

Terveystalo Q4/FY 2021 results: Growing as a stronger business

VILLE IHO, PRESIDENT & CEO

ILKKA LAURILA, CFO

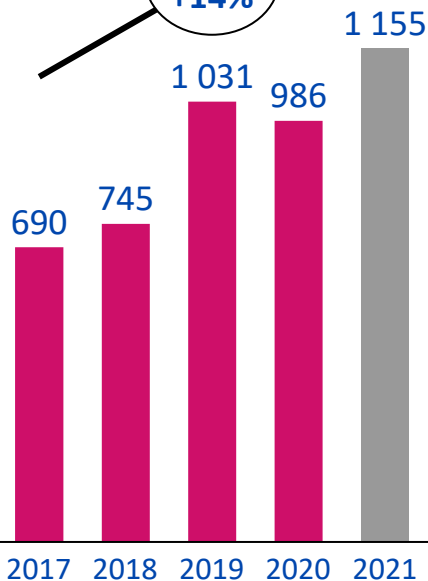
Growing as a stronger business

Strong finish to the year 2021	<p>Good underlying demand despite Omicron surge</p> <p>Record high Covid-19 testing activity</p> <p>Supply bottlenecks compensated by ramping up digital offering</p>
Strong core business is growing stronger	<p>All financial targets were achieved</p> <p>Record high customer and employee satisfaction</p> <p>Over 1 million digital visits</p>
More opportunities for growth	<p>Strong demand drivers in core business</p> <p>Larger addressable market with our entry to Sweden</p> <p>Digital business offers new opportunities mid-term</p>

