5	41.5	41.5	Level 2
Hire purchase liabilities	-	5.2	5.2	5.2	Level 2
Accrued additional purchase price liabilities	1.2	-	1.2	1.2	Level 3
Interest rate derivatives	1.4	-	1.4	1.4	Level 2
Total	3.8	390.8	631.2	631.2	

12.3 Maturity analysis of liquidity risk

30 Sep 2020

EUR mill.	Carrying amount	Contractual cash flows	1 year	1–2 years	2–5 years	Over 5 years
Loans from financial institutions	397.5	410.2	85.1	44.4	280.7	-
Lease liabilities	178.1	192.2	42.1	36.7	74.4	39.0
Hire purchase liabilities	17.3	17.8	5.9	5.0	6.9	-
Trade payables	42.9	42.9	42.9	-	-	-
Interest rate derivatives	1.4	1.4	0.5	0.5	0.4	-
Total	637.1	664.5	176.5	86.6	362.4	39.0

31 Dec 2019

EUR mill.	Carrying amount	Contractual cash flows	1 year	1–2 years	2–5 years	Over 5 years
Loans from financial institutions	373.1	388.4	45.1	44.7	298.6	-
Lease liabilities	198.1	215.0	42.3	37.9	82.0	52.8
Hire purchase liabilities	17.7	18.0	5.5	4.8	7.8	-
Trade payables	38.5	38.5	38.5	-	-	-
Interest rate derivatives	1.4	1.7	0.5	0.5	0.6	-
Total	628.8	661.7	131.9	88.0	389.0	52.8

13. Business combinations

During the nine months ended 30 Sep 2020, the Group has made three business acquisition.

On 31 March 2020 Suomen Terveystalo Oy acquired the business from Varkauden fysiokeskus as an asset deal. The acquisition includes a contingent consideration that was treated as part of the consideration transferred and recognized as a liability at the date of acquisition with a fair value EUR 0.1 million. The contingent consideration is tied to the sales during the next 36 months period, starting from the acquisition date.

On the 1 August 2020 Suomen Terveystalo Oy acquired the occupational health business activities of Keski-Satakunnan Työterveydenhuolto as an asset deal.

On the 30 August 2020 Suomen Terveystalo Oy acquired the business of Keski-Lapin Hammashuolto as an asset deal. The acquisition includes a contingent consideration that was treated as part of the consideration transferred and recognized as a liability at the date of acquisition with a fair value EUR 30 thousand. The contingent consideration is tied to the sales during the next 6 months period, starting from the acquisition date.

Net debt related purchase price of Etelä-Karjalan Työkunto Oy, acquired in financial year 2019, realized during the first quarter of 2020.

The following table summarizes the acquisition date fair values of the considerations transferred. The following table is partially preliminary.

Consideration transferred

EUR mill.	
Cash	0.7
Contingent consideration	0.1
Total consideration transferred	0.8

Identifiable assets acquired and liabilities assumed

EUR mill.	
Cash and cash equivalents	0.0
Intangible assets	0.2
Property, plant and equipment	0.0
Trade and other payables	-0.1
Deferred tax liabilities	0.0
Total identifiable net assets acquired	0.1

Goodwill	0.7
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As a result of these business combinations, a preliminary goodwill amounting to EUR 0.7 million was recognized. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. The recognized goodwill is tax deductible as far as it is related to asset deals.

In these business combinations, the Group has acquired customer relationships. The fair value of customer contracts and related customer relationships included in other intangible assets has been determined on the basis of the estimated duration of customer relationships and the discounted net cash flows from existing customer contracts.

The Group has incurred acquisition-related expenses of EUR 14.8 thousand related to consulting, valuation or equivalent services. The expenses have been included in other operating expenses.

The contributed recognized revenue from this acquisition during the nine months ended 30 Sep 2020 was EUR 0.1 million.

If the acquisition had occurred on 1 January 2020, management estimates that the Group's consolidated revenue in 2020 would have been EUR 706.8 million and the consolidated result would have been EUR 23.4 million.

Year 2019

During the nine months ended 30 September 2019, the Group has made five business acquisitions and acquired two businesses as asset deals.

