



Terveystalo - Leading Nordic platform for health and wellbeing

December 2021

President & CEO Ville Iho

Terveystalo

Terveystalo – A leading Nordic platform for health and wellbeing

6.9

Mill.
Customer
visits in 2020

26%

Share of
remote visits
in 2020

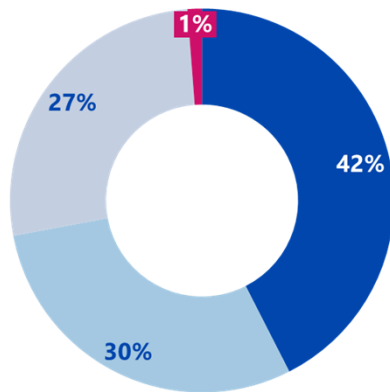
1.2

Mill.
Individual
customers in
2020

309

Locations

LTM revenue breakdown, %



■ Corporate ■ Public
■ Private ■ Sweden and others

~90% Fee for Service

1,107
LTM revenue,
Mill. euros

12.5%
LTM Adj. EBITA,
% of revenue

13,000
professionals

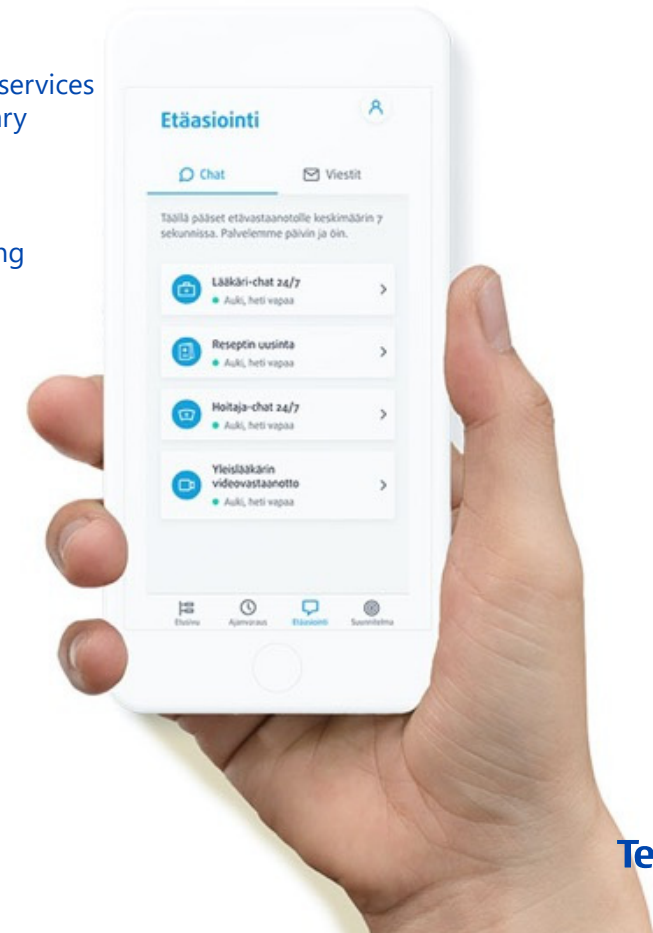
Service portfolio

- Occupational health services
- Primary and secondary health care
- Wellbeing services
- Diagnostics
- Outsourcing & staffing

24/7

Digital
Services with

1.7 million
registered users



Terveystalo

Our purpose is to fight for a healthier life.

Our vision is to introduce the new era of health – with fewer sick days and more healthy, happy years – driven by data and Nordic know-how.

Values

HUMAN BEING AT THE CENTER

We take responsibility for the health and wellbeing of our fellow human beings, for the opportunity to live a good life. We work together to help our customer and our customer guides us in our renewal. We help each other and value all of our experts.



STEERED BY MEDICAL SCIENCE

Everything we do is based on medical science and researched knowledge. All our decisions are steered by care efficacy and the well-being of our customers.



FOR THE COMMON GOOD

We build health and wealth for the society and produce effective care efficiently. We share information and ignite discussion and create better healthcare for all: customers, professionals, and society.



Strategic targets



THE PROFITABILITY LEADER IN THE NORDIC REGION IN PRIVATE HEALTH SERVICES.



PREFERRED BY CUSTOMERS AND PROFESSIONALS.

How we do it



THE SMARTEST PLATFORM IN THE INDUSTRY

We are able to provide our customers with the right service regardless of time, place, and channel, from the beginning of the treatment path to its end.



THE CUSTOMER'S HEALTH PARTNER

We engage in dialogue with the customers, anticipate their needs and offer comprehensive wellbeing services.



GROWTH IN NEW MARKETS

We grow in the Nordics and in digital services.

Financial targets

- ✓ **Growth**
At least 5% annual growth in revenue
- ✓ **Profitability**
An adjusted EBITA margin of 12–13%
- ✓ **Indebtedness**
Interest-bearing Net debt/Adjusted EBITDA not to exceed 3.5 times
- ✓ **Dividend**
Distribute at least 40% of net profit as dividends annually

Terveystalo as an investment

1

Growing addressable market, driven by several factors

2

Scalable business model with leading digital capabilities and high operating leverage

3

Strong track record in accelerating growth and creating value through M&A

4

Strong balance sheet and cash flow generation enable stable dividend distribution, investments & acquisitions

5

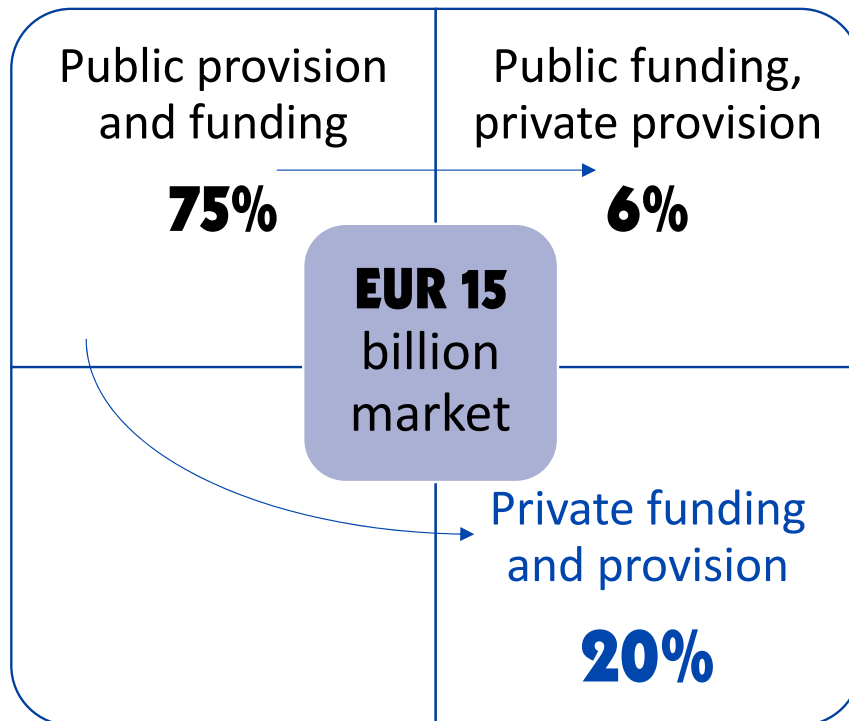
Expansion to Swedish markets with highly complementary Feelgood acquisition

6

The most attractive employer in healthcare

The Finnish healthcare market - unique characteristics incubate unique capabilities

Private provision is an established and growing component of the Finnish market



Long Tradition of Private Provision of Healthcare

40%

of all primary care outpatient visits are provided by private sector⁽¹⁾

Used across **all income classes**⁽²⁾

Well Established Payor Mix

Four robust and growing payor groups:

- **Corporate**
- **Private Insurance**
- **Out of Pocket**
- **Public**

Capacity Pressures on Public Provision

Long waiting times for non urgent care
vs

Immediate access
in private healthcare

1

Terveystalo is the leading company in occupational health care

The Finnish OHC consists of business case driven and legally required elements

Health & Safety

Preventive care

Legally
required

Primary healthcare

Secondary healthcare

Business
case driven

To which Terveystalo has developed leading digital solutions

AI Based tools detect
individuals at risk

24/7 Integrated hybrid
care chains,
supported by
Digital services

1

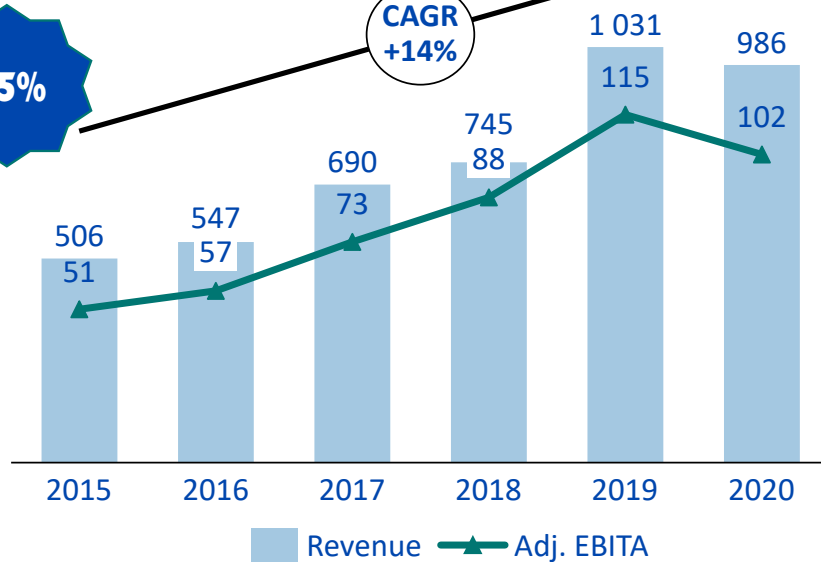
We have grown profitably with industry leading margins, outpacing market growth significantly