Continued progress against financial and strategic objectives

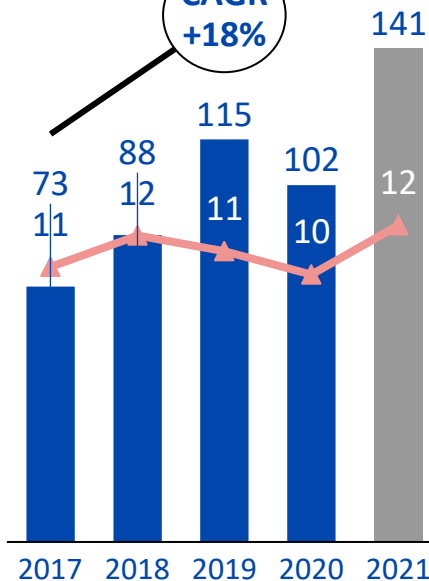
2021 REVENUE +17%

Y-O-Y
CAGR
+14%

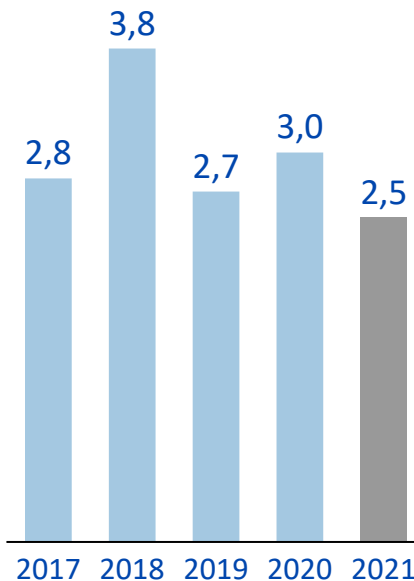


12% ADJ. EBITA
MARGIN

CAGR
+18%



NET DEBT/
EBITDA 2,5



THE PREFERRED CHOICE BY CUSTOMERS
AND PROFESSIONALS

NPS 83

RECORD HIGH CUSTOMER
SATISFACTION



Industry Best
Hospital & Health Care

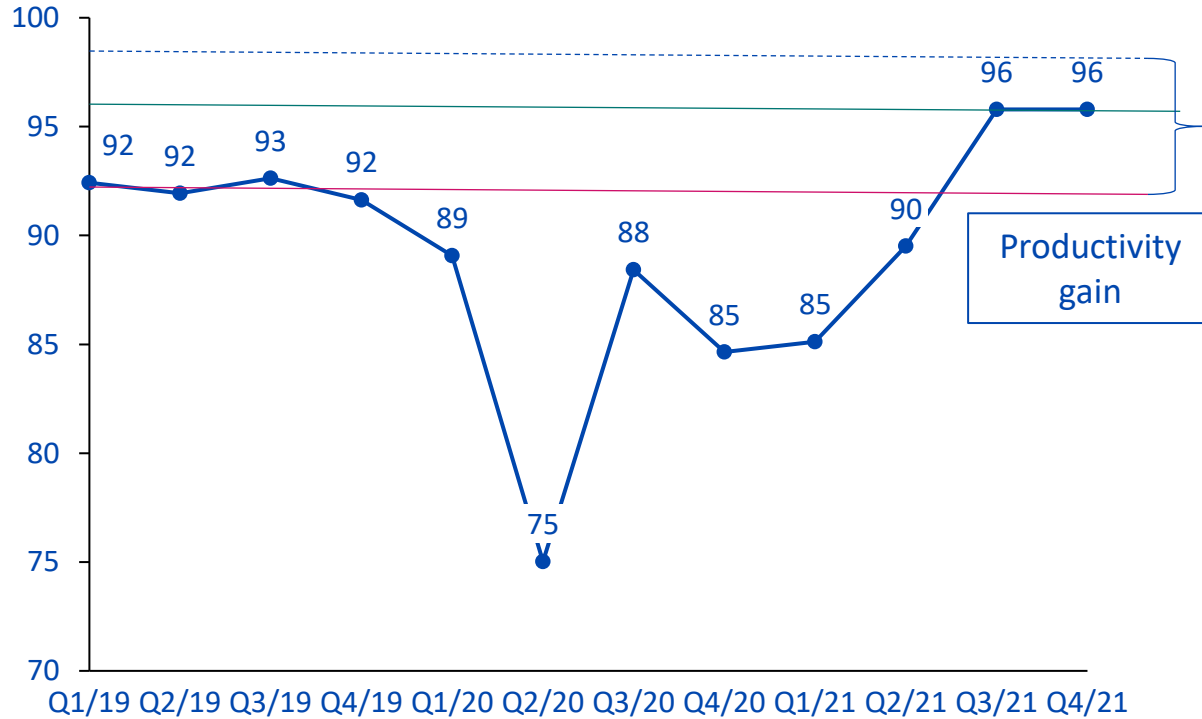
Terveystalo

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

Strong operational performance to meet record high underlying demand

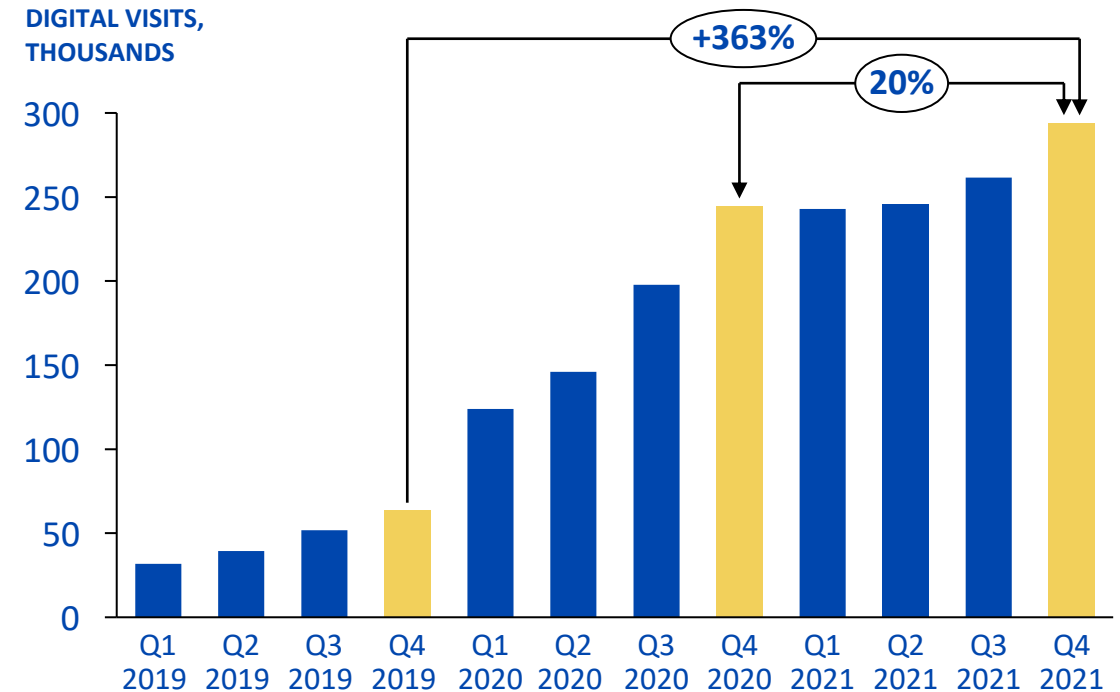
WE WORK HARD TO RAMP UP THE SUPPLY TO MEET HIGH DEMAND

DOCTOR APPOINTMENT BOOKING RATE, %



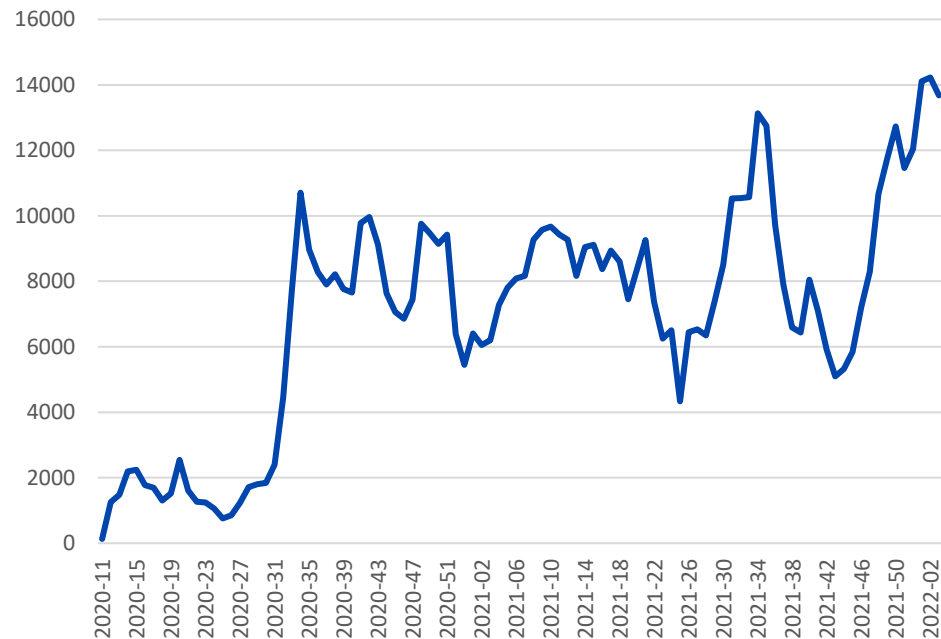
DIGITAL APPOINTMENTS FURTHER IMPROVE PRODUCTIVITY AND ACCESS TO CARE

DIGITAL VISITS, THOUSANDS



Covid-19 related services gave a further boost to the business

RECORD HIGH TESTING ACTIVITY IN Q4



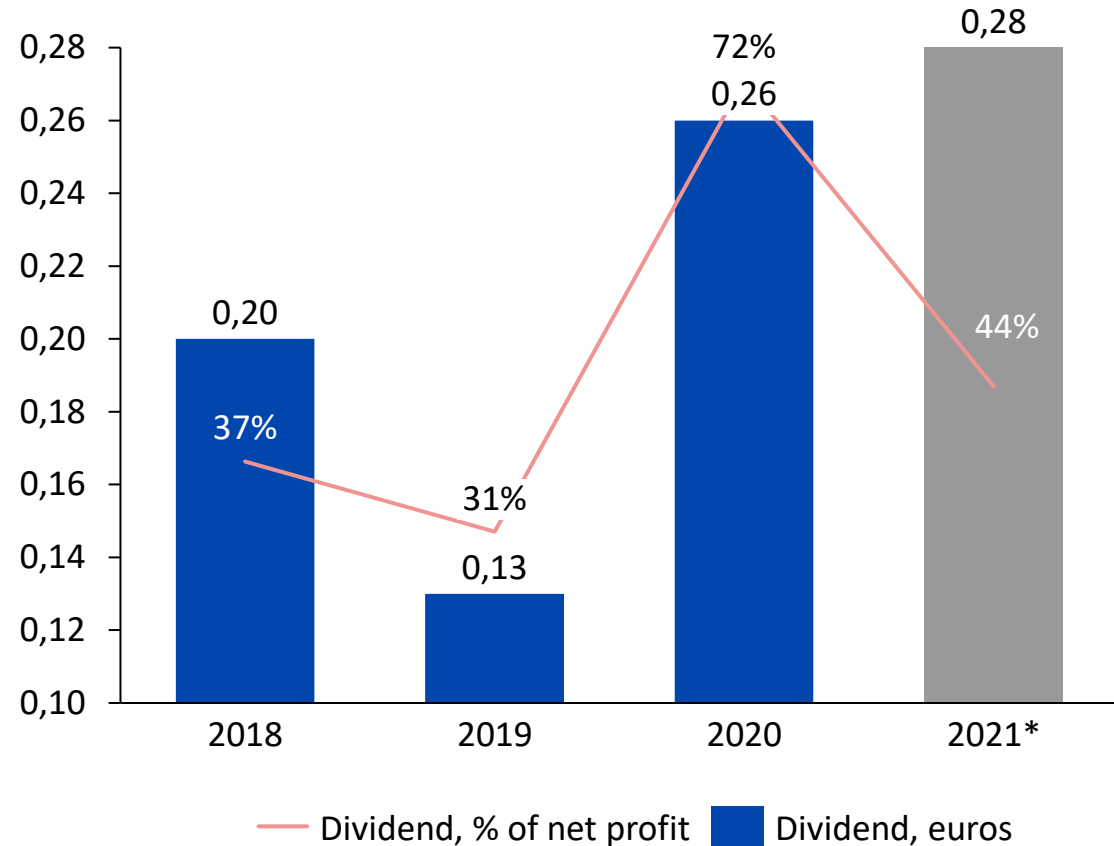
- Terveystalo has gained market share in a highly competitive market.
- However, the unit prices of the tests have decreased due to the competition and the trend is expected to continue. Testing also requires a lot of human resources.
- Covid-19 tests are currently replacing some of the normal laboratory tests for infections – these volumes are expected to recover once the covid-19 testing winds down.

Source: <https://avoinaraportointi.terveystalo.com/korona/>
Note: Reporting does not include corporate co-operations.

Opportunities for value creating capital allocation have improved

OUR DIVIDEND POLICY IS TO DISTRIBUTE AT LEAST 40% OF EARNINGS PER SHARE IN DIVIDENDS

- A dividend of EUR 0.28 (0.26) per share is proposed, corresponding 44% (72%) of earnings
- Thanks to our strong balance sheet, are well positioned to invest in growth.



*Proposed dividend

Financial performance

ILKKA LAURILA, CFO

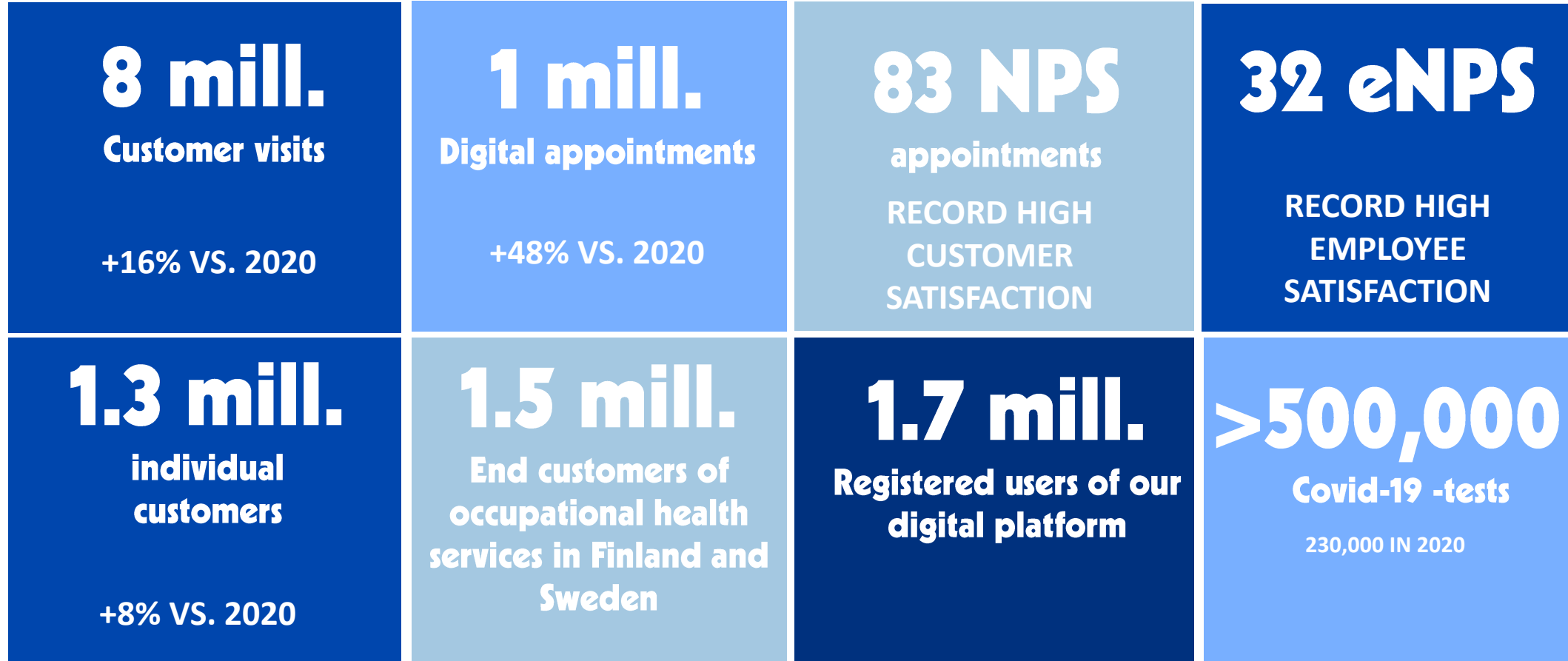
Growing as a stronger business also means stronger financials

Strong revenue growth and profitability – financial targets achieved	Full year 2021 revenue EUR 1,155 million, + 17% y-o-y Full year 2021 Adj. EBITA EUR 141 million, +38.4% y-o-y and 12.2% of revenue
Disciplined financial strategy and growing financial strength – capacity to invest in growth	Net debt / adj. EBITDA 2.5x Cash flow from operating activities EUR 195 million
Continued investments in digital platform	Gross capex 4.1% of revenue (excluding M&A)