On 31 January 2019 Terveystalo Healthcare Oy acquired 100 percent of the shares of Länsi-Vantaan Hammaslääkärit Oy. The acquired subsidiary has been consolidated to Group's financial statements from the acquisition month onwards. The acquisition includes a contingent consideration that was treated as part of the consideration transferred and recognized as a liability at the date of acquisition with a fair value EUR 0.5 million. The contingent consideration is tied to the sales during the next 36 months period, starting from the acquisition date.

On 29 March 2019 Terveystalo Healthcare Oy acquired 100 percent of the shares of Kajaanin OMT-Fysioterapia Oy. The acquired subsidiary has been consolidated to Group's financial statements from the acquisition month onwards. The acquisition includes a contingent consideration that was treated as part of the consideration transferred and recognized as a liability at the date of acquisition with a fair value EUR 0.1 million. The contingent consideration is tied to the sales during the next 36 months period, starting from the acquisition date.

On 28 June 2019 Terveystalo Healthcare Oy acquired 100 percent of the shares of Etelä-Karjalan Työkunto Oy. The acquired subsidiary has been consolidated to Group's financial statements from the acquisition month onwards.

On 30 August 2019 Terveystalo Healthcare Oy acquired 100 percent of the shares of TyöSyke Oy. The acquired subsidiary has been consolidated to Group's financial statements from the acquisition month onwards.

On 30 August 2019 Suomen Terveystalo Oy acquired the business from Hammaslääkäri Osmo Karinen Trade name as an asset deal.

On 30 September 2019 Terveystalo Healthcare Oy acquired 100 percent of the shares of Hardent Oy. A goodwill of 1.3 EUR million was recognized. The acquisition includes a contingent consideration that was treated as part of the consideration transferred and recognized as a liability at the date of acquisition with a fair value EUR 0.4 million. The contingent consideration is tied to the sales during the next 36 months period, starting from the acquisition date.

On 30 September 2019 Suomen Terveystalo Oy acquired the business from Forssan seudun hyvinvointikuntayhtymä.

The following table summarizes the acquisition date fair values of the consideration transferred as well as the recognized amounts of assets acquired and liabilities assumed at the date of acquisition. The statement of financial position of acquired companies has been prepared in accordance with IFRS and Terveystalo Group's accounting principles in all material respect. In the following table the information has been consolidated, because the acquisitions are not material individually.

Consideration transferred

EUR mill.	
Cash	12.5
Contingent consideration	1.0
Total consideration transferred	13.4

Identifiable assets acquired and liabilities assumed

EUR mill.	
Cash and cash equivalents	1.1
Intangible assets	0.0
Property, plant and equipment	0.3
Inventories	0.1
Trade and other receivables	1.0
Trade and other payables	-1.6
Total identifiable net assets acquired	0.8

Goodwill	12.6
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As a result of these business combinations, a goodwill amounting to EUR 12.6 million was recognized. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. The recognized goodwill is tax deductible as far as it is related to asset deals.

In these business combinations, the Group has acquired customer relationships. The fair value of customer contracts and related customer relationships included in other intangible assets has been determined on the basis of the estimated duration of customer relationships and the discounted net cash flows from existing customer contracts.

The fair value of the acquired trade and other receivables amounted to EUR 1.0 million, for which the risk of impairment has been deemed non-significant.

The Group has incurred acquisition-related expenses of EUR 0.2 million related to transfer tax caused by the transaction, and related to consulting, valuation or equivalent services. The expenses have been included in other operating expenses.

The contributed recognized revenue from these acquisitions in 2019 was EUR 2.9 million and the result was EUR 0.1 million.

If the acquisition had occurred on 1 January 2019, management estimates that the Group's consolidated revenue in 2019 would have been EUR 767.9 million and the consolidated result would have been EUR 37.9 million.