TERVEYSTALO CAGR 2015-2020

Terveystalo CAGR
w/o large M&A¹
2015-2020

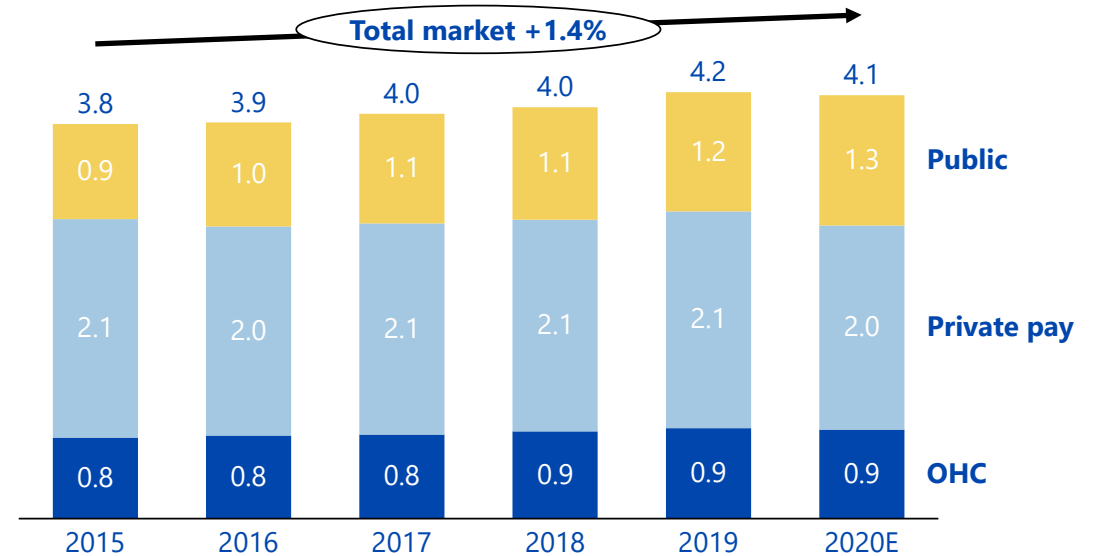
3.5%

CAGR
+14%



TERVEYSTALO'S ADDRESSABLE MARKET 2015-2020E, €BN

Total market +1.4%

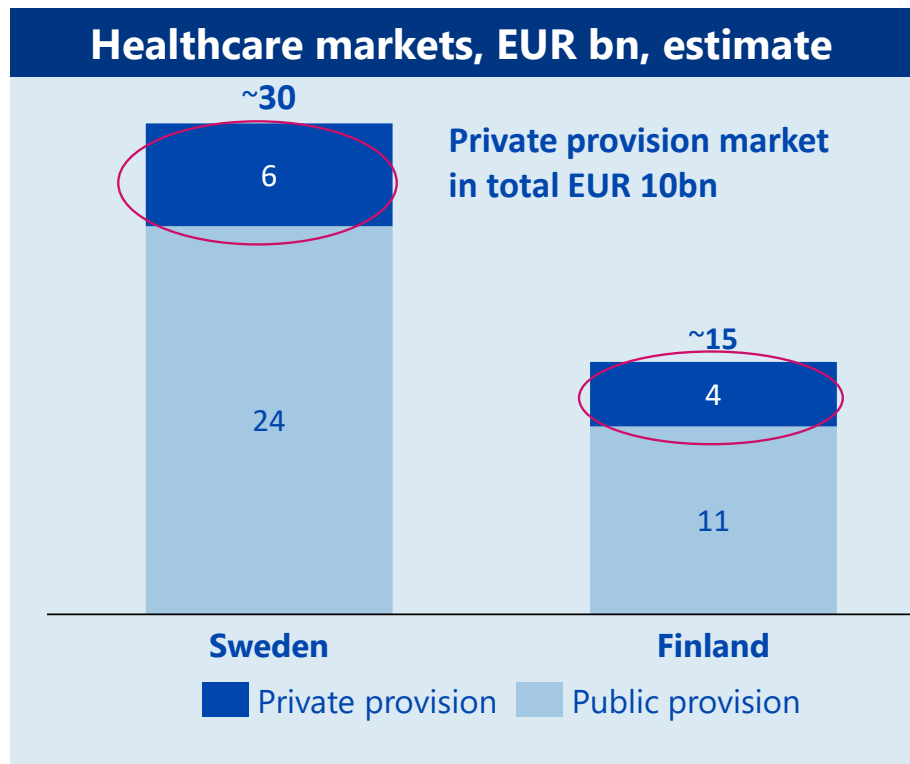


1) HAMMAS-PULSSI, SEINÄJOEN LÄÄKÄRITALO, PORIN LÄÄKÄRITALO, DIACOR, ATTENDO
TERVEYSPALVELUT

SOURCE: TERVEYSTALO ANNUAL REPORTS, NATIONAL INSTITUTE FOR HEALTH AND WELFARE, KELA, FSA,
STATISTICS FINLAND, EXPERT INTERVIEWS

1

Terveystalo's addressable market grows through market expansion from EUR 4 to 10bn



Multiple growth avenues mid to long term

- ✓ Organic and in-organic growth in occupational health in the Swedish and neighbouring markets
- ✓ Introducing new value adding services
- ✓ Care-chain integration

2

Our leading capabilities and platform can be leveraged for growth in different markets

	Private health Finland ~75% of revenue	Public health Finland ~20% of revenue	Feelgood Sweden ~5% of revenue
Operating model	<ul style="list-style-type: none"> Over 300 clinics and 24/7 digital services Fee for service model Corporate, private, insurance and public pay 	<ul style="list-style-type: none"> Operations in public infrastructure Capitation/fixed fee models Public pay 	<ul style="list-style-type: none"> 120 locations and digital services Fee for service model Corporate/private pay
Capabilities	Digi-physical care chains, smart resource allocation & use, health partnership	Contract portfolio management, cost efficiency, recruitment	Preventive occupational care
Growth	Organic growth, bolt-on M&A, strategic M&A	Organic + bolt-on M&A	Multiple growth avenues: organic growth, M&A and service portfolio expansion
Investment needs	Digital platform + maintenance investments in network	Digital white label platform	Strategic & bolt-on M&A
Terveystalo's scalable digital platform			

Terveystalo

2

Our world class applications have 1.7 million registered users



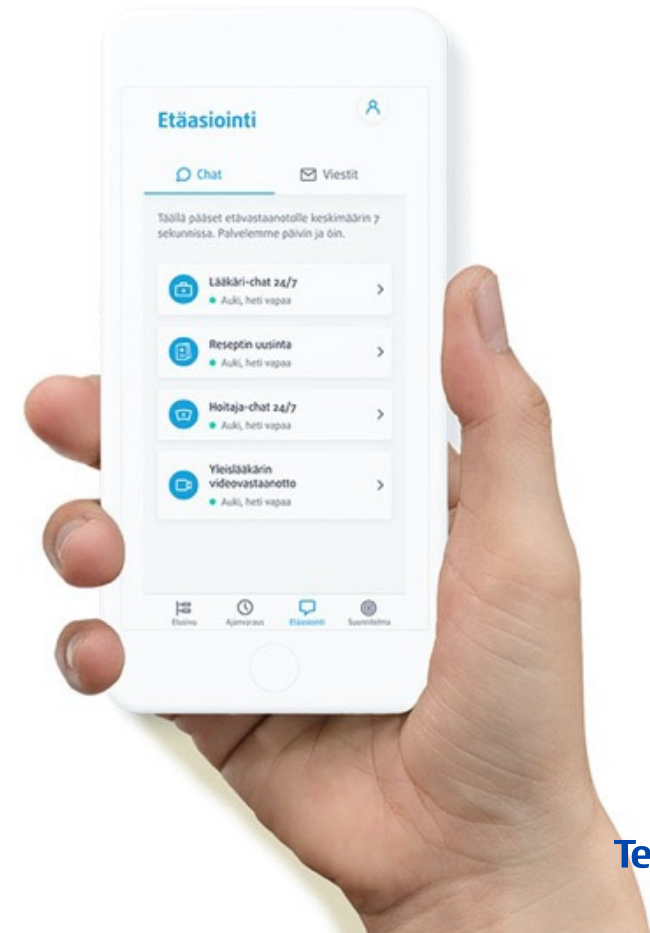
1.7 million users in digital services

0.5 million onboardings in Terveystalo app a leader in the end user digital solutions in the Finnish market



>50% of our professionals use Terveystalo Pro app on a monthly basis, 25% daily

Self-service-level is at all time high **84%**

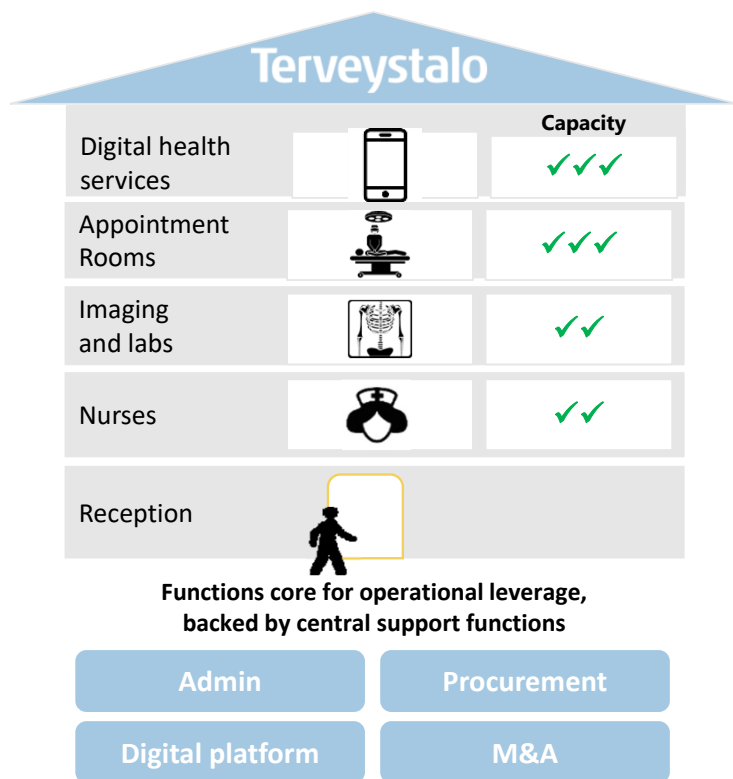


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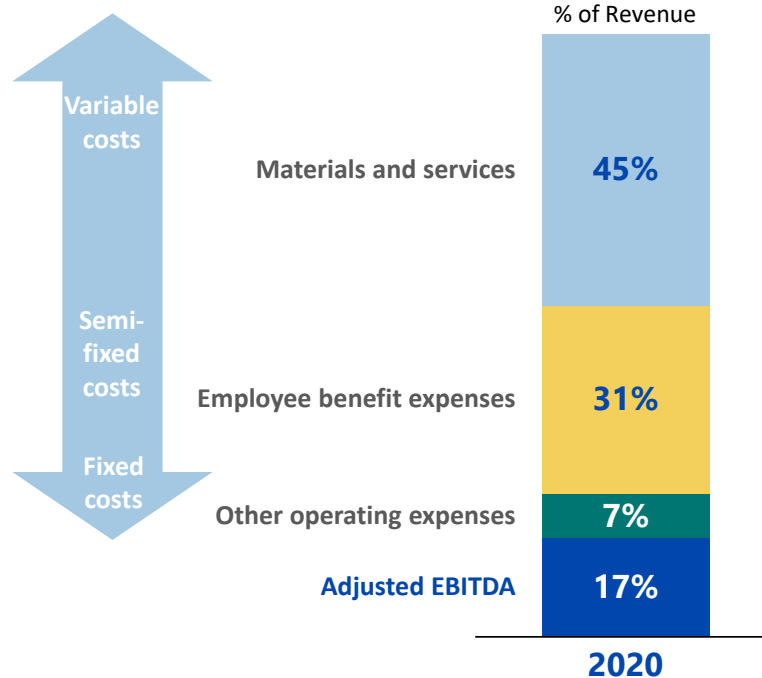
2