All financial targets exceeded in 2021

	Growth	Profitability	Capital structure	Dividend
Target	Annual revenue growth of at least 5% through organic growth and acquisitions	Adjusted EBITA margin of at least 12–13% in the medium to long term	The net debt/adjusted EBITDA ratio of 3.5x or less	The target is to distribute a minimum of 40% of net profit as dividends annually.
Achievements in 2021	Revenue +17% to EUR 1,155 million	Adj. EBITA margin 12% of revenue	Net debt/adjusted EBITDA 2.5x	A dividend of EUR 0.28 per share is proposed, 44% of the net profit for the financial period

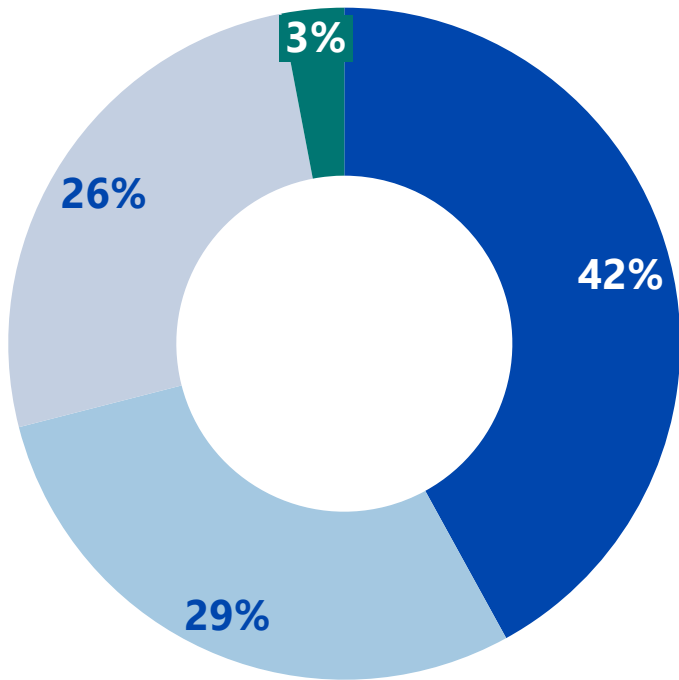
Strong operational performance



THE FIGURES DO NOT INCLUDE SWEDEN UNLESS OTHERWISE STATED

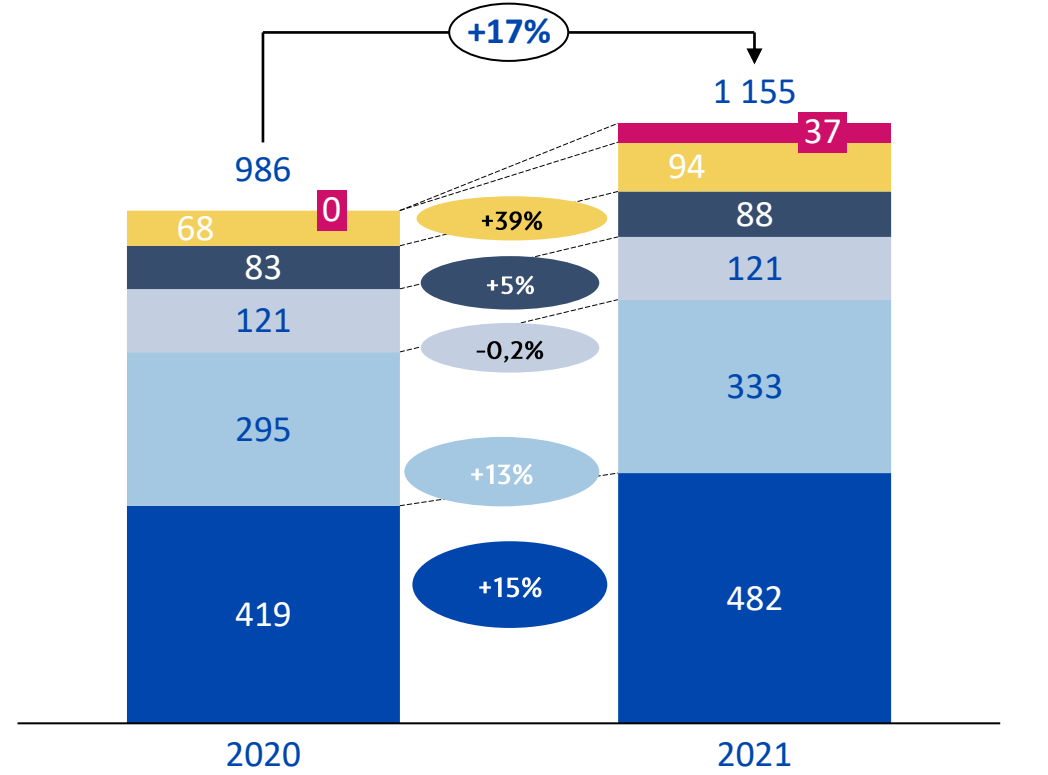
Strong growth in core business in 2021

2021 REVENUE BREAKDOWN, %



■ Corporate ■ Public
■ Private ■ Sweden and others

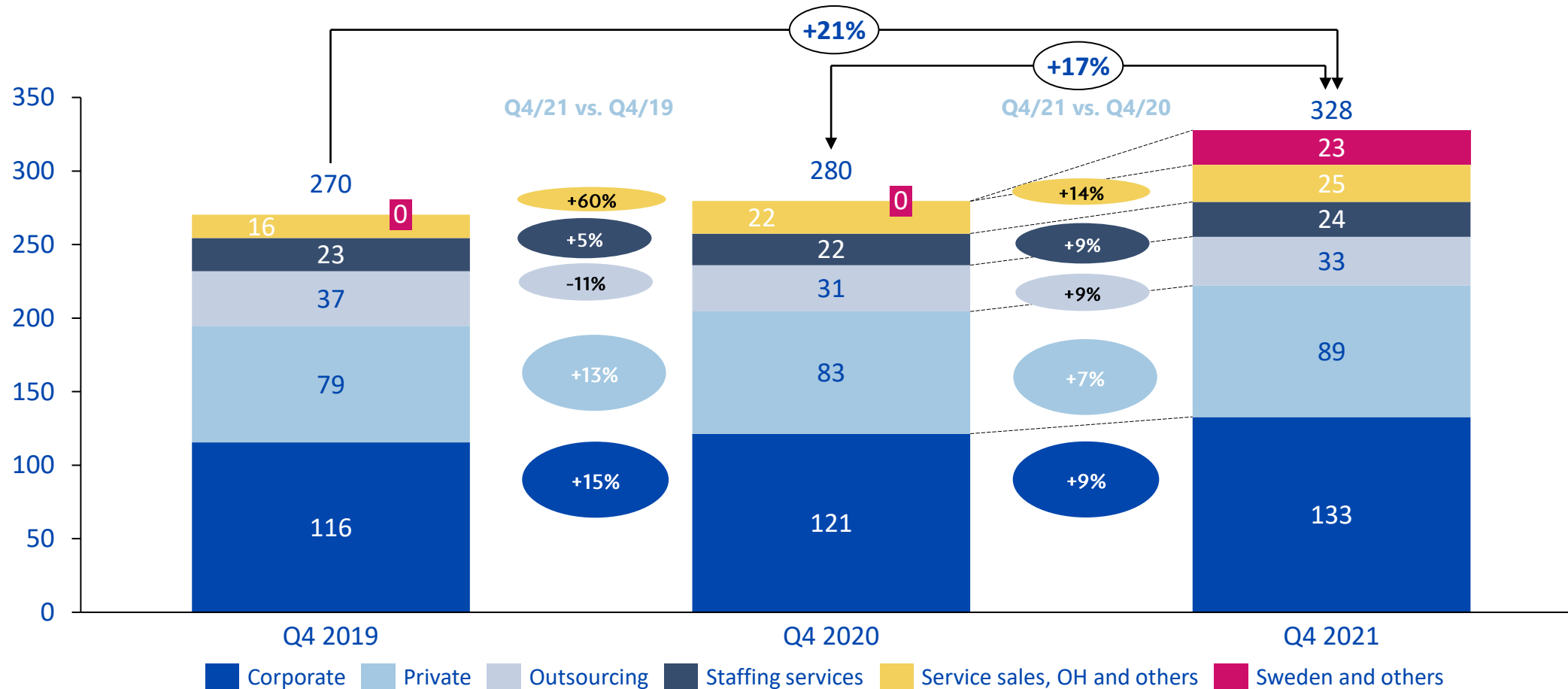
2021 REVENUE BREAKDOWN, M€



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

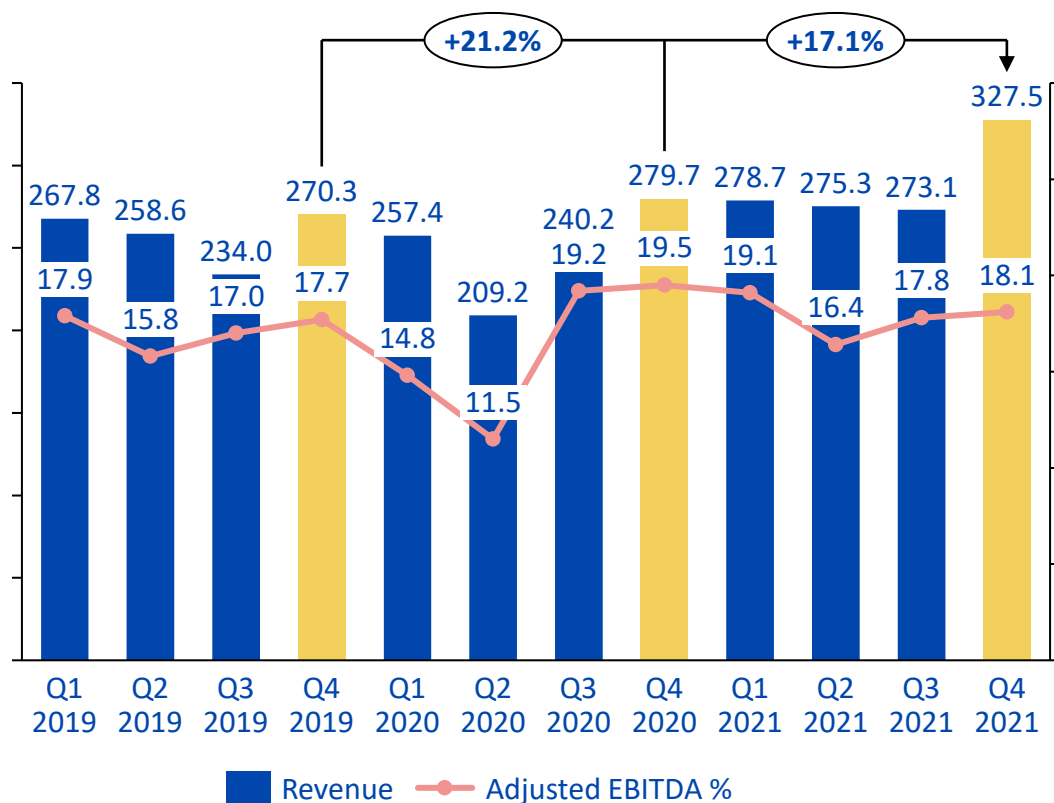
High growth continued in Q4