14. Group's key financial ratios

Terveystalo Group, EUR mill.	7-9/2020	7-9/2019	Change, %	1-9/2020	1-9/2019	Change, %	2019
Revenue	240.2	234.0	2.6	706.7	760.4	-7.1	1,030.7
Adjusted EBITDA, * ¹⁾	46.1	39.8	15.8	108.3	128.5	-15.8	176.3
Adjusted EBITDA, % * ¹⁾	19.2	17.0	-	15.3	16.9	-	17.1
EBITDA ^{1) 2)}	45.5	38.6	18.0	104.6	124.4	-15.9	171.2
EBITDA, % ¹⁾	19.0	16.5	-	14.8	16.4	-	16.6
Adjusted EBITA * ¹⁾	30.9	24.7	24.9	62.6	82.7	-24.3	115.1
Adjusted EBITA, % * ¹⁾	12.9	10.6	-	8.9	10.9	-	11.2
EBITA ¹⁾	30.3	23.5	29.0	58.9	78.6	-25.1	110.0
EBITA, % ¹⁾	12.6	10.1	-	8.3	10.3	-	10.7
Adjusted operating profit (EBIT) * ¹⁾	23.4	17.3	35.5	40.1	61.7	-35.1	86.5
Adjusted operating profit (EBIT), % * ¹⁾	9.7	7.4	-	5.7	8.1	-	8.4
Operating profit (EBIT)	22.9	16.1	42.2	36.4	57.6	-36.9	81.4
Operating profit (EBIT), %	9.5	6.9	-	5.1	7.6	-	7.9
Return on equity (ROE), % ¹⁾	-	-	-	7.2	9.3	-	10.3
Equity ratio, % ¹⁾	-	-	-	40.7	38.7	-	39.9
Earnings per share (€)	0.13	0.08	-	0.18	0.30	-	0.43
Gearing, % ¹⁾	-	-	-	96.2	108.1	-	101.3
Net debt/Adjusted EBITDA (LTM) ^{1) 2)}	-	-	-	3.4	4.1	-	3.1
Total assets	-	-	-	1,351.0	1,358.8	-0.6	1,359.3
Average personnel FTE	-	-	-	5,023	4,861	3.3	4,943
Personnel (end of period)	-	-	-	8,266	7,262	13.8	8,685
Private practitioners (end of period)	-	-	-	5,210	5,082	2.5	5,068

* Adjustments are material items outside the ordinary course of business and these relate to acquisition related expenses, restructuring related expenses, gain / losses on sale of assets (net), strategic projects and other items affecting comparability.

¹⁾ Alternative performance measure. Terveystalo presents alternative performance measures as additional information to financial measures defined in IFRS. Those are performance measures that the company monitors internally and they provide management, investors, securities analysts and other parties with significant additional information related to the company's results of operations, financial position and cash flows. These should not be considered in isolation or as substitute to the measures under IFRS.

²⁾ The reference period includes only nine months of Attendo Healthcare Services' result.

15. Calculation of financial ratios and alternative performance measures

Financial ratios

$$\text{Earnings per share, (EUR)} = \frac{\text{Profit for the period attributable to owners of the parent company}}{\text{Average number of shares during the period}}$$

Terveystalo presents alternative performance measures as additional information to financial measures defined in IFRS. Those are performance measures that the company monitors internally and they provide significant additional information related to the company's results of operations, financial position and cash flows to the management, investors, securities analysts and other parties. These should not be considered in isolation or as substitute to the measures under IFRS.

Alternative performance measures to the statement of financial position

The company presents the following alternative performance measures to the statement of financial position as they are, in the company's view, useful indicators of the company's ability to obtain financing and service its debt.

$$\text{Return on equity, \%} = \frac{\text{Profit/loss for the period (LTM)}}{\text{Equity (including non-controlling interest) (average)}} \times 100\%$$

$$\text{Equity ratio, \%} = \frac{\text{Equity (including non-controlling interest)}}{\text{Total assets - advances received}} \times 100\%$$

$$\text{Gearing, \%} = \frac{\text{Interest-bearing liabilities - interest-bearing receivables and cash and cash equivalents}}{\text{Equity}} \times 100\%$$

$$\text{Net debt/Adjusted EBITDA (LTM) *} = \frac{\text{Interest-bearing liabilities - interest-bearing receivables and cash and cash equivalents}}{\text{Adjusted EBITDA (LTM)}}$$

Alternative performance measures to the statement of income

The company presents the following alternative performance measures to the statement of income as in the company's view, they increase understanding of the company's results of operations. In addition, the adjusted alternative performance measures are widely used by analysts, investors and other parties and facilitates comparability between periods.

