



## Q1/2023: PRE-SILENT NEWSLETTER

IR Newsletter is published four times a year, prior to the beginning of the silent period. The newsletter wraps up the latest quarter including most important releases published during the quarter, frequently asked questions by investors and upcoming IR-events. You can subscribe to the newsletter here:

<https://www.terveystalo.com/en/company/investors/reports-and-presentations/ir-newsletters/>

Terveystalo's silent period starts on 29 March 2023 and the Q1/2023 Interim Report will be published on 28 April 2023 at around 09.00 am EEST. Webcast will be held on the same day starting at 10.30 am EET. The link to the webcast and the conference call information will be published later.

### The most important releases during Q1/2023

#### **29 March 2023: Change in Terveystalo's Executive Team: Ilari Richardt appointed SVP, Digital Services, Kati Sulin leaves the company**

Ilari Richardt, M.Sc., b. 1992, has been appointed Senior Vice President of Digital Services and a member of the Executive Team as of 29<sup>th</sup> March 2023 as Kati Sulin leaves the company. Richardt has worked at Terveystalo in several key digital business roles for almost 10 years, most recently as Director of Digital product development.

[Read the full release](#)

#### **28 March 2023: Terveystalo changes its financial reporting structure and provides the comparative segment information for 2022**

Starting from 1 January 2023, Terveystalo has decided to change its financial reporting structure to better highlight the performance of Terveystalo's businesses. The new reporting structure reflects Terveystalo's new operating model and is aligned with the way the company's management follows the operational performance of Terveystalo's businesses.

Due to the new operating model and the change in the reporting segments that came into effect at the beginning of the 2023 financial year, Terveystalo publishes comparative data for the 2022 financial year in accordance with the new reporting structure to enable comparison. Comparative quarterly data includes revenue, revenue distribution, and reported and adjusted EBITA in accordance with the new segment structure. The comparative data is unaudited. Terveystalo Group comprises of three reporting segments: Healthcare Services, Portfolio Businesses, and Sweden.

[Read the full release](#)

## 17 February 2023: Terveystalo's Annual Report 2022 published

The Annual Report 2022 consists of four parts:

- **Year 2022** presents the strategic development and key events that took place during the year.
- **Sustainability** describes Terveystalo's sustainability efforts and their results. The Sustainability -section for 2022 is prepared with reference to the GRI Standards.
- **Corporate Governance** includes the Corporate Governance Statement, Remuneration Policy, and Remuneration Report.
- **Financials** includes the Financial Statements, the Board of Directors' Report, and the Auditor's Report. The Statement of Non-Financial Information is included in the Board of Directors' report.

The Annual Report is available at our [IR website](#).

## 23 March 2023: Resolutions of Annual General Meeting

The Annual General Meeting of Terveystalo Plc was held on 23 March 2023 in Helsinki, Finland. The Annual General Meeting adopted the financial statements for the financial year 2022 and discharged the members of the Board of Directors and the CEO from liability. The Annual General Meeting approved the remuneration report for governing bodies, decided on the distribution of dividend, elected the members of the Board of Directors and decided on their remuneration. AGM also decided on Board's authorisations, elected the auditor, as well as resolved to amend the Articles of Association to include the possibility for the Board of Directors, in their discretion, to arrange the General Meeting as a virtual meeting without a meeting venue. [Read the full release](#)

## 23 March 2023: Resolutions of the organising meeting of Terveystalo's Board of Directors

Convening after the Annual General Meeting today, Terveystalo's Board of Directors elected Kari Kauniskangas as Chairman of the Board and Matts Rosenberg as Vice Chairman of the Board. In addition, the Board elected the members of the Remuneration Committee and the Audit Committee from among its members:

Kristian Pullola was elected Chairman of the Audit Committee and Matts Rosenberg, Katri Viippola and Sofia Hasselberg were elected members.

Kari Kauniskangas was elected Chairman of the Remuneration Committee and Carola Lemne and Ari Lehtoranta were elected members.

All releases published by Terveystalo can be found in our [Newsroom](#).

## Frequently asked questions during the quarter

### How has the profit improvement program you published in October progressed?

The program has progressed according to our plans and the new operating model and organization came into effect at the beginning of 2023. We are rapidly improving the profitability of our business with three different levers.

First, in our already implemented new operating model, we make a clear division between the core business, portfolio businesses, and the Swedish business. The structure of our core business, healthcare services, has been simplified, and a profit improvement program has been launched. The program aims for inflation-adjusted, of at least 50 million euros by the end of 2024. Most of the targeted benefits are estimated to be realized already in 2023. At the end of 2022 we had achieved an annualized run-rate of 11 MEUR. The program includes direct cost savings, commercial initiatives to drive top-line and mitigate the effect of inflation, and measures to accelerate capacity growth. Price increases are part of the program. We implemented price increases for consumer (private) customers at the end of 2022, and the price increases for corporate and public customers largely came into effect at the beginning of 2023. Measures that strengthen profitability also improve access to care and the effectiveness of the treatment when we move to efficient and scalable operating models. We optimise the productivity and margin of the digital channel as part of the profit improvement program. We have already made improvements, for example, in the continuity of care chains.