Operating leverage is a key driver of profitability improvement

Existing infrastructure with significant capacity



Significant share of fixed costs



Key driver of profitability improvement

Terveystalo's business has significant operating leverage

In fee-for-service model, new sales, particularly new organic volume and synergistic M&A, tend to support margin development

Terveystalo

Strong track record in accelerating growth and creating value through M&A in our platform



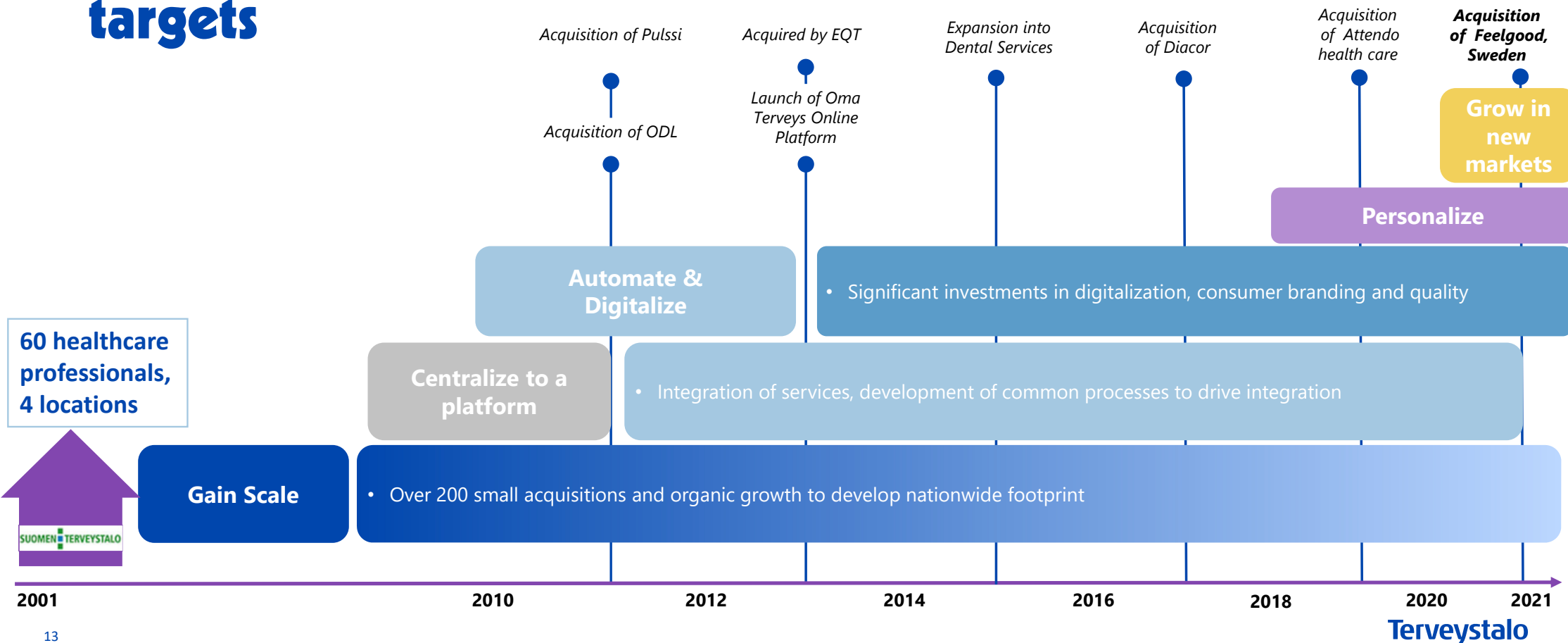
**Projected cost synergies exceeded by 9% in healthcare acquisitions,⁽¹⁾
significantly reducing pre-synergy acquisition multiples⁽²⁾
from ~13x EBITDA to post ~6x EBITDA**

1) Comparing budgeted expected cost synergies with realized cost synergies for large healthcare acquisitions 2017-2019; 2) Median LTM acquisition multiples for large healthcare acquisitions between 2017-2019, including Attendo Healthcare services, Työsyke, Työkunto, Diacor and Porin Lääkäritalo

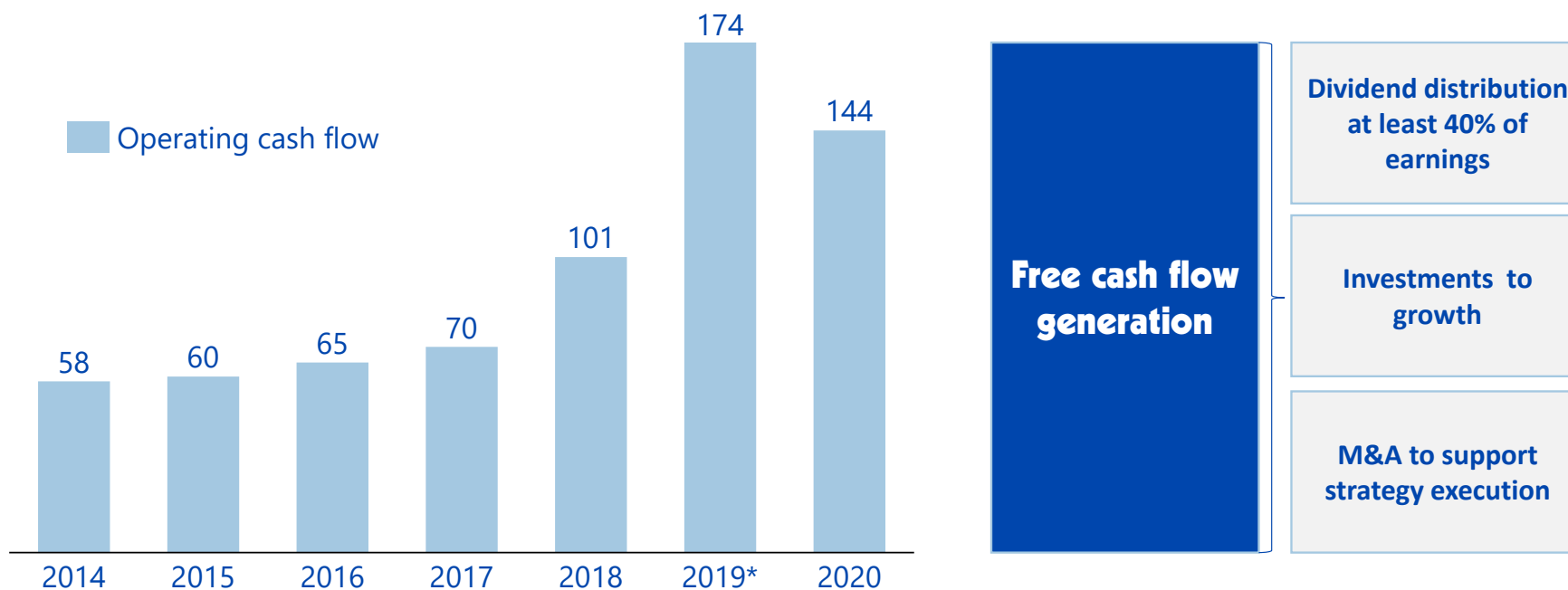
3

We have developed our platform over 20 years and successfully integrated >200 acquisition targets

~14 800 healthcare professionals,
> 520 locations

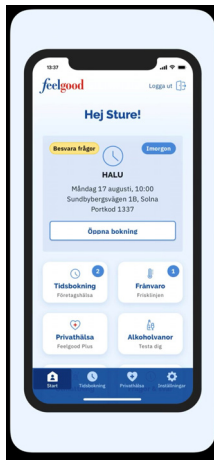


Strong cash flow funds our growth, further investments and supports increasing dividend



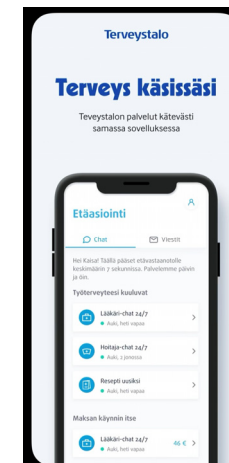
We expand to Swedish markets with highly complementary Feelgood acquisition

feelgood + Terveystalo



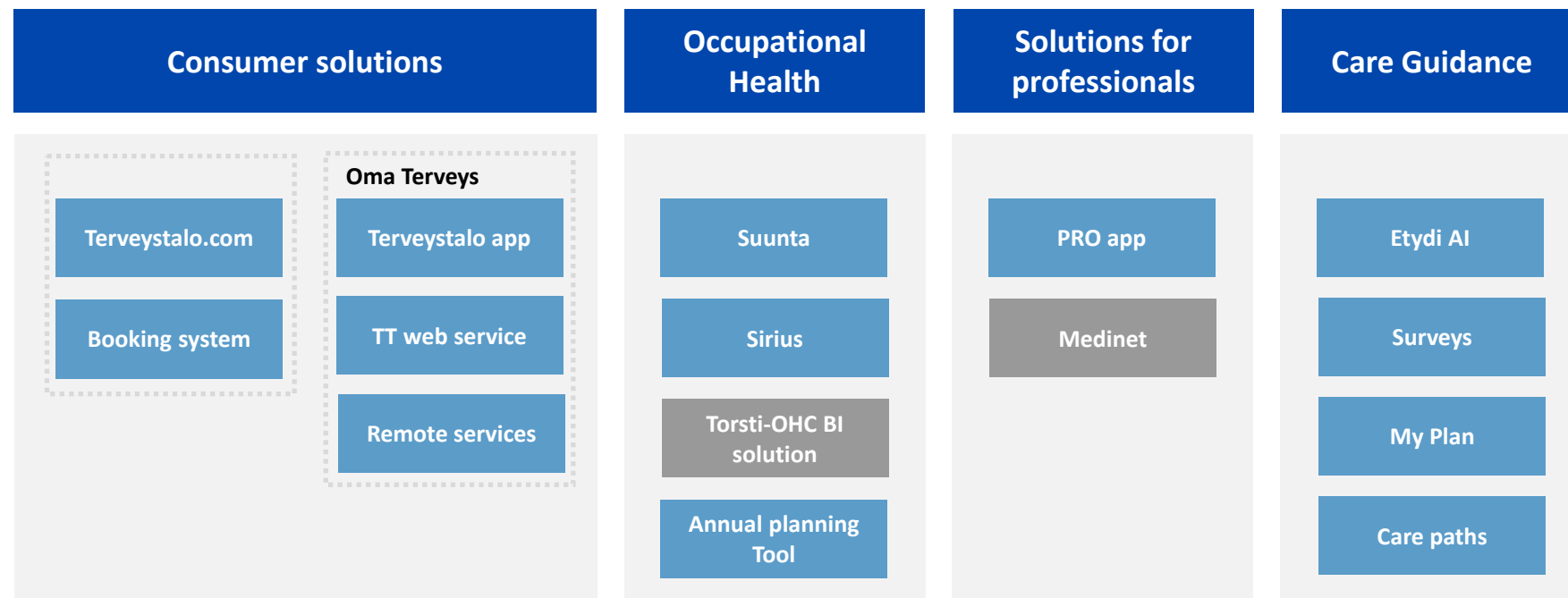
Two industry leading platforms complement each other in terms of people, culture, competences, service offering and geographical network.