Q4/21 revenue distribution compared to Q4/19 ja Q4/20, M€

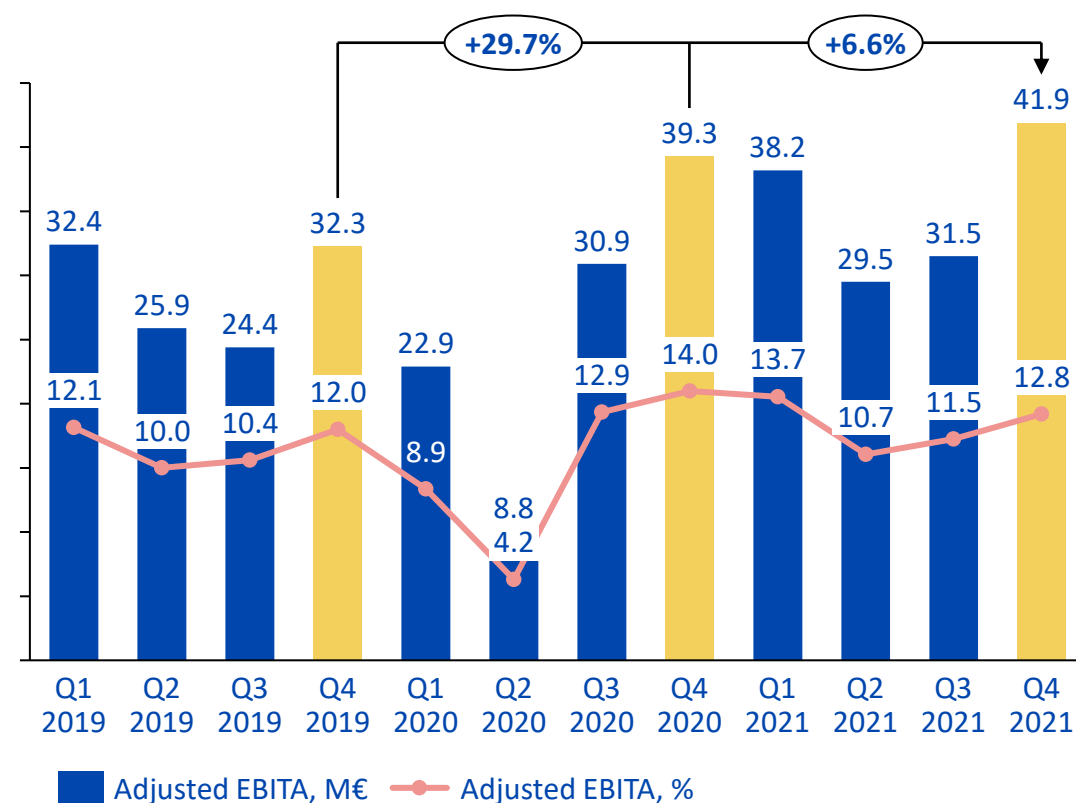


Profitability reached our targeted level

REVENUE, MEUR AND ADJUSTED EBITDA*-%



ADJUSTED EBITA*, MEUR AND %



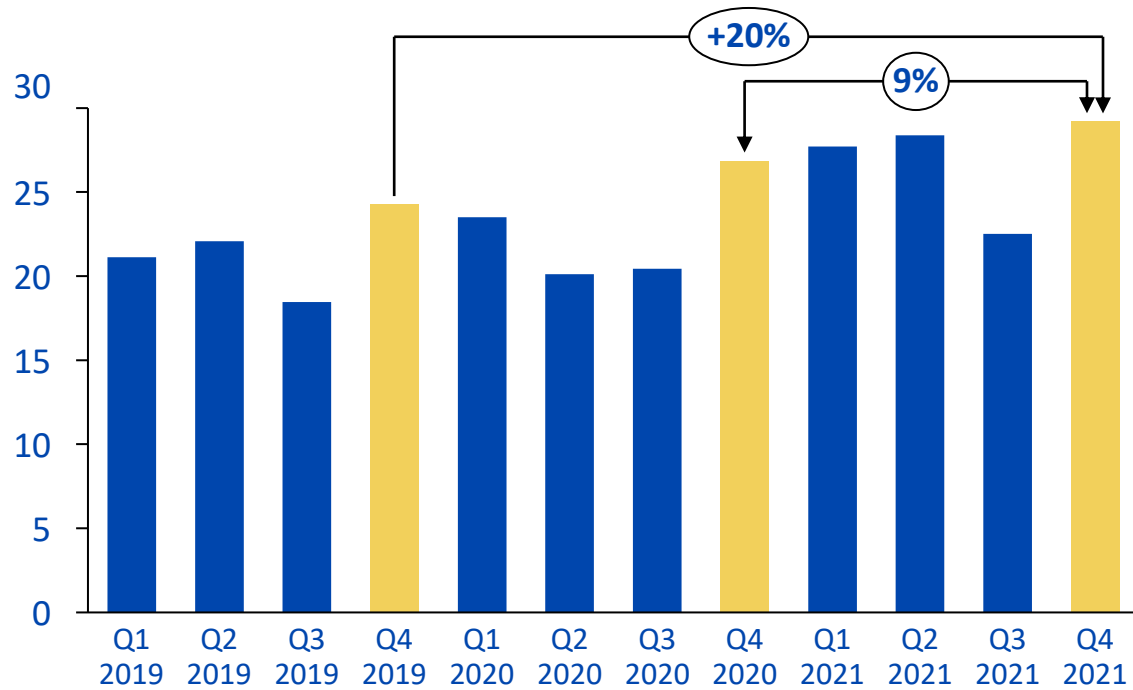
COVID-19 related services increased personnel costs, cost savings in place in the comparison period

M€	10-12/2021	10-12/2020	Change %	2021	2020	Change %
Revenue	327.5	279.7	17.1	1 154.6	986.4	17.1
Other operating income	1.2	0.8	61.6	3.4	2.7	25.3
Purchase of materials	-10.4	-9.6	8.9	-34.8	-35.5	-1.9
Change in inventories	-0.4	-0.9	-54.2	-0.6	1.3	-147.4
External services	-125.1	-112.4	11.3	-453.4	-413.4	9.7
Employee benefit expenses	-109.8	-84.6	29.9	-378.2	-310.2	21.9
Rents, leases and premises	-4.7	-3.8	23.3	-18.1	-16.3	11.3
IT expenses	-8.2	-6.8	20.0	-29.7	-25.2	17.9
Other operating expenses	-11.9	-8.6	38.0	-41.3	-31.5	31.0
EBITDA	58.2	53.7	8.3	201.8	158.3	27.4
Adjustments*	1.0	0.8	20.0	4.3	4.5	-4.3
Adjusted EBITDA	59.1	54.5	8.4	206.1	162.8	26.6
EBIT	33.9	30.8	10.1	110.1	67.2	64.0