As the third area of profit improvement, we will develop and optimise the portfolio businesses more independently to achieve the required financial performance and drive value creation.

In the short term, we focus on strengthening our profitability and we are confident that the profit improvement program will achieve its targets.

### **How has the demand-supply situation developed, what has Terveystalo done to increase the supply?**

The demand for health services has continued to be very high during Q1, and the supply continues to limit growth. Demand for basic laboratory testing has recovered but remains below pre-pandemic levels. In the comparison period (Q1/22), a record number of COVID-tests were performed (178,000), while in 2023 the demand for COVID-tests has been basically non-existing.

Weakened consumer confidence has not affected the demand for private customers' health services so far. Demand from corporate customers has continued to be strong.

We succeeded well in growing supply during the fourth quarter, especially in physical appointments (whole supply + 15% y-on-y). Doctor appointment booking rates have remained high especially in physical appointments. We have continued to recruit new professionals. To strengthen the supply, we are moving even more development efforts into solutions that make the work of professionals easier and more efficient.

### **How does inflation affect Terveystalo's business?**

Upward pressure on prices can be seen in all procurement categories, and active negotiations with our suppliers have continued. The rising price of electricity will have a negative impact on operational costs. Delivery times have become longer in certain categories of products and materials, such as healthcare equipment, due to component shortages. One of the key areas of the profit improvement program is the review of procurements and the effective implementation of identified savings targets. The goal is not only to fight inflation, but to reduce costs in certain product and service groups.

Skill shortages, a tight labour market and accelerating inflation put pressure on wages. The private healthcare sector has however concluded a two year salary agreement with the largest employee group at Terveystalo, the nurses, for the period 1 May 2022 to 30 April 2024. In 2022, the wage increases were 2.0% since October 1, 2022, and the wage increases in 2023 will be decided according to the wage increases in the reference sectors; the salary increase is at least 1.9%.

Wage inflation is also visible in other professionals' recruitments. Most of the physicians who work for Terveystalo are however private practitioners (approximately 96%).

The financial risk related to inflation is reduced by the fact that Terveystalo has strong pricing power. Terveystalo has implemented several price increases, the effects of which will be seen in stages during 2023. Price increases have been negotiated with corporate health customers and insurance companies, most of which came into effect at the beginning of 2023.

## **How does the rise in interest rates affect Terveystalo's financing costs?**

About half of Terveystalo's interest-bearing debts (EUR 607 million at the end of 2022) are hedged against interest rate increases, so the increase will not immediately have a full effect. In refinancing, the rise in interest rates will naturally have an effect, but the maturity profile allows the diversification of refinancing needs, which reduces the interest rate risk. In 2022, the Group's average interest rate for loans from financial institutions was 1.2 percent (2021: 0.9 percent). Read more about Terveystalo's [debt finance](#).

## **Are Terveystalo's core markets now Finland and Sweden, or is the intention to grow into new markets as well?**

We are currently focusing on improving profitability in our home market in Finland as well as and in profitable growth in Sweden. There are currently no plans to expand into new markets. However, we follow the opportunities in the M&A market closely and do not rule out the possibility of expansion if a suitable and value-creating target comes along.

## **Financial reporting 2023**

In 2023, Terveystalo will publish financial information as follows:

Interim Report, January 1 - March 31, 2023	28 April 2023
Half-yearly Report, January 1 - June 30, 2023	18 July 2023
Interim Report, January 1 - September 30, 2023	27 October 2023

The financial reports will be published at approximately 9:00 a.m. EEST. Financial reports are published in Finnish and English. Terveystalo observes a silent period of 30 days prior to the publication of financial information.

## **Terveystalo Capital Markets Day 2023**

Terveystalo organises a Capital Market Day on 10 May, 2023 in Sanomatalo, Helsinki. The invitation and a more detailed agenda for the event will be published no later than one month before the event. It is also possible to follow the Capital Market Day via webcast. The duration of the event will be about 4 hours.

## **Investor activities**

Check Terveystalo's **Investor Calendar** for the upcoming [IR events](#).

## **Consensus**

Check the latest [Vara consensus](#).

## **Terveystalo's IR Team**

Terveystalo's IR Team is happy to help you with any questions.

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## Terveystalo in brief

Terveystalo is the largest private healthcare service provider in Finland in terms of revenue and network. Terveystalo is also a leading occupational health provider in the Nordic region. We offer a wide variety of primary health care, specialized care, and well-being services for corporate and private customers and the public sector. Terveystalo's digital services are available 24/7, regardless of time and place. Health and well-being services are also provided by over 370 clinics across Finland. In Sweden, we offer occupational health services at 155 clinics. Terveystalo is listed on the Helsinki Stock Exchange.

In 2022, Terveystalo had approximately 1.3 million individual customers in Finland and the number of customer appointments was approximately 8.5 million, with more than a quarter of these being conducted via remote channels. Terveystalo employs over 16,800 healthcare and well-being professionals. [www.terveystalo.com](http://www.terveystalo.com)