



## Q3/2023: 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 27 September 2023 and Q3/2023 Interim Report will be published on 27 October 2023 at around 09.00 am EEST. Webcast will be held on the same day starting at 10.30 am EEST. The link to the webcast and the conference call information will be published later.

### The most important releases during Q3/2023

#### Stock Exchange Release 12 September 2023: Composition of Terveystalo Plc's shareholders' nomination board

The Shareholders' Nomination Board of Terveystalo Plc comprises the representatives of the four largest shareholders of the company as per 1 September 2023 and, in addition, the Chairman of the Board of Directors. The Nomination Board shall elect a Chairman from amongst its members. In accordance with the above, the members of Terveystalo's Nomination Board are: Risto Murto, Varma Mutual Pension Insurance Company; Tomas von Rettig, Rettig Group AB; Timo Ritakallio, Pohjola Vakuutus Oy; Peter Therman, Hartwall Capital and Kari Kauniskangas, Chairman of the Board of Directors of Terveystalo Plc. In its organizing meeting on 12 September 2023, the Nomination Board elected Risto Murto as its Chairman.

#### Press Release 18 September 2023: The intelligent customer steering model innovated at Terveystalo facilitates access to treatment and supports the work of healthcare professionals

During the autumn of 2023, all Terveystalo's occupational health customers will receive a CE-marked medical device, the Symptom Assessment tool, which will significantly streamline occupational health management in cases of illness. With the help of the symptom assessment, the customer is referred in a timely manner, to the right specialist and to

the right channel. The symptom assessment also supports the work of professionals by taking care of some routine matters on behalf of the professional, so the time saved can be used to meet the patient. [Read the release \(in Finnish\)](#)

### **Press Release 31 August 2023: Terveystalo renews preventive health care - Nightingale Health's modern health technology as part of occupational health**

Terveystalo and the Finnish health technology company Nightingale Health are deepening their strategic cooperation. As the next concrete step of the cooperation, Terveystalo will renew preventive health care by integrating the blood analysis technology developed by Nightingale as part of occupational health checks during the coming autumn. By utilizing modern technology, Terveystalo's occupational health can in the future detect the susceptibility of the working-age population to the most common chronic diseases, prevent illness and thus significantly lighten the burden on healthcare in the future.

[Read the release \(in Finnish\)](#)

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

## **Frequently asked questions**

### **How does the new government program and e.g. will increasing KELA compensation affect Terveystalo?**

The direction of development in Terveystalo's operating environment in Finland is changing through the healthcare-related entries and goals of the new government program, published at the end of the second quarter. The new government program contains many entries aimed at increasing cooperation between private and public healthcare to improve the effectiveness and cost-efficiency of the healthcare system. As a concrete measure, the government decided in September during the budget negotiations to raise Kela reimbursements in accordance with the government program. The aim of increasing the reimbursements is to shorten the treatment queues in primary care. We estimate that the measures of the government program will support the growth of demand for private service production and will bring new opportunities for the implementation of publicly funded and privately provided services. At the same time, when it comes to health, smooth access to treatment, effective patient-centric treatment paths, and high-quality care are everything. It makes sense to want to promote these goals and to try to utilize the full capacity, know-how and investment ability of private operators as part of the solution to the healthcare crisis.

### **How has the profit improvement program progressed?**

The program is progressing according to our plans. The program aims for inflation-adjusted, of at least 50 million euros by the end of 2024. The measures taken by the end of Q2 are estimated to have a run-rate impact of approximately 40 million euros and the full-year 2023 P&L impact of the program is estimated to be over 30 million euros. The quickly implemented measures in the two-year program have now been taken, and the currently implemented and planned changes require longer-term operational development work.

The program includes direct cost savings, commercial initiatives to drive top-line and mitigate the effect of inflation, and measures to accelerate capacity growth. 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.

In addition to the profit improvement program in our core business, 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 and that we will achieve our financial target of 12% adj. EBITA in 2025.

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

The market situation of healthcare services has continued to be similar as during the H1/2023, i.e. the demand is strong. At the same time, the seasonal fluctuations in demand have normalised. Demand for basic laboratory testing is recovering and is close to the pre-pandemic levels. In the comparison period (Q3/22), COVID-tests were still performed (~30,000), 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 have continued to recruit new professionals and succeeded in increasing the supply steadily during 2023. 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?**

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%.

In the private healthcare sector, a two-year collective agreement is valid for the period 1 May 2022-30 April 2024, which applies to Terveystalo's largest group of employees, i.e. nurses.

In 2022, salary increases were 2.0% from 1 October 2022. The negotiating parties have now reached an agreement on the salary increases for 2023, which replaces the previously agreed recording. The salary increases for 2023 are in total 2.95% and will come into force on 1 November, 2023. In addition, an one-time installment of 450 euros was agreed upon, which was paid in conjunction with the June 2023 salary payment.

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

The impact related to inflation is reduced by the several price increases implemented in 2022 and in the beginning of 2023, the effects of which will be seen in stages during 2023.

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

About half of Terveystalo's interest-bearing debts 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. The average maturity of Terveystalo's financial loans was 2.8 (1.7) years at the end of the second quarter of 2023, and the weighted average interest rate for the quarter was 3.6 (1.0) percent.

## What is the current business situation in Sweden?

The profitability of the Swedish business has strengthened as planned and we are already at profitability leader in the occupational health segment in Sweden. However, a significant increase in the profitability requires expansion of services through acquisitions into specialized care in specialties suitable for the overall set-up (e.g. mental health) and a transition to care paths. The exchange rate of the Swedish krona has a significant impact on the revenue in euro terms.

## Financial reporting 2023

Terveystalo will publish the Interim Report for 1 January – 30 September 2023 on 27 October 2023 at approximately 9:00 a.m. EEST. Terveystalo observes a silent period of 30 days prior to the publication of financial information. The financial reporting dates for 2024 will be published on 27 September 2023.

## Terveystalo Capital Markets Day 2023

Terveystalo organised a Capital Market Day on 10 May, 2023 in Sanomatalo, Helsinki. View the recording of the event here: <https://www.terveystalo.com/en/company/investors/capital-markets-day-2023>

## 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.

Liisa-Maija Seppänen  
Investor Relations Manager  
Tel. +358 50 314 4455  
[liisa-maija.seppanen@terveystalo.com](mailto:liisa-maija.seppanen@terveystalo.com)

Kati Kaksonen  
Vice President, Investor Relations, Sustainability & Communications  
Tel. +358 10 345 2034  
[kati.kaksonen@terveystalo.com](mailto:kati.kaksonen@terveystalo.com)

## 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)