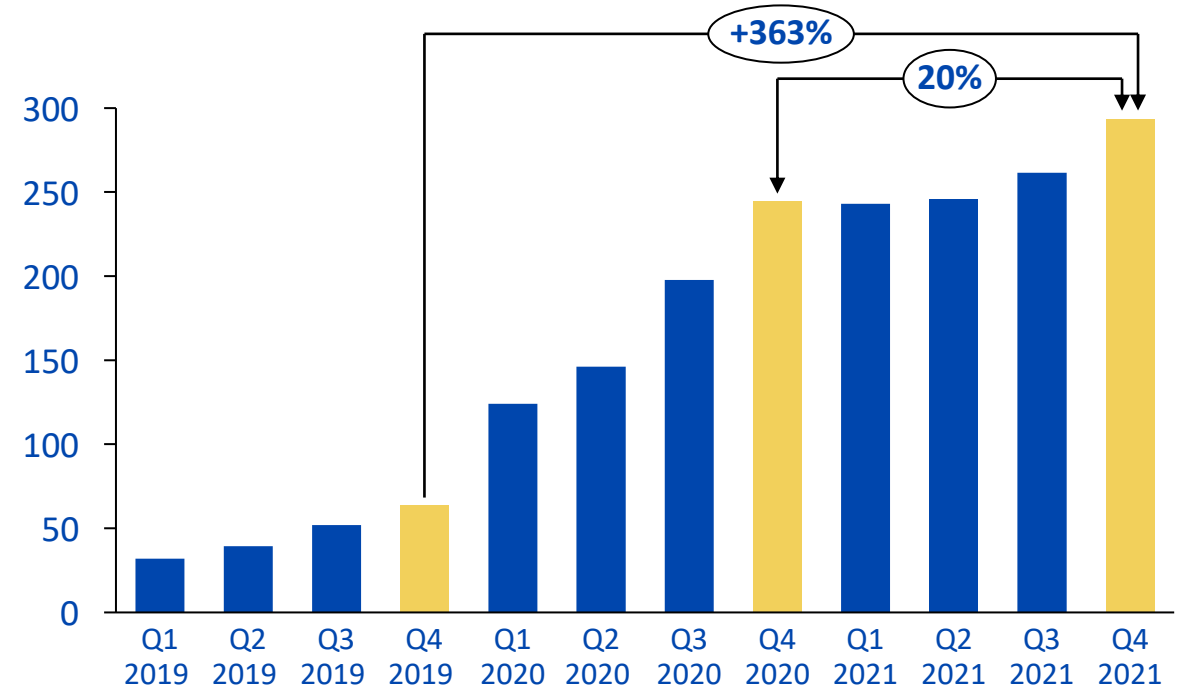
■ Variable costs
 ■ Semi-fixed costs, scalable on a unit level
 ■ Fixed costs, scalable on a group level