$$\text{Adjusted EBITDA}^* = \text{Earnings Before Interest, Taxes, Depreciation, Amortisation, impairment losses and adjustments}$$

$$\text{Adjusted EBITDA, \%}^* = \frac{\text{Earnings Before Interest, Taxes, Depreciation, Amortisation, impairment losses and adjustments}}{\text{Revenue}} \times 100\%$$

$$\text{Adjusted EBITA}^* = \text{Earnings Before Interest, Taxes, Amortisation, impairment losses and adjustments}$$

$$\text{Adjusted EBITA, \%}^* = \frac{\text{Earnings Before Interest, Taxes, Amortisation, impairment losses and adjustments}}{\text{Revenue}} \times 100\%$$

$$\text{Adjusted operating profit (EBIT)}^* = \text{Earnings Before Interest, Taxes and Share of profits in associated companies, and adjustments}$$

Adjusted operating profit (EBIT), %*	=	$\frac{\text{Earnings Before Interest, Taxes and Share of profits in associated companies, and adjustments}}{\text{Revenue}} \times 100\%$
EBITDA	=	Earnings Before Interest, Taxes, Depreciation and Amortisation and impairment losses
EBITDA, %	=	$\frac{\text{Earnings Before Interest, Taxes, Depreciation and Amortisation and impairment losses}}{\text{Revenue}} \times 100\%$
EBITA	=	Earnings Before Interest, Taxes, Amortisation and impairment losses
EBITA, %	=	$\frac{\text{Earnings Before Interest, Taxes, Amortisation and impairment losses}}{\text{Revenue}} \times 100\%$
Operating profit (EBIT)	=	Earnings Before Interest, Taxes and Share of profits in associated companies
Operating profit (EBIT), %	=	$\frac{\text{Earnings Before Interest, Taxes and Share of profits in associated companies}}{\text{Revenue}} \times 100\%$

* Adjustments are material items outside the ordinary course of business and these relate to acquisition related expenses, restructuring related expenses, gain/losses on sale of assets (net), strategic projects and other items affecting comparability.

16. Reconciliation of alternative performance measures

Return on equity, %	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
Profit/loss for the period (LTM)	-	-	39.5	48.1	54.1
Equity (including non-controlling interest) (average)	-	-	545.1	518.3	526.5
Return on equity, %	-	-	7.2	9.3	10.3

Equity ratio, %	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
Equity (including non-controlling interest)	-	-	548.9	524.9	541.2
Total assets	-	-	1,351.0	1,358.8	1,359.3
Advances received	-	-	1.4	1.5	1.5
Equity ratio, %	-	-	40.7	38.7	39.9

Gearing, %	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
Interest-bearing liabilities	-	-	592.8	609.9	588.8
Interest-bearing receivables and cash and cash equivalents	-	-	64.8	42.4	40.6
Equity	-	-	548.9	524.9	541.2
Gearing, %	-	-	96.2	108.1	101.3

Net debt/Adjusted EBITDA (LTM)	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
Interest-bearing liabilities	-	-	592.8	609.9	588.8
Interest-bearing receivables and cash and cash equivalents	-	-	64.8	42.4	40.6
Adjusted EBITDA (LTM)	-	-	156.1	161.0	176.3
Net debt/Adjusted EBITDA (LTM)	-	-	3.4	3.5	3.1

Adjusted EBITDA, EUR mill.	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
Profit (loss) for the period	16.1	10.4	23.4	38.0	54.1
Income tax expense	3.9	2.3	5.3	8.9	12.7
Share of profits in associated companies	0.4	0.1	0.5	0.2	0.2
Net finance expenses	2.5	3.3	7.2	10.5	14.4
Depreciation, amortisation and impairment losses	22.7	22.5	68.2	66.8	89.8
Adjustments*	0.6	1.2	3.7	4.1	5.1
Adjusted EBITDA	46.1	39.8	108.3	128.5	176.3

Adjusted EBITDA, %	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
Adjusted EBITDA	46.1	39.8	108.3	128.5	176.3
Revenue	240.2	234.0	706.7	760.4	1,030.7
Adjusted EBITDA, %	19.2	17.0	15.3	16.9	17.1

Adjusted EBITA, EUR mill.	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
Profit (loss) for the period	16.1	10.4	23.4	38.0	54.1
Income tax expense	3.9	2.3	5.3	8.9	12.7
Share of profits in associated companies	0.4	0.1	0.5	0.2	0.2
Net finance expenses	2.5	3.3	7.2	10.5	14.4
Amortisation and impairment losses	7.5	7.1	22.6	21.0	28.6
Adjustments*	0.6	1.2	3.7	4.1	5.1
Adjusted EBITA	30.9	24.4	62.6	82.7	115.1