- >32,000 corporate customers
- >1.5 mill. employees covered by OHC
- > 400 units in Finland and Sweden
- > 14,800 professionals



Expansion to Swedish market is a proof point of the scalability of our digital platform

TERVEYSTALO DIGITAL SUITE

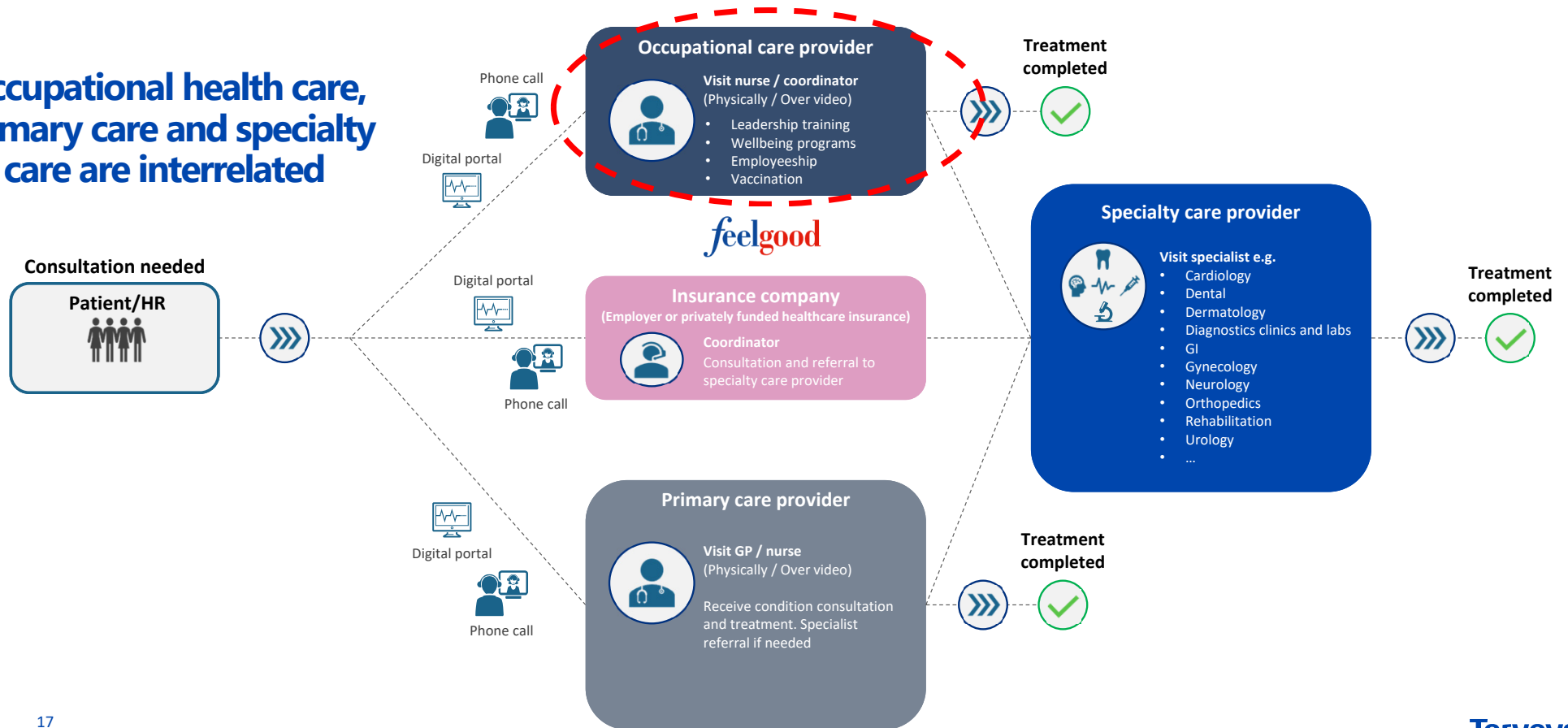


ISO 13485 quality system certificate awarded to Terveystalo as the first health service provider in Finland

5

Further opportunity to expand the service portfolio towards integrated care-chains

Occupational health care, primary care and specialty care are interrelated



We are the most attractive employer in our industry

Terveystalo is the most attractive employer among professionals and students alike in the hospital and health sector in Finland



Industry Best
Hospital & Health Care

Terveystalo

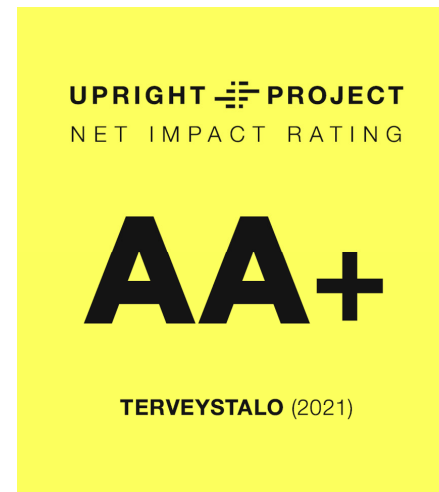
By Health/Medicine professionals
Finland's Most Attractive Employers 2021

Driving net positive impact on society

Corporate responsibility is in our core from operations to finance

- The interest rate margin of our EUR 410 million financing agreement considers how we meet our annual targets for customer satisfaction, employee job satisfaction and wellbeing, and reduction in mixed waste intensity
- In 2020, we met all three sustainability targets linked with our financing agreement

WE SUPPORT



Terveystalo has received a net impact rating of **AA+** (Excellent+) in 2021, driven by its contribution to **health** and **society**.

Only **6.7%** of all companies receive this or a higher net impact rating.

Source: Upright Project, 2021

Q&A



Q3 2021

Q3/21: Revenue growth in double digits, strong profitability, digital continues to grow

+13.7%

revenue increased
to **EUR 273.1m**

REVENUE GROWTH
CONTINUED,
BUT WAS RESTRICTED BY
SUPPLY

Revenue
+16.7% vs. Q3/19

EUR 31.5m

Adj. EBITA

+ 1.9% y-o-y,
+29% vs. Q3/19

Adj. EBITA margin 11.5%

COST SAVINGS WERE IN
PLACE IN Q3/20,
IMPACTING COMPARABLE
MARGIN

261,500

Digital appointments*

GROWTH IN DIGITAL
CHANNELS CONTINUED,
+32% VS. Q3/20

EUR 0.13

2. dividend for 2020

IN TOTAL DIVIDENDS FOR 2020
EUR 0.26 PER SHARE

>135,800

Covid-19 tests

DEMAND FOR
TESTS REMAINED
STRONG,
BUT STARTED TO DECLINE IN
SEPTEMBER

EUR 13.5m

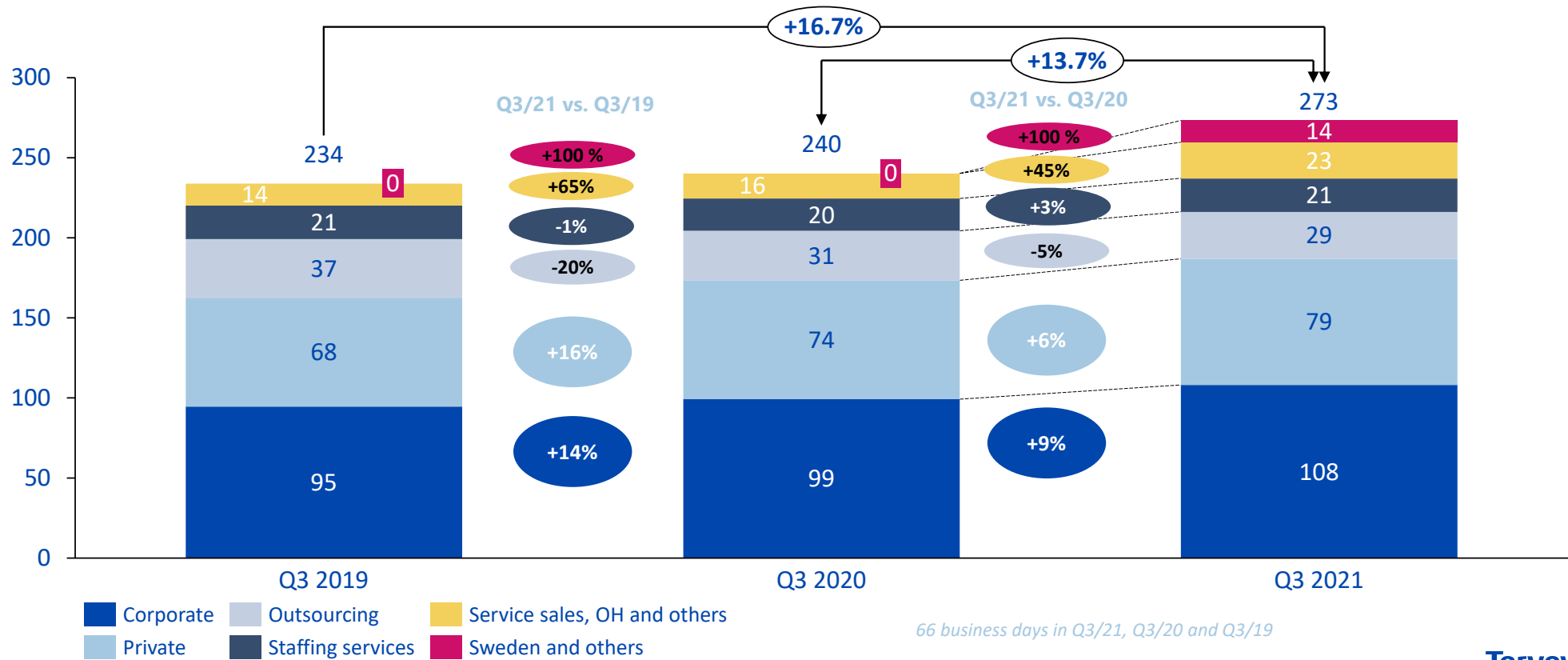
Share buyback program

THE PURPOSE IS TO OPTIMIZE
CAPITAL STRUCTURE

*Does not include digital appointments in Sweden

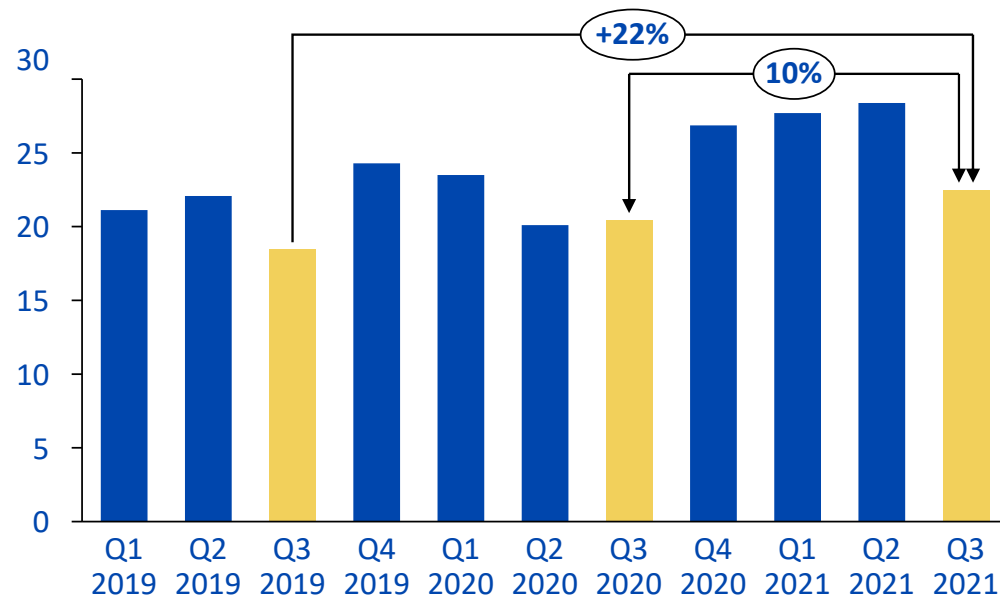
Strong revenue growth y-o-y and vs. Q3/19