Strong trend in well-being and digital visits continued

WELL-BEING SALES, MEUR

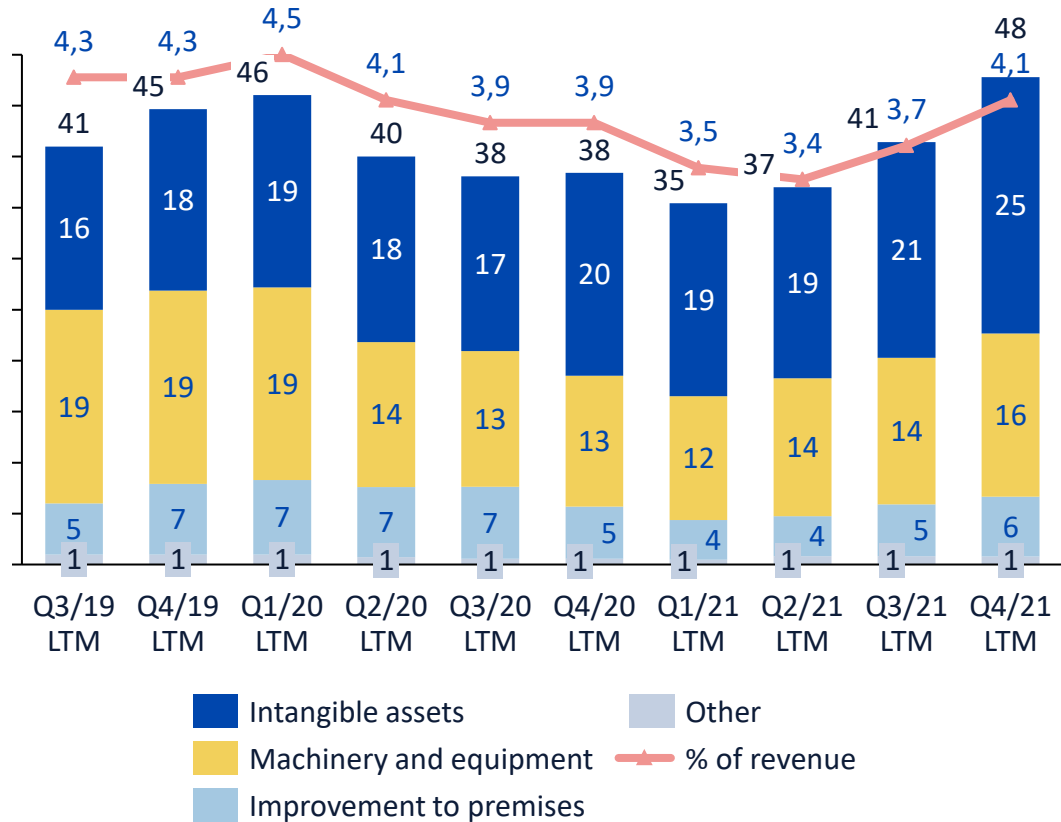


DIGITAL VISITS, THOUSANDS

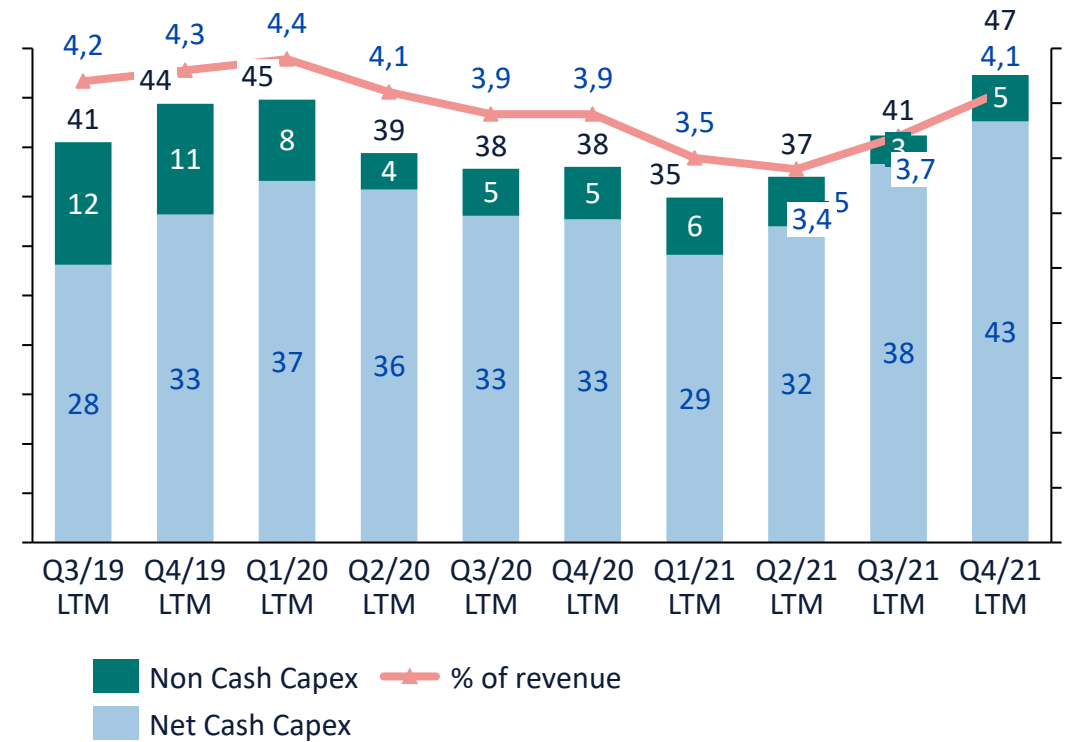


We continue to invest in our digital platform

GROSS CAPEX, MEUR AND %- OF REVENUE

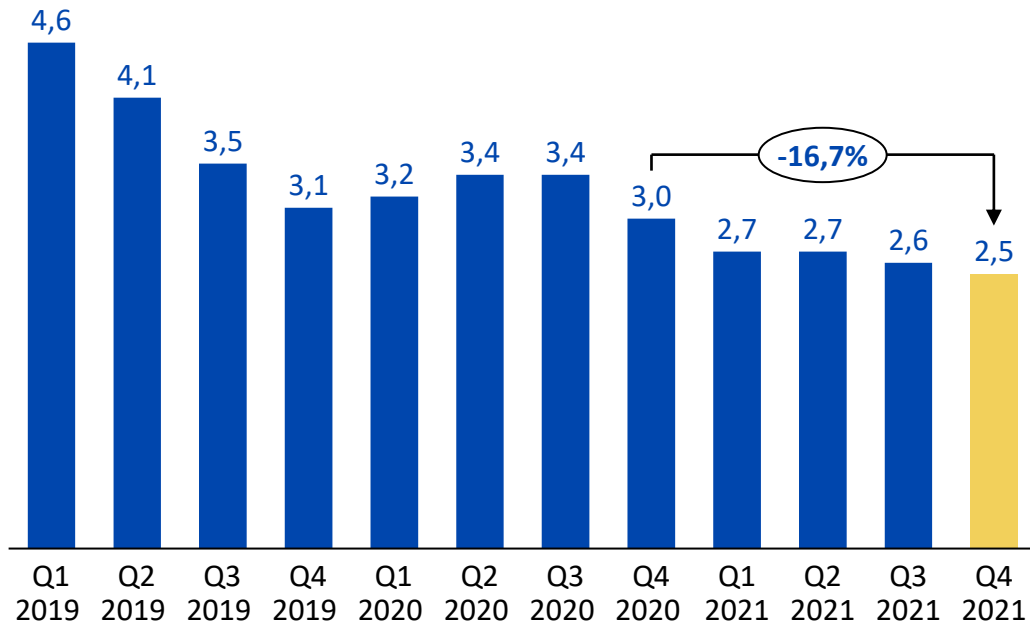


NET CAPEX, MEUR AND %- OF REVENUE

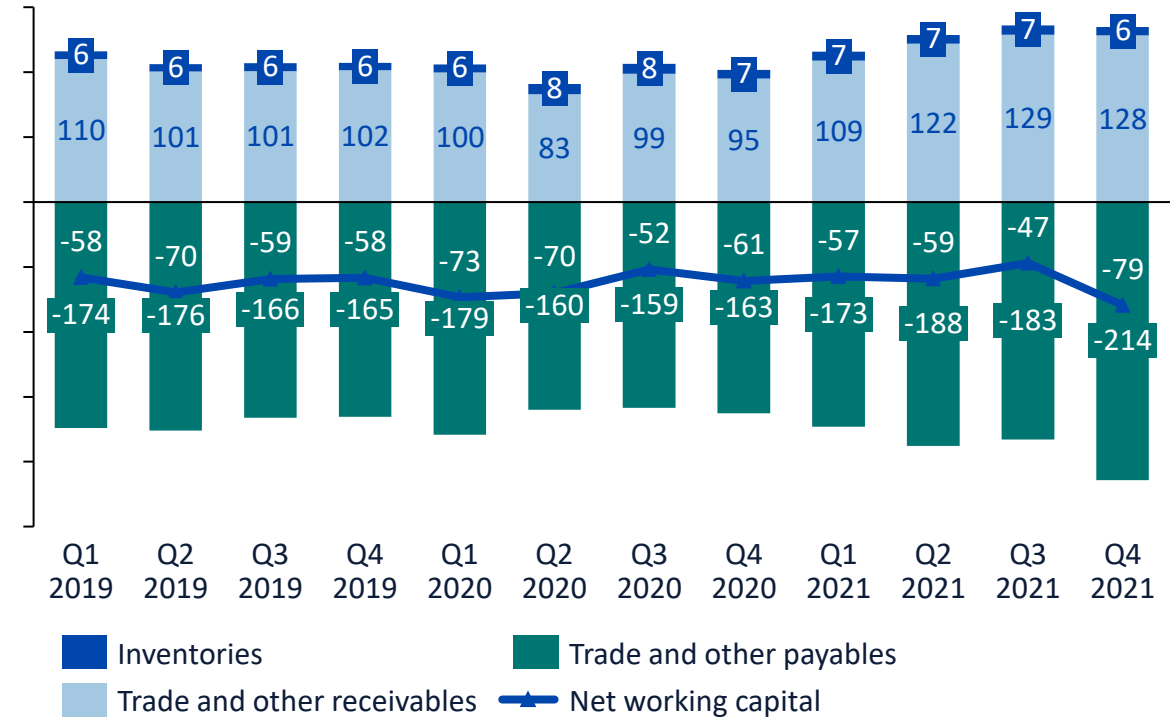


Disciplined financial strategy and growing financial strength – capacity to invest in growth

NET DEBT/ADJUSTED EBITDA (LTM)

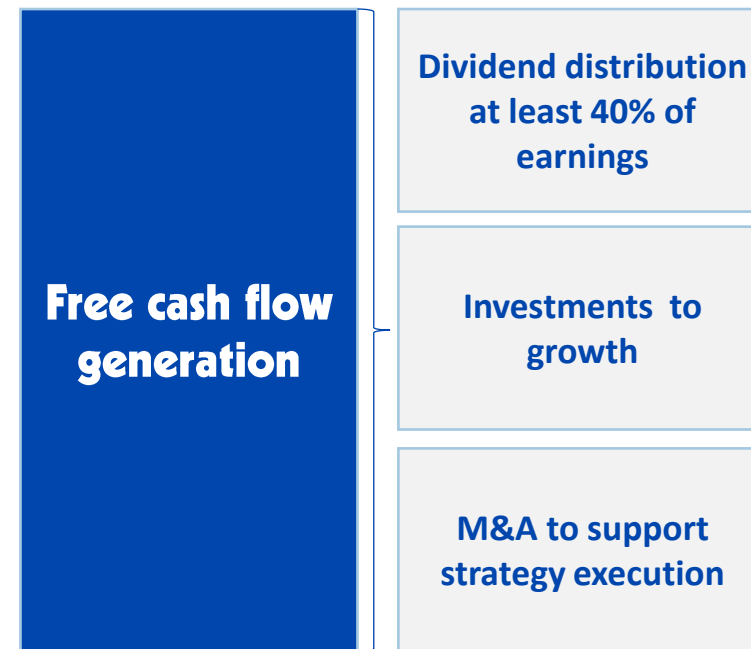
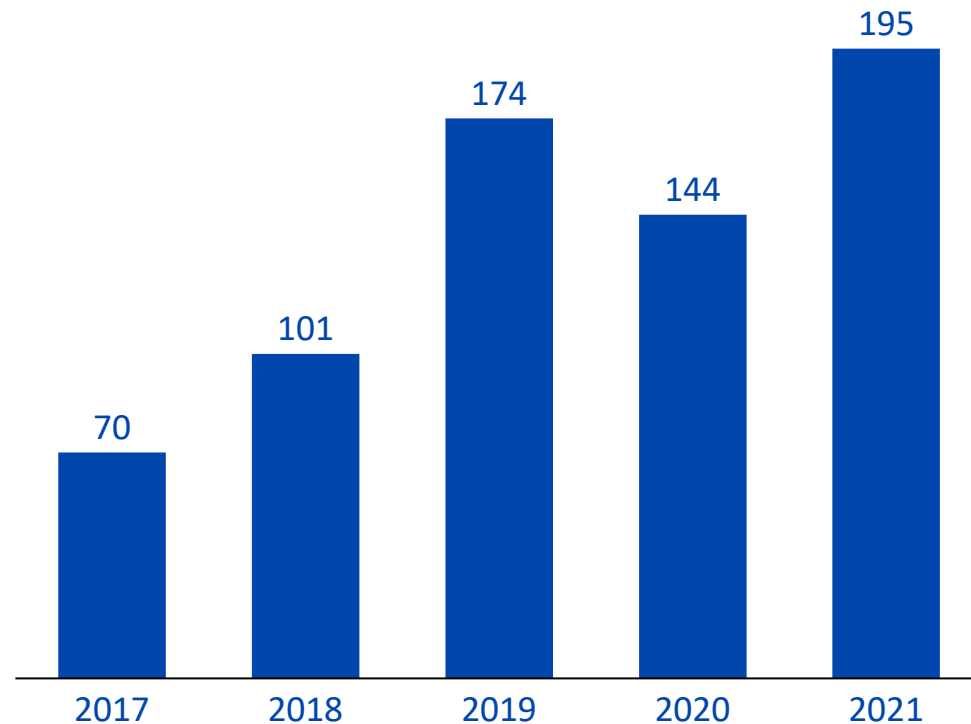


OPERATIONAL EFFICIENCY IS REFLECTED IN THE NEGATIVE NET WORKING CAPITAL



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

OPERATING CASH FLOW



Outlook

Outlook – The next 6 months vs. last 6 months

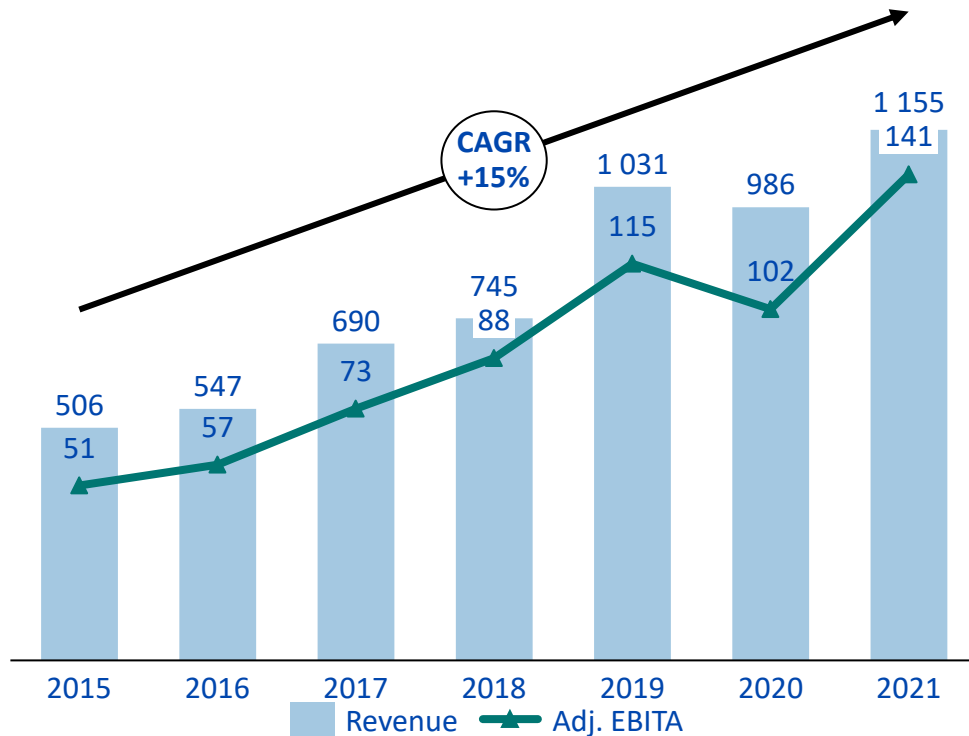
Market environment	<ul style="list-style-type: none"> • The market environment has normalized and the demand for health services is broad and very solid. However, growth is restricted by supply. • The demand for services related to COVID-19 is expected to remain good. However, predicting the volume is difficult. • The overall demand for health services is expected to remain at a high level. • The demand for digital services is expected to continue to grow.
Corporate customers	<ul style="list-style-type: none"> • Demand from corporate customers for preventive and statutory occupational health services is expected to develop favorably. • Demand for medical care 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 remain strong in the private customer segment. • 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"> • Demand in the Swedish occupational health market is expected to develop favorably due to pent-up demand in the wake of the pandemic. • However, the spreading of the Omicron variant and new restrictions have again resulted in uncertainty of demand in the short term.