Adjusted EBITA, %	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
Adjusted EBITA	30.9	24.4	62.6	82.7	115.1
Revenue	240.2	234.0	706.7	760.4	1,030.7
Adjusted EBITA, %	12.9	10.4	8.9	10.9	11.2

Adjusted operating profit (EBIT), EUR mill.	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
Profit (loss) for the period	16.1	10.4	23.4	38.0	54.1
Income tax expense	3.9	2.3	5.3	8.9	12.7
Share of profits in associated companies	0.4	0.1	0.5	0.2	0.2
Net finance expenses	2.5	3.3	7.2	10.5	14.4
Adjustments*	0.6	1.2	3.7	4.1	5.1
Adjusted operating profit (EBIT)	23.4	17.3	40.1	61.7	86.5

Adjusted operating profit, (EBIT), %	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
Adjusted operating profit (EBIT)	23.4	17.3	40.1	61.7	86.5
Revenue	240.2	234.0	706.7	760.4	1,030.7
Adjusted operating profit (EBIT), %	9.7	7.4	5.7	8.1	8.4

EBITDA, EUR mill.	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
Profit (loss) for the period	16.1	10.4	23.4	38.0	54.1
Income tax expense	3.9	2.3	5.3	8.9	12.7
Share of profits in associated companies	0.4	0.1	0.5	0.2	0.2
Net finance expenses	2.5	3.3	7.2	10.5	14.4
Depreciation, amortisation and impairment losses	22.7	22.5	68.2	66.8	89.8
EBITDA	45.5	38.6	104.6	124.4	171.2

EBITDA, %	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
EBITDA	45.5	38.6	104.6	124.4	171.2
Revenue	240.2	234.0	706.7	760.4	1,030.7
EBITDA, %	19.0	16.5	14.8	16.4	16.6

EBITA, EUR mill.	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
Profit (loss) for the period	16.1	10.4	23.4	38.0	54.1
Income tax expense	3.9	2.3	5.3	8.9	12.7
Share of profits in associated companies	0.4	0.1	0.5	0.2	0.2
Net finance expenses	2.5	3.3	7.2	10.5	14.4
Amortisation and impairment losses	7.5	7.1	22.6	21.0	28.6
EBITA	30.3	23.2	58.9	78.6	110.0

EBITA, %	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
EBITA	30.3	23.2	58.9	78.6	110.0
Revenue	240.2	234.0	706.7	760.4	1,030.7
EBITA, %	12.6	9.9	8.3	10.3	10.7

Operating profit (EBIT), EUR mill.	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
Profit (loss) for the period	16.1	10.4	23.4	38.0	54.1
Income tax expense	3.9	2.3	5.3	8.9	12.7
Share of profits in associated companies	0.4	0.1	0.5	0.2	0.2
Net finance expenses	2.5	3.3	7.2	10.5	14.4
EBIT	22.9	16.1	36.4	57.6	81.4

Operating profit, (EBIT), %	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
EBIT	22.9	16.1	36.4	57.6	81.4
Revenue	240.2	234.0	706.7	760.4	1,030.7
EBIT, %	9.5	6.9	5.1	7.6	7.9

Adjustments*, EUR mill.	7-9/2020	7-9/2019	1-9/2020	1-9/2019	2019
Acquisition related expenses ¹⁾	0.1	0.6	0.3	2.8	3.3
Restructuring related expenses ²⁾	0.3	0.2	1.2	0.4	0.7
Gain / losses on sale of asset, net	-	0.0	-0.1	0.3	0.3
Strategic projects and other items affecting to comparability	0.2	0.4	2.2	0.6	0.8
Adjustments	0.6	1.2	3.7	4.1	5.1

* Adjustments are material items outside the ordinary course of business and these relate to acquisition related expenses, restructuring related expenses, gain / losses on sale of assets (net), strategic projects and other items affecting comparability.

¹⁾ Including transaction costs and expenses from integration of acquired businesses.

²⁾ Including restructuring of network and business operations.

17. Collateral and other contingent liabilities

EUR mill.	30 Sep 2020	30 Sep 2019	31 Dec 2019
Business mortgages	-	0.5	0.6
Total	-	0.5	0.6
Securities for own debts			
Deposits	0.2	0.2	0.2
Guarantees	0.7	1.1	0.9
Total	0.9	1.3	1.0