Q3/21 revenue distribution compared to Q3/19 ja Q3/20, M€

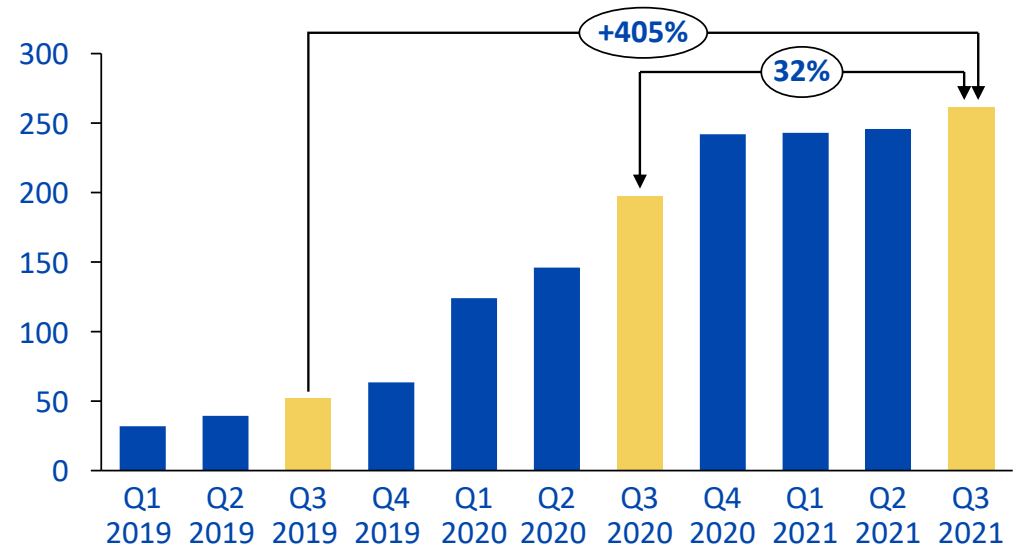


Strong trend in well-being and digital visits continues

Well-being sales, MEUR

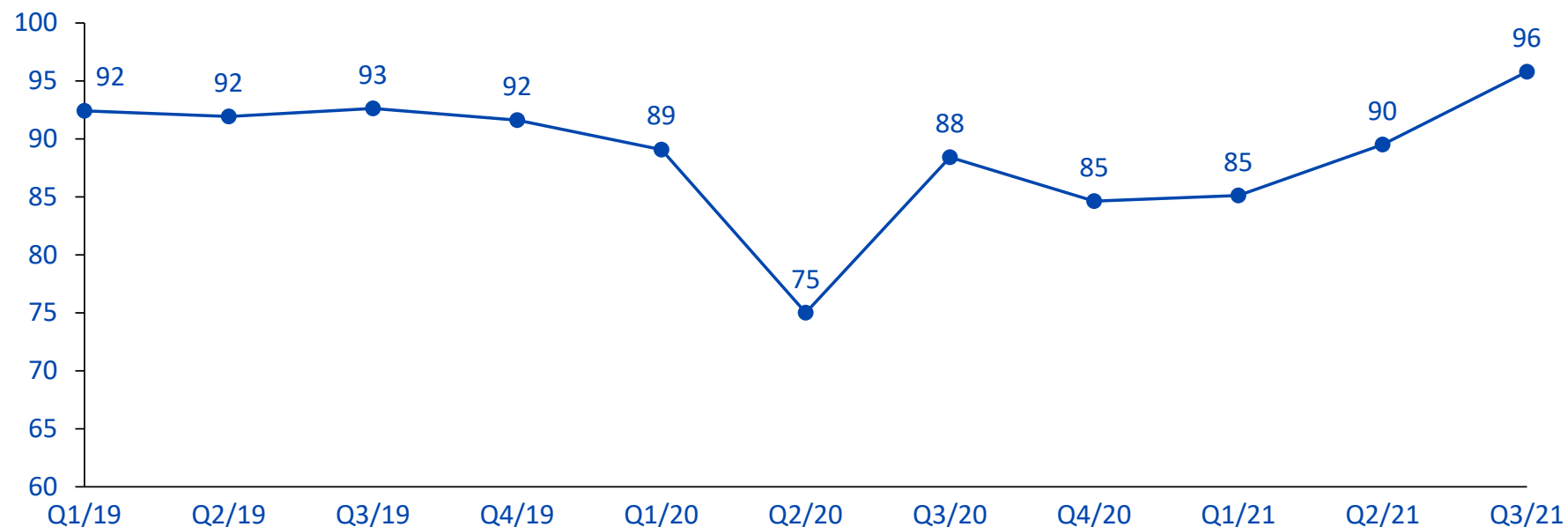


Digital visits, thousands



Strong demand is back, growth restricted by supply

Doctor appointment booking rate, %

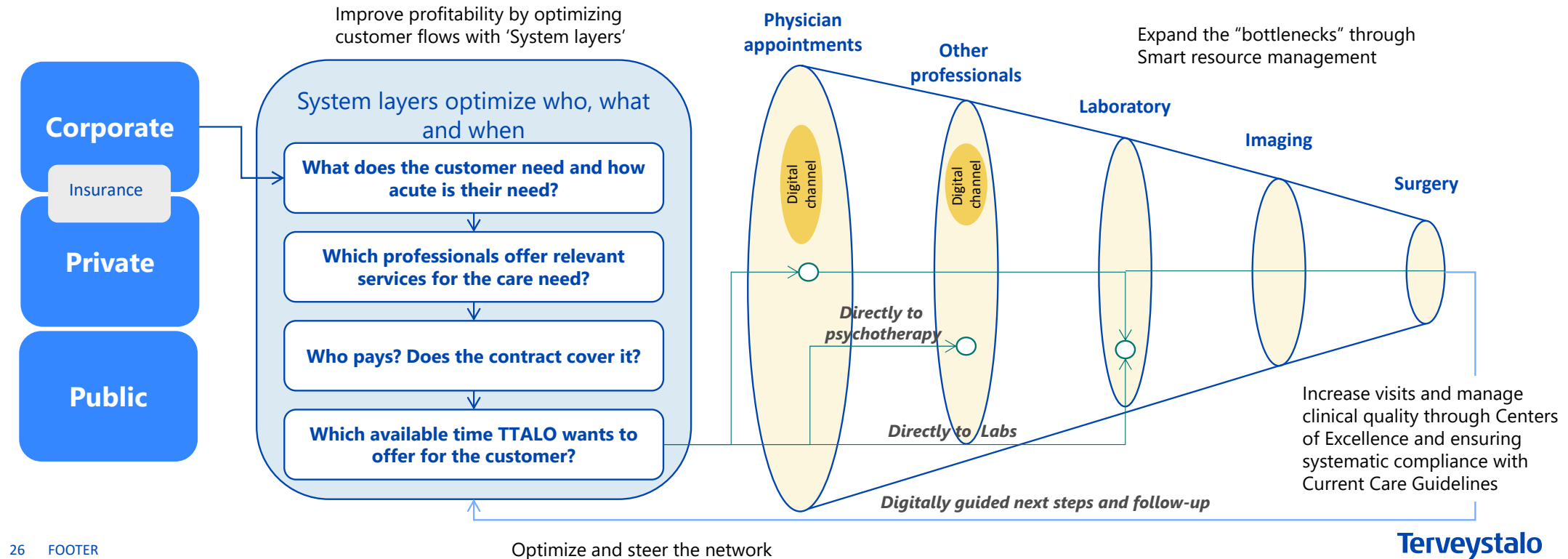


Customer steering and smart resource management are keys to increasing supply

Customer with a need

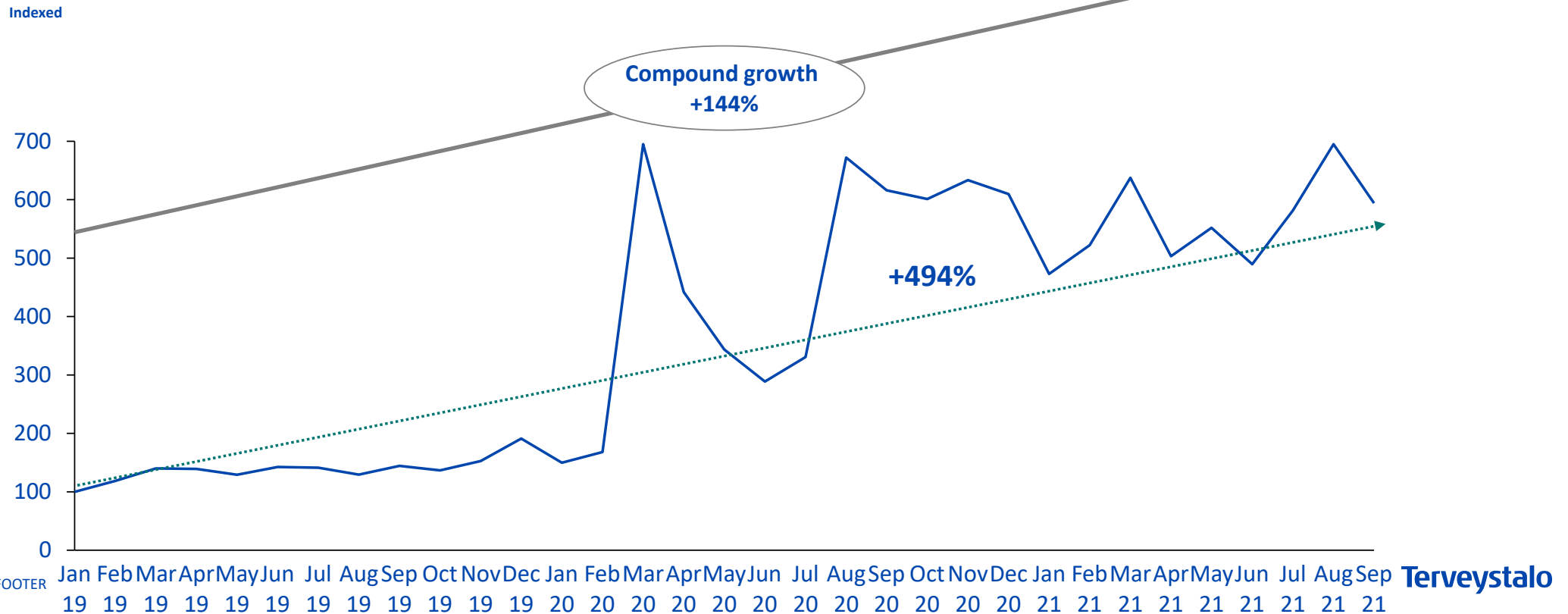
Customer steering

Supply – Smart Resource management



24/7 chat visits enable serving more customers and increasing access to care at low threshold