More opportunities for growth

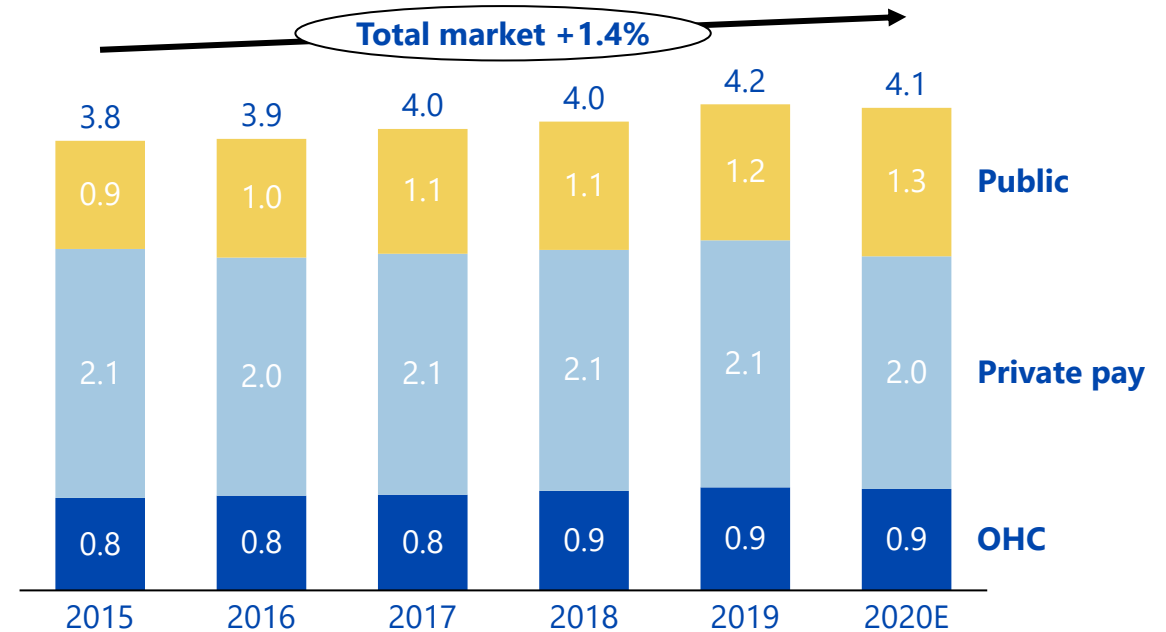
VILLE IHO, PRESIDENT AND CEO

We have grown profitably in our core business with industry leading margins, outpacing market growth significantly

TERVEYSTALO CAGR 2015-2021

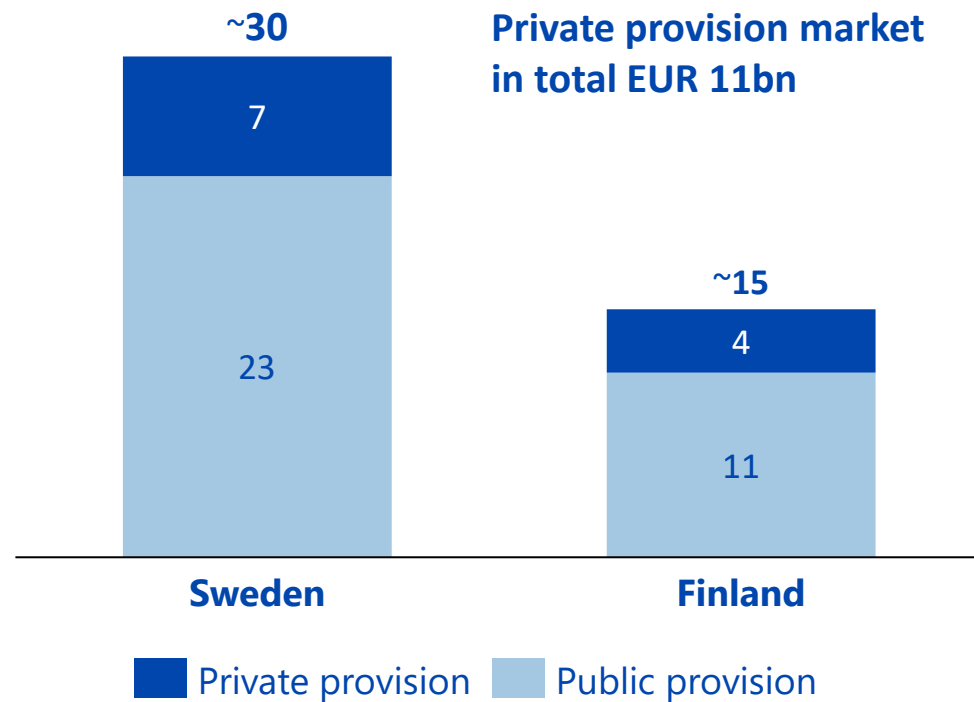


TERVEYSTALO'S ADDRESSABLE MARKET 2015-2020, €BN



Expansion to Sweden offers more opportunities for capital allocation and growth

LARGER ADDRESSABLE MARKET



MULTIPLE GROWTH AVENUES IN SWEDEN

- Organic and in-organic growth in occupational health
 - Positive organic development, 3 acquisitions completed so far
- Introducing new value adding services in all payor groups
- Care-chain co-ordination and integration

New opportunities to scale our proprietary digital suite

Digital health is already mainstream in our business

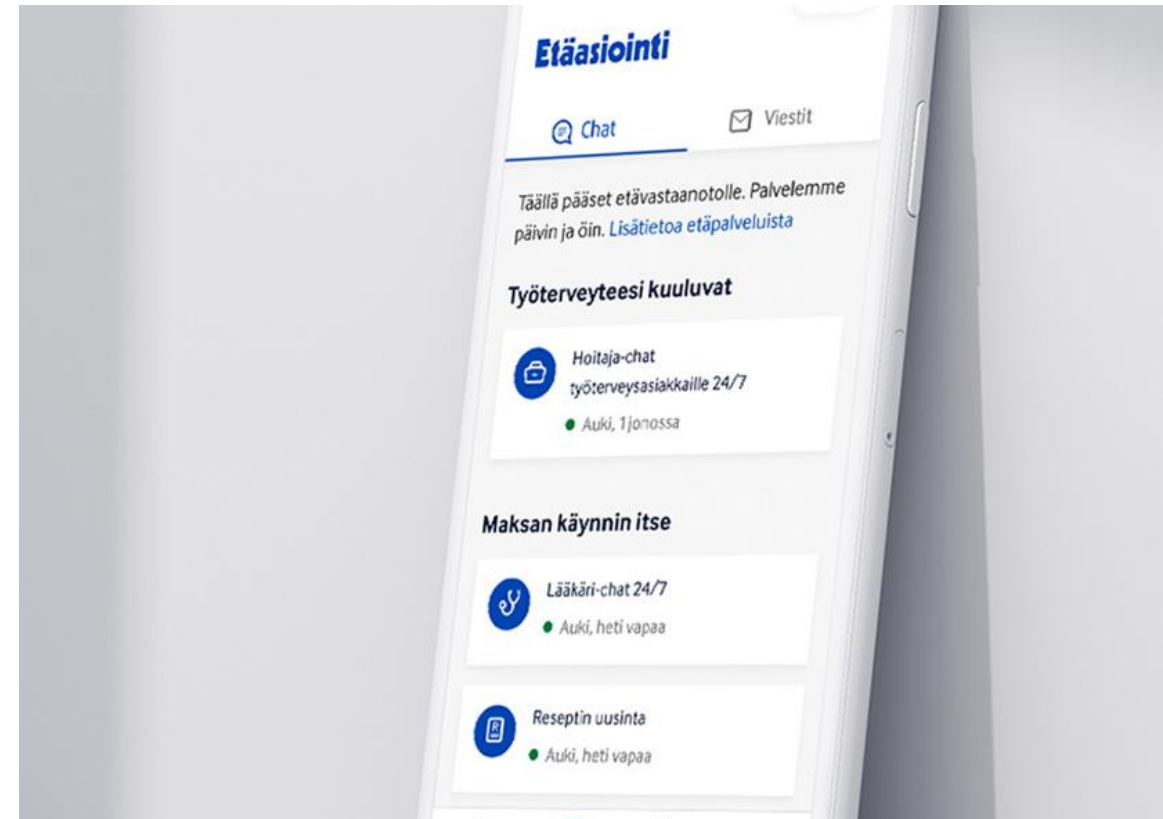
Clear synergy potential in scaling our digital capabilities across our different markets

2 new growth areas emerging:

Public sector demand for a white label digital suite

In-bound demand from European 3. parties which we can look to commercialize

Our medium to long term target is to further accelerate the growth of our digital business