Chat-visits– five folded number of visits since Jan/2019



Development of digital platform delivers results

- assists in balancing demand and supply

+54%

vs. 1-9/20

**Growth in visits to
terveystalo.com**

Investments in usability, Google visibility, and marketing optimization have increased visits y-o-y

+64%

vs. 1-9/20

**Growth in conversion rate of
web bookings**

Improvement in web booking user experience is reflected in higher conversion rate vs. last year

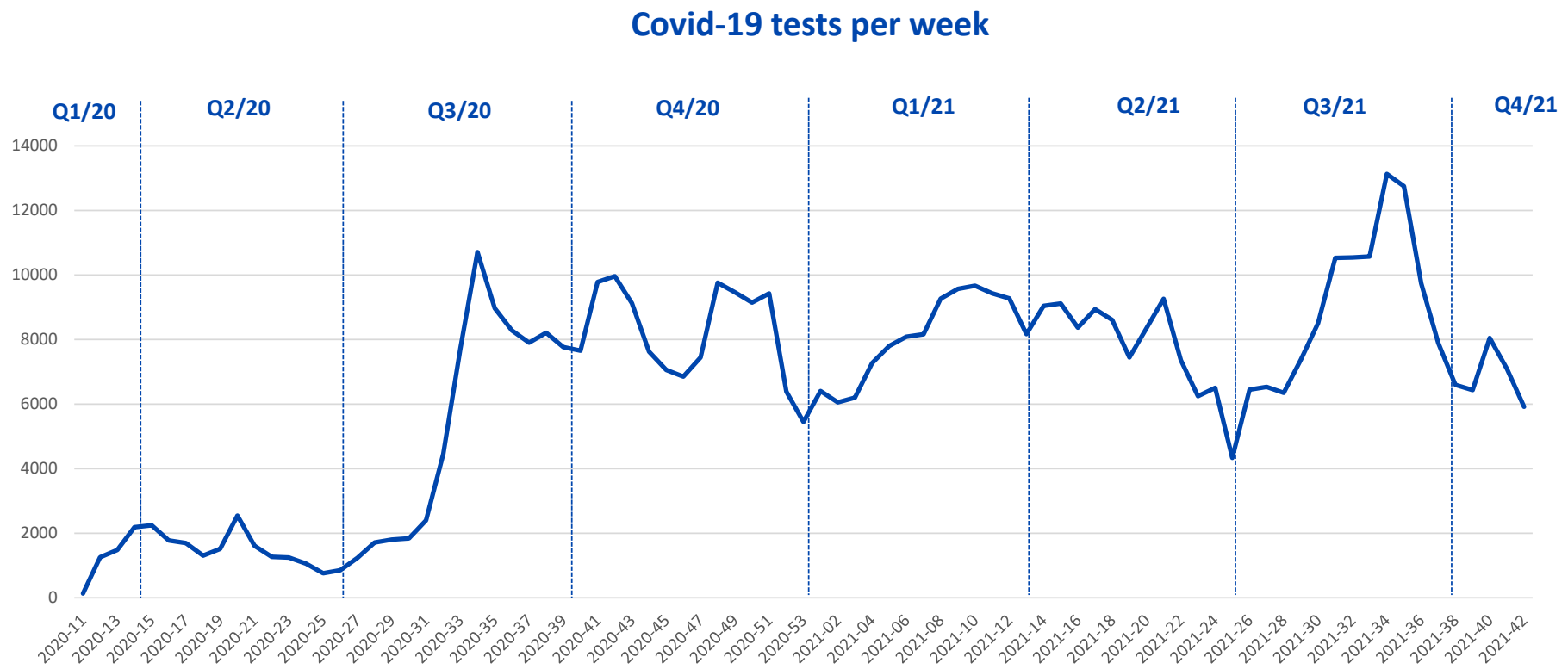
+19%

vs. 1-9/20

**Growth in self-service rate
(bookings)**

Clear y-o-y increase in self-service rates

The number of Covid-19 tests all time high in August

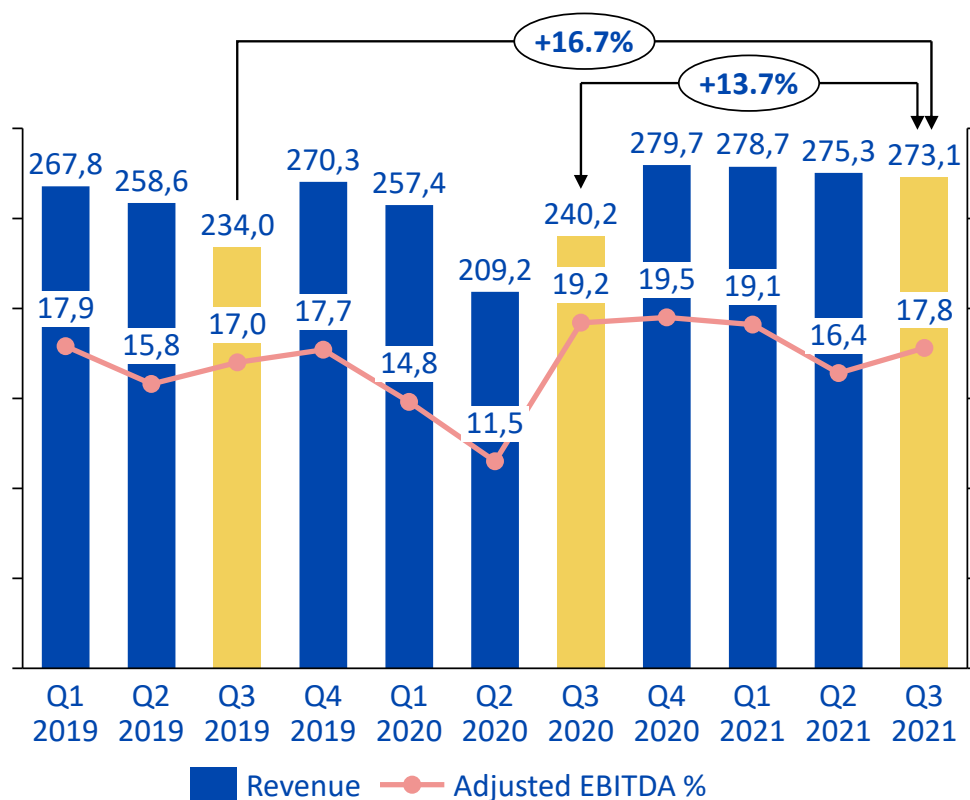


Source: <https://avoinraportointi.terveystalo.com/korona/>

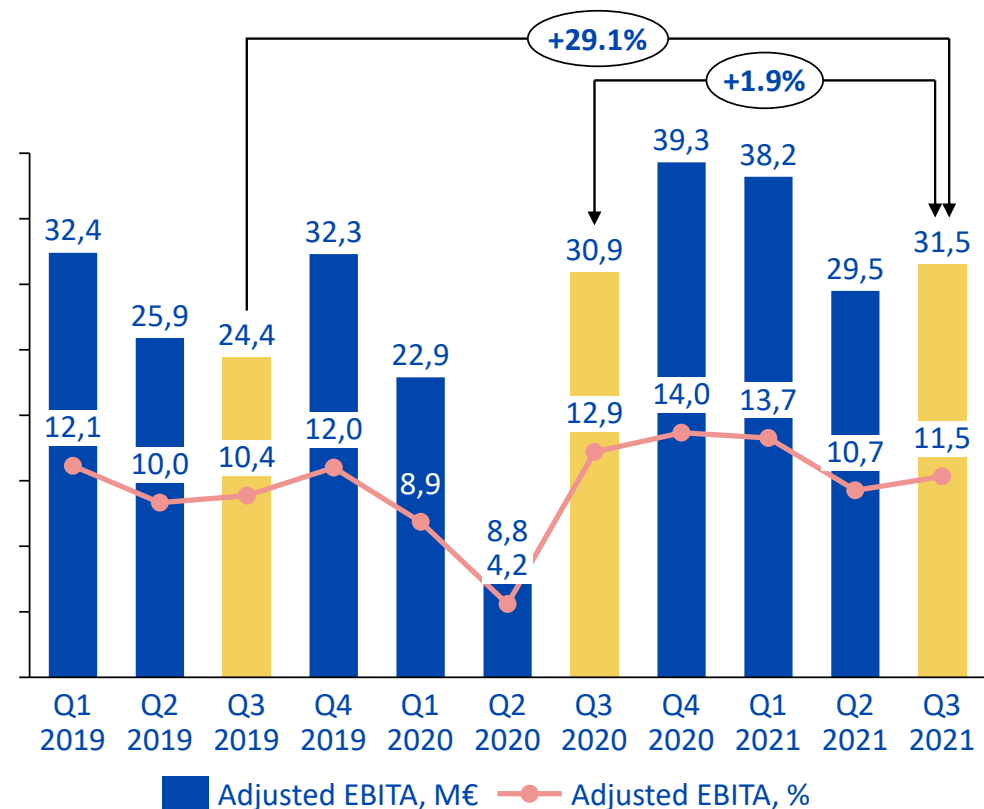
Note: Reporting does not include corporate co-operations.

EBITA grew slightly y-o-y and 29% vs. Q3/19

Revenue, MEUR and Adjusted EBITDA-%



Adjusted EBITA, MEUR and %



* Alternative key figure

** The figures include the effect of IFRS 16 from 2019 onwards

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COVID-19 related services still impacted personnel costs, cost savings lowered costs in Q3/20

M€	7-9/2021	7-9/2020	Change %	1-9/2021	1-9/2020	Change %	2020
Revenue	273,1	240,2	13,7	827,1	706,7	17,0	986,4
Other operating income	-112,2	-108,1	3,7	-352,9	-324,7	8,7	2,7
Purchase of materials	-7,3	-7,4	-2,1	-24,4	-25,9	-5,8	-35,5
Change in inventories	0,0	-0,2	-113,6	-0,2	2,3	-109,9	1,3
External services	-104,9	-100,5	4,4	-328,2	-301,0	9,0	-413,4
Employee benefit expenses	-92,1	-70,6	30,6	-268,4	-225,6	19,0	-310,2
Rents. leases and premises	-5,4	-3,7	45,7	-13,4	-12,5	7,5	-16,3
IT expenses	-7,4	-6,0	21,9	-21,5	-18,4	17,1	-25,2
Other operating expenses	-10,9	-6,7	62,2	-29,4	-22,9	28,4	-31,5
EBITDA	46,2	45,5	1,5	143,6	104,6	37,3	158,3
Adjustments*	2,4	0,6	>200,0	3,3	3,7	-9,5	4,5
Adjusted EBITDA	48,6	46,1	5,4	146,9	108,3	35,7	162,8
EBIT	21,2	22,9	-7,2	76,3	36,4	109,5	67,2

Variable costs

Semi-fixed costs. scalable on a unit level

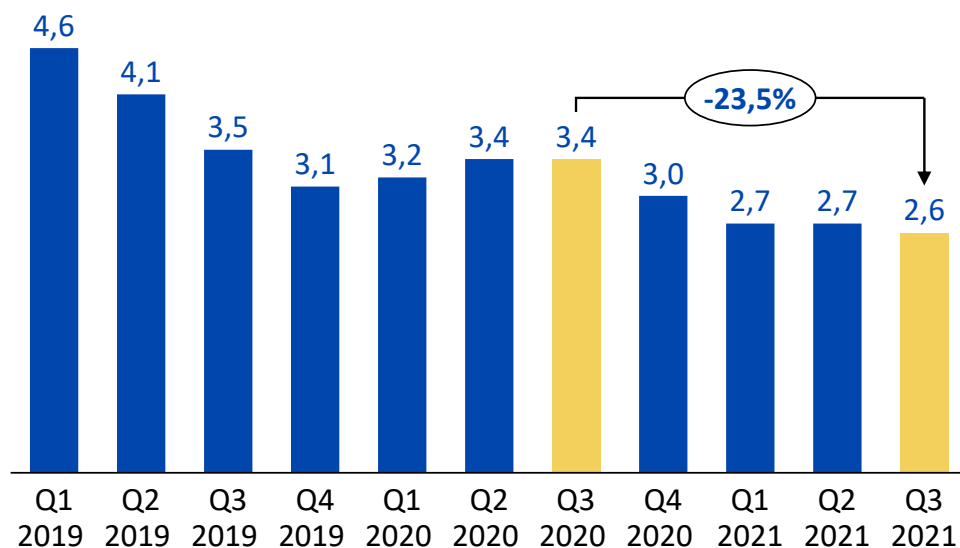
Fixed costs. scalable on a group level

*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.

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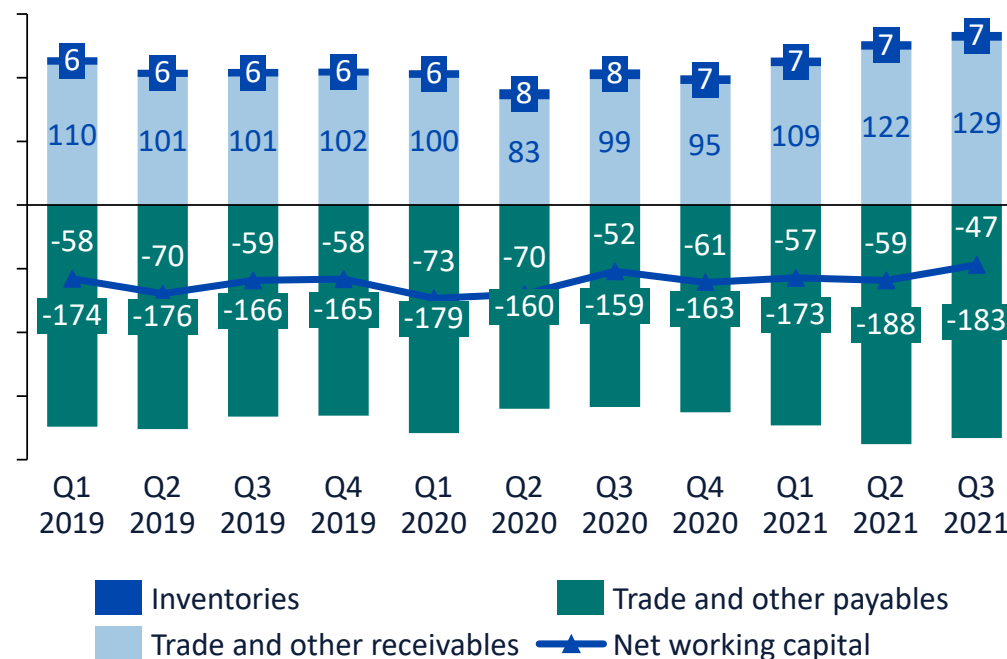
Indebtedness below target

Net debt/Adjusted EBITDA (LTM)*



*Figures include the effect of IFRS 16 from 2019 onwards.

Operational efficiency is reflected in the negative net working capital



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Second dividend for 2020 and launch of share payback program

Share buyback program

- The purpose of the share buyback program is to optimize the Company's capital structure through reduction of capital.
- The repurchase of own shares will reduce the Company's unrestricted equity.
- The total purchase price of all Terveystalo shares to be acquired max. EUR 13,5 million.
- Max. 1,000,000 shares corresponding to approximately 0.8% of the total number of shares.
- The repurchases will start at the earliest on 29 October 2021 and end by 6 April 2022.

Second dividend for financial year 2020

- The Board of Directors resolved to pay a second dividend of EUR 0.13 for the company's financial year 2020 based on the authorization given by the AGM.
- The total amount of dividends paid for 2020 will be EUR 0.26 per share (i.e. EUR 33 million).
- The dividend record date is 29 October, 2021.
- The payment date is 9 November, 2021.

Outlook

Outlook – The next 6 months vs. last 6 months

Market environment	<ul style="list-style-type: none">• The market environment has normalized, and demand for health services is currently strong, but varies by service and could be restricted by supply.• Demand for COVID-19 related services is expected to remain active, despite a decline in volumes from previous peak levels. Predicting the volume is, however, difficult.• The overall demand for health services is expected to grow substantially.• The demand for digital services is expected to continue to grow.
Corporate customers	<ul style="list-style-type: none">• Demand for preventive and statutory occupational health services is expected to develop favourably.• Demand for health care varies by service, but overall demand is strong.• Significant changes in the employment rate may be reflected in the underlying demand.
Private customers	<ul style="list-style-type: none">• Overall demand is expected to develop positively and grow clearly. However, demand varies between specialties.• Significant changes in consumer confidence may be reflected in the underlying demand.
Public sector	<ul style="list-style-type: none">• Demand from the public sector is expected to remain strong in occupational health, service sales, and staffing services.• Revenue from the outsourcing business is expected to remain stable.
Sweden	<ul style="list-style-type: none">• In the Swedish occupational health market, demand is expected to develop positively.

Appendix

Key figures

Terveystalo Group, EUR million	7-9/ 2021	7-9/ 2020	Change, %	1-9/ 2021	1-9/ 2020	Change %	2020
Revenue	273,1	240,2	13,7	827,1	706,7	17,0	986,4
Adjusted EBITDA * 1)	48,6	46,1	5,4	146,9	108,3	35,7	162,8
Adjusted EBITDA, % * 1)	17,8	19,2	-	17,8	15,3	-	16,5
EBITDA 1)	46,2	45,5	1,5	143,6	104,6	37,3	158,3
EBITDA, % 1)	16,9	19,0	-	17,4	14,8	-	16,1
Adjusted earnings before interest. taxes and amortization (EBITA) * 1)	31,5	30,9	1,9	99,1	62,6	58,3	101,9
Adjusted EBITA, % * 1)	11,5	12,9	-	12,0	8,9	-	10,3
EBITA 1)	29,1	30,3	-4,0	95,8	58,9	62,6	97,4
EBITA, % 1)	10,7	12,6	-	11,6	8,3	-	9,9
Adjusted EBIT * 1)	23,6	23,4	0,7	79,6	40,1	98,6	71,6
Adjusted EBIT, % * 1)	8,6	9,7	-	9,6	5,7	-	7,3
EBIT	21,2	22,9	-7,2	76,3	36,4	109,5	67,2
EBIT, %	7,8	9,5	-	9,2	5,1	-	6,8
Return on equity (ROE), % 1)	-	-	-	13,0	7,2	-	8,2
Equity ratio, % 1)	-	-	-	43,1	40,7	-	42,1
Earnings per share (EUR)	0,11	0,13	-9,7	0,43	0,18	133,9	0,36
Net debt	-	-	-	529,8	528,0	0,3	490,9
Gearing, % 1)	-	-	-	86,5	96,2	-	85,9
Net debt/adjusted EBITDA (last 12 months) 1)	-	-	-	2,6	3,4	-	3,0
Total assets	-	-	-	1 424,4	1 351,0	5,4	1 361,0
Adjusted EBITDA (last 12 months), excluding IFRS 16*1)	-	-	-	155,7	111,1	40,1	118,0
Net debt, excluding IFRS 16	-	-	-	355,1	349,9	1,5	312,4
Adjusted net debt/adjusted EBITDA (last 12 months), excluding IFRS 16*1)	-	-	-	2,3	3,1	-	2,6
Average personnel in person-years	-	-	-	6 020	5 023	19,8	4 900
Personnel (end of period)	-	-	-	9 622	8 226	17,0	8 253
Private practitioners (end of period)	-	-	-	5 191	5 210	-0,4	5 057

*1) 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.