Growing as a stronger business

Strong finish to the year 2021	<p>Good underlying demand despite Omicron surge</p> <p>Record high Covid-19 testing activity</p> <p>Supply bottlenecks compensated by ramping up digital offering</p>
Strong core business is growing stronger	<p>All financial targets were achieved</p> <p>Record high customer and employee satisfaction</p> <p>Over 1 million digital visits</p>
More opportunities for growth	<p>Strong demand drivers in core business</p> <p>Larger addressable market with our entry to Sweden</p> <p>Digital business offers new opportunities mid-term</p>

Q&A



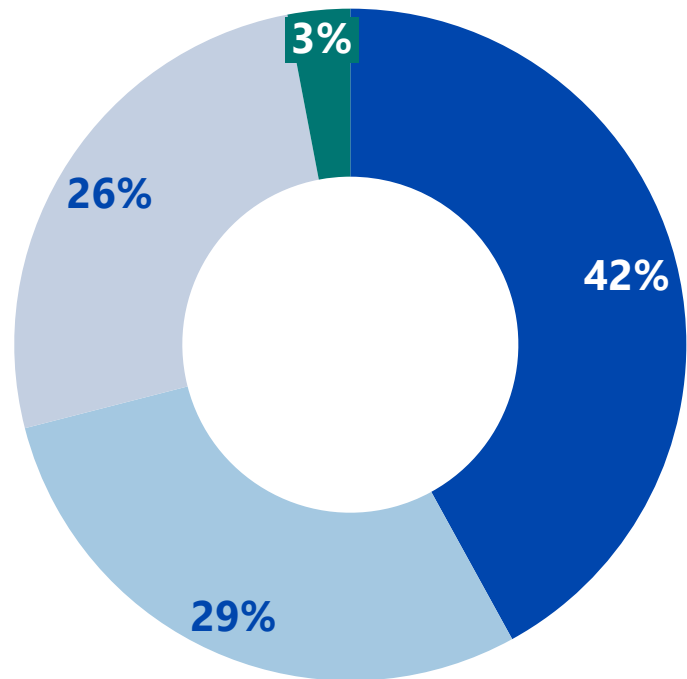
Terveystalo

Kohti parempaa.

Appendix

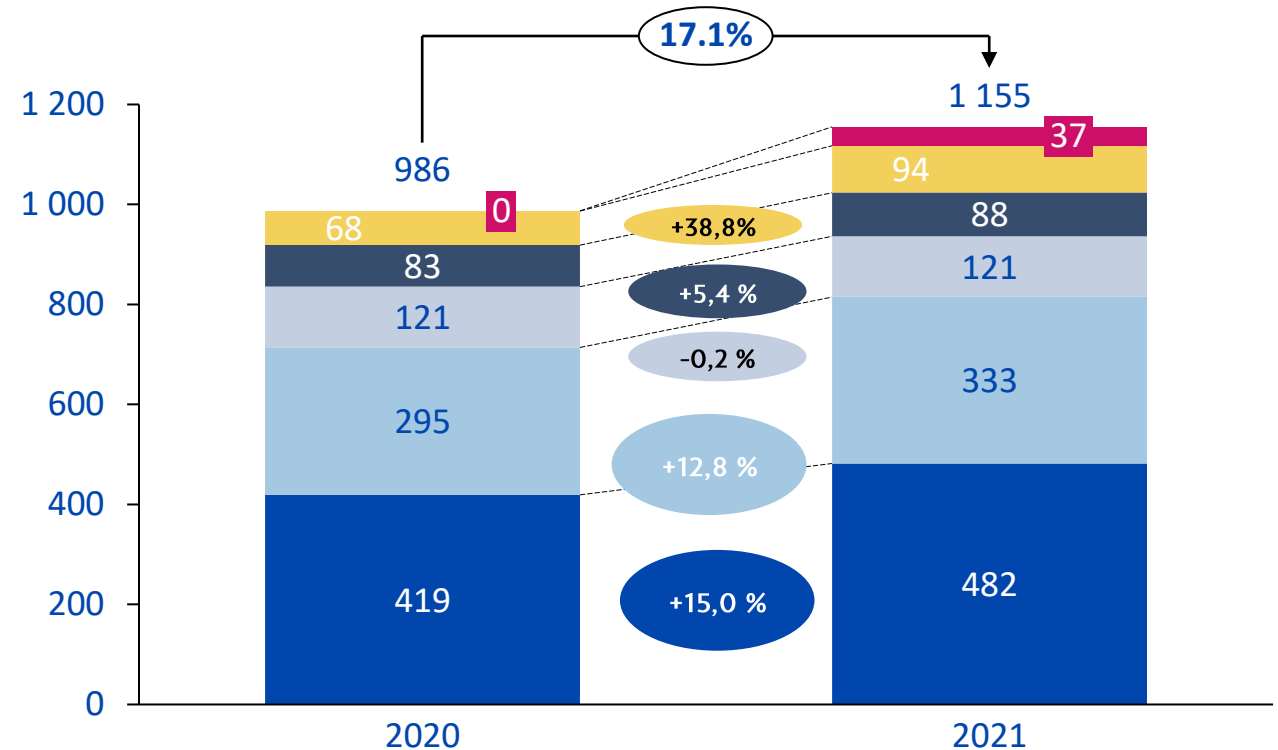
Full year revenue grew 17% y-o-y, and 21% vs. 2019

2021 revenue breakdown, %



■ Corporate ■ Public
■ Private ■ Sweden and others

2021 revenue breakdown, M€



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

Feelgood has been consolidated since the end of June 2021

MEUR	31.12.2021	31.12.2020
ASSETS		
Property, plant and equipment	72.0	67.6
Right of use assets	172.5	172.4
Goodwill	848.6	781.8
Other intangible assets	175.2	152.2
Other assets	142.1	109.3
Cash and cash equivalents	38.1	77.1
TOTAL ASSETS	1,448.6	1,361.0
EQUITY AND LIABILITIES		
TOTAL EQUITY	608.9	571.4
Interest bearing liabilities	378.8	389.5
Lease liabilities	178.5	178.4
Other liabilities	282.5	221.7
TOTAL LIABILITIES	839.7	789.6
TOTAL EQUITY AND LIABILITIES	1,448.6	1,361.0

- Cash and cash equivalents EUR 38.1 (77.1) million
- Total assets EUR 1 448.6 (1 361.0) million
- Equity attributable to owners of the parent company EUR 608.9 (571.4) million
- Net debt EUR 519.0 (490.9) million
- Net debt / adjusted EBITDA 2.5 (3.0)
- A new (in Q2) short-term financing agreement of EUR 70 million, and the loan was fully drawn during the year.
- The financing agreement includes an option to defer repayment until 2023.
- The company plans to replace the financing agreement with a long-term financing agreement during 2022.

Key figures

Terveystalo Group, MEUR	10-12/ 2021	10-12/ 2020	Change, %	2021	2020	Change, %
Revenue	327.5	279.7	17.1	1,154.6	986.4	17.1
Adjusted EBITDA, * 1)	59.1	54.5	8.4	206.1	162.8	26.6
Adjusted EBITDA, % * 1)	18.1	19.5	-	17.8	16.5	-
EBITDA 1)	58.2	53.7	8.3	201.8	158.3	27.4
EBITDA, % 1)	17.8	19.2	-	17.5	16.1	-
Adjusted EBITA * 1)	41.9	39.3	6.6	141.0	101.9	38.4
Adjusted EBITA, % * 1)	12.8	14.0	-	12.2	10.3	-
EBITA 1)	40.9	38.5	6.3	136.7	97.4	40.3
EBITA, % 1)	12.5	13.8	-	11.8	9.9	-
Adjusted EBIT * 1)	34.8	31.6	10.3	114.4	71.6	59.7
Adjusted EBIT, % * 1)	10.6	11.3	-	9.9	7.3	-
EBIT	33.9	30.8	10.1	110.1	67.2	64.0
EBIT, %	10.3	11.0	-	9.5	6.8	-
Return on equity (ROE), % 1)	-	-	-	13.6	8.2	-
Equity ratio, % 1)	-	-	-	42.2	42.1	-
Earnings per share (EUR)	0.20	0.18	15.5	0.63	0.36	75.9
Net debt	-	-	-	519.0	490.9	5.7
Gearing, % 1)	-	-	-	85.2	85.9	-
Net debt/adjusted EBITDA (last 12 months) 1)	-	-	-	2.5	3.0	-
Total assets	-	-	-	1,448.6	1,361.0	6.4
Adjusted EBITDA (last 12 months), excluding IFRS 16*1)	-	-	-	156.9	118.0	33.0
Net debt, excluding IFRS 16	-	-	-	340.6	312.4	9.0
Adjusted net debt/adjusted EBITDA (last 12 months), excluding IFRS 16*1)	-	-	-	2.2	2.6	-
Average personnel in person-years	-	-	-	5,643	4,900	15.2
Personnel (end of period)	-	-	-	9,805	8,253	18.8
Private practitioners (end of period)	-	-	-	5,754	5,057	13.8
Responsibility						
Quality index ²⁾				94.6	94.2	0.4
Net Promoter Score (NPS), appointments				83.0	82.8	0.2
Employee Net Promoter Score (eNPS)				32	18	77.8
Mixed waste intensity ³⁾				6.42	6.00	6.7

*) 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 quality index consists of seven effectiveness indicators that describe the clinical and experienced quality, access to care, and the proportion of preventive care.

3) Amount of mixed waste (metric tons) relative to total revenue (100 million)

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 %