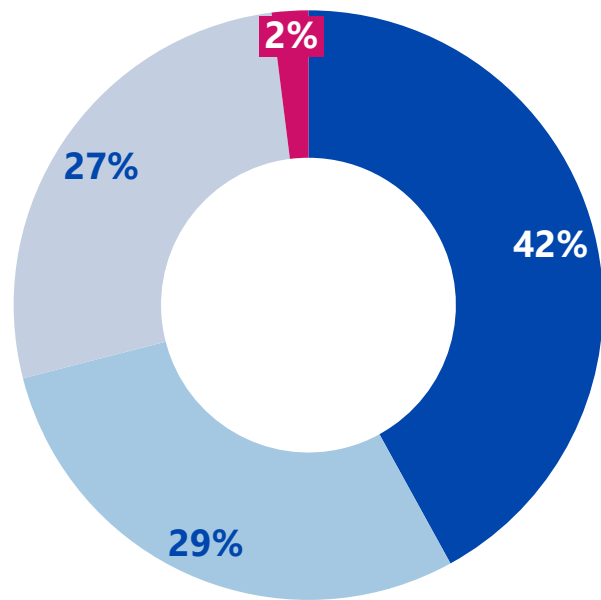
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Feelgood AB – key figures

SEK, thousand	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21
Revenue	204,393	213,110	138,429	220,230	208,448	185,825	125,102	204,733	193,469	206,243
EBITDA	24,371	28,626	-1,612	34,157	24,155	18,486	-464	38,926	20,775	27,167
EBIT	12,921	16,570	-13,704	21,594	11,184	2,778	-13,004	21,787	4,854	11,048
Result before taxes	12,010	15,563	-14,648	20,381	10,301	1,940	-13,814	20,005	3,639	10,136
EBITDA-margin	11.9 %	13.4 %	-1.2 %	15.5 %	11.6 %	9.9 %	-0.4 %	19.0 %	10.7 %	13.2 %
EBIT-margin	6.3 %	7.8 %	-9.9 %	9.8 %	5.4 %	1.5 %	-10.4 %	10.6 %	2.5 %	5.4 %

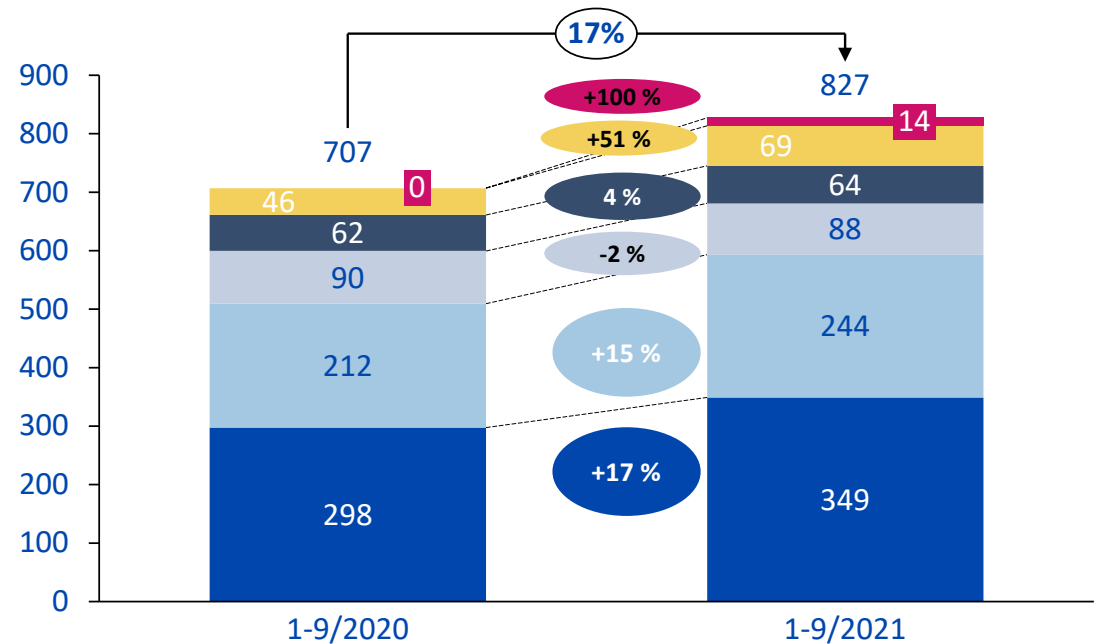
Jan-Sep/21 revenue grew 17% y-o-y, and 9% vs. 2019

1-9/21 revenue breakdown, %



Corporate Public
Private Sweden and others

1-9/2021 revenue breakdown, M€

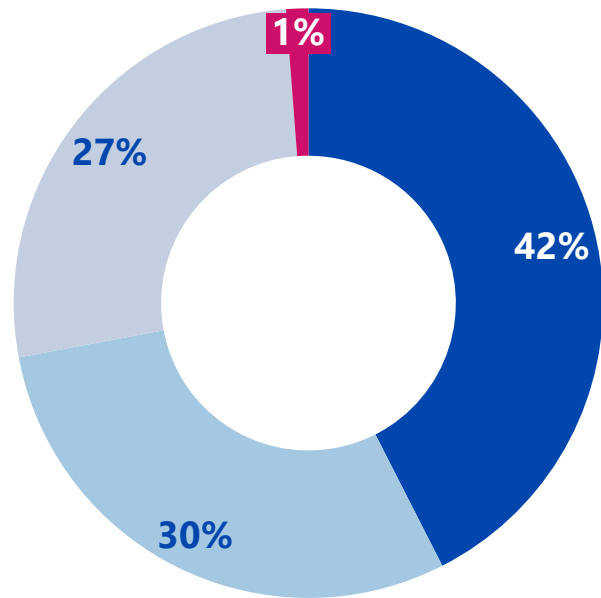


Corporate Staffing
Private Service sales, OH and others
Outsourcing Sweden and others

Terveystalo

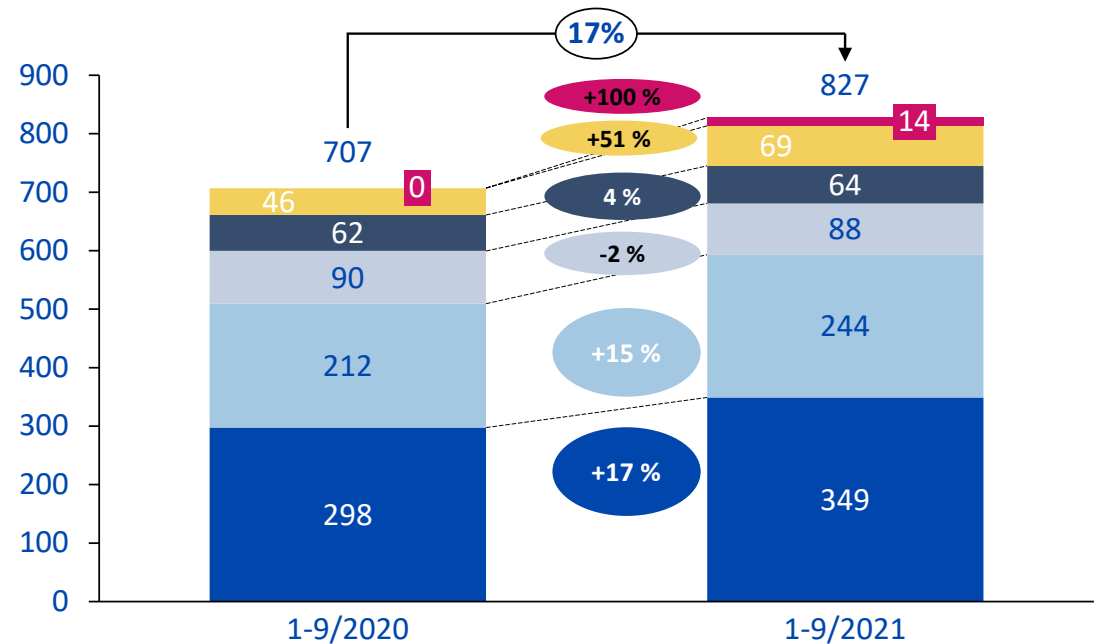
Jan-Sep/21 revenue grew 17% y-o-y, and 9% vs. 2019

LTM revenue breakdown, %



■ Corporate ■ Private
■ Public ■ Sweden and others

1-9/2021 revenue breakdown, M€

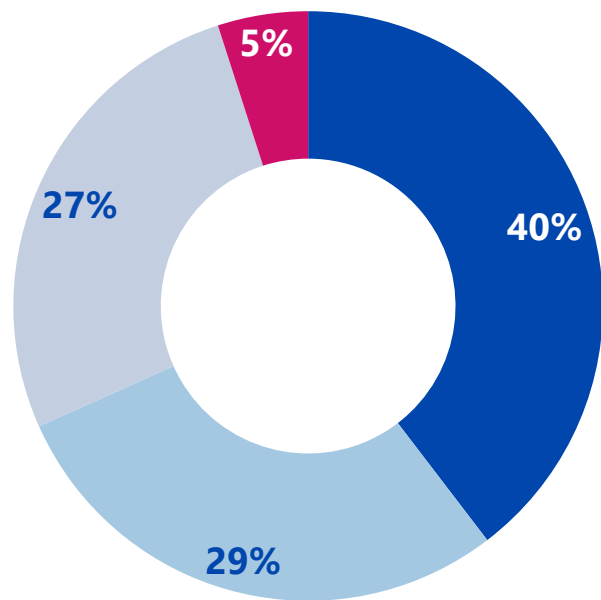


■ Corporate ■ Staffing
■ Private ■ Service sales, OH and others
■ Outsourcing ■ Sweden and others

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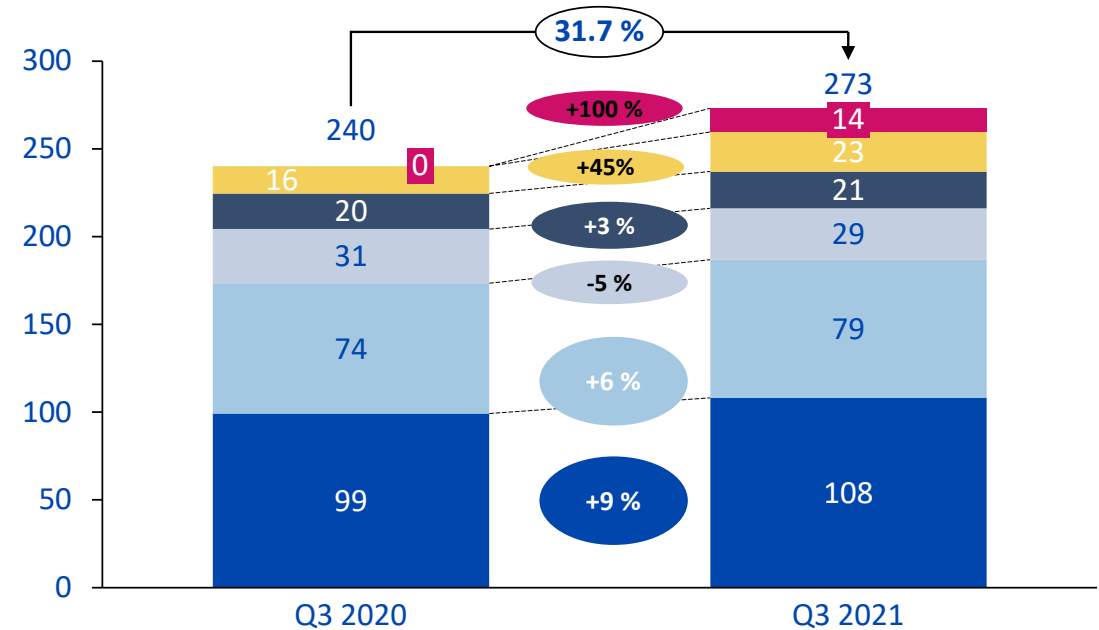
Q3/21 revenue by payor group

Q3/21 revenue by payor group*, %



■ Corporate ■ Private
■ Public ■ Sweden and others

Q3/2021 revenue split, M€



■ Corporate ■ Staffing
■ Private ■ Service sales, OH and others
■ Outsourcing ■ Sweden and others

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