



# **Terveystalo Group Interim Report January-March 2023**

Solid earnings development driven by strong demand, Terveystalo issues guidance for 2023

**Terveystalo**

## January-March 2023 in brief

- **Revenue increased by 3.4% year-on-year to EUR 341.1 (329.7) million.** The Healthcare Services segment revenue increased by 4.5% and was EUR 249.8 (239.0) million. Portfolio Businesses revenue decreased by 4.1% and was EUR 70.8 (73.8) million. The revenue from Sweden increased by 14.9% and came to EUR 25.5 (22.2) million.
- **Adjusted<sup>1)</sup> earnings before interest, taxes, amortization, and impairment losses (EBITA) decreased by 6.4% year-on-year to EUR 36.5 (38.9) million, representing 10.7% (11.8%) of revenue.**  
Profitability was reduced year-on-year due to a decline in COVID-19 testing and increased costs driven by the sales mix. Profitability was strengthened by the progress of the profit improvement program as planned and improved operational efficiency.
- Items affecting comparability<sup>1)</sup> were EUR 9.4 (0.7) million.
- Result for the period was EUR 11.1 (25.3) million.
- Earnings per share (EPS) was EUR 0.09 (0.20).
- Cash flow from operating activities was EUR 35.9 (24.8) million.
- The profit improvement program targeting at least 50-million-euro annualized (run-rate) EBITA improvement by the end of 2024 has progressed according to the plan. The measures implemented by the end of the reporting period are estimated to have an annual run-rate impact of approximately EUR 25 million on profitability. The company estimates the P&L impact for the full-year 2023 to be approximately 30 million euros.
- Terveystalo has changed its operating model and, as a result, the financial reporting structure to better highlight the performance of Terveystalo's businesses. The new reporting structure is aligned with the way the company's management follows the operational performance of Terveystalo's businesses.
- Starting from 1 January 2023, Terveystalo Group comprises of three reporting segments: Healthcare Services, Portfolio Businesses, and Sweden. Comparative data for the 2022 fiscal year in accordance with the new reporting structure was published on 28 March 2023.

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, impairment losses, strategic projects, and other items affecting comparability. Expenses related to the profit improvement program were approximately EUR 9.7 million.*

## CEO Ville Iho: Solid earnings driven by robust demand, the profit improvement program is on track to deliver a 30-million-euro P&L impact in 2023

Strong demand continued in the first quarter of 2023, and Terveystalo's revenue grew by 3.4% to 341 million euros, driven especially by the Healthcare Services segment. We have managed well in an inflationary environment and have been able to increase our topline with the help of pricing and service sales growth, even though the record-high covid-19 testing in the comparison period has dropped close to zero and the outsourcing business lost 21% of revenue due to expired contracts.

Revenue from appointments continued to grow thanks to price increases, an increase in the supply of physical appointments, and an improvement in the customer mix. The share of corporate and consumer customers clearly increased in terms of revenue. The revenue of diagnostics cleared of Covid-19 testing continued its recovery that started in the fall and is already approaching the pre-pandemic level. In addition to brick-and-mortar, the continuity of care, including referrals has also improved in our digital channels. The demand for dental services, which reacted strongly to the pandemic, also seems to be recovering; In the Portfolio businesses, the revenue of Dental services increased by 17% year-on-year.

Swedish business developed positively. Revenue increased by 15% year-on-year to 26 million euros thanks to both acquisitions and organic growth. Comparable EBITA strengthened by 141% thanks to efficiency improvements and was at a record high of 7.2% of revenue.

Adjusted EBITA ended up at EUR 36.5 million and was 10.7% of revenue, which is slightly below the comparison period. Our profit improvement program has progressed quickly. We are satisfied with our rate of improvement, even though our profitability is not yet at our targeted level. The measures taken by the end of Q1 are estimated to have a run-rate impact of 25 million euros and the full-year 2023 P&L impact of the program is estimated to be approximately 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.

At the beginning of the year, we changed the structure of our financial reporting in line with our new operating model to better highlight the development of the company's various businesses and their impact on profitability. Despite the volatility of the market environment, we are confident when we look to the future and are strengthening the predictability of our financial performance by issuing profit guidance for the year 2023.

Our priority for 2023–2024 is to carry out our profit improvement program and strengthen our core business, Healthcare services. Our strategy is to provide integrated care by combining the best medical information and digital tools. By focusing on integrated care paths, we strengthen not only the continuity and outcomes of treatment but also the customer experience and our financial performance. We will offer a deeper overview of Terveystalo's business environment, strategy, and new operating model as well as the progress of our two-year profit improvement program at our capital market day in Helsinki on May 10, 2023.

When it comes to health, quality care and smooth access to care are everything. Satisfied customers who feel they are getting the help and care they need are the foundation of everything we do. We are proud of our customer Net Promoter Score's record level of 84.5 and the excellent development of the PEI index, which measures the experienced effectiveness of treatment. These support our strong market position and future growth and tell us that we are doing the right things. At Terveystalo, we focus on health so that our customers can focus on the more important things in life.

Meaningful Matters,  
Ville Iho

## Guidance for 2023

Terveystalo estimates its revenue for the full year 2023 to grow (2022: EUR 1,259 million) and its adjusted EBITA margin to be between 9.1 % and 10.1 %.

Estimates are based on consumer demand and the number of employed remaining on current levels both in Finland and Sweden, the profit improvement program delivering a 30-million-euro P&L impact in 2023, and moderate inflation during 2023. Additionally, the estimates assume no material changes in public sector behaviour, excluding the reduction of public outsourcing revenue from 2022 levels. Estimates exclude any material acquisitions or divestments.

## Financial targets

Terveystalo's financial targets are:

- annual revenue growth of at least 5 percent through organic growth and acquisitions
- adjusted EBITA margin of at least 12–13 percent in the medium to long term
- net debt/adjusted EBITDA ratio 3.5x or less. However, indebtedness may temporarily exceed the target level, such as in conjunction with acquisitions.
- to distribute a minimum of 40 percent of net profit as dividends annually. However, the dividend proposal must consider Terveystalo's long-term development potential and financial position.

## Key figures

Terveystalo Group, MEUR	1-3/ 2023	1-3 2022	Change, %	2022
Revenue	341.1	329.7	3.4	1,259.1
Adjusted EBITA * <sup>1)</sup>	36.5	38.9	-6.4	105.2
Adjusted EBITA, % * <sup>1)</sup>	10.7	11.8	-	8.4
EBITA <sup>1)</sup>	27.0	38.3	-29.4	95.9
EBITA, % <sup>1)</sup>	7.9	11.6	-	7.6
EBIT	19.1	31.2	-38.9	33.9
EBIT, %	5.6	9.5	-	2.7
Return on equity (ROE), % <sup>1)</sup>	1.8	13.2	-	4.1
Equity ratio, % <sup>1)</sup>	37.9	42.7	-	40.2
Earnings per share (EUR)	0.09	0.20	-56.0	0.19
Weighted number of shares outstanding, in thousands	126,551	126,439	-	126,508
Net debt	584.0	536.8	8.8	566.6
Gearing, % <sup>1)</sup>	103.0	85.0	-	95.7
Net debt/adjusted EBITDA (last 12 months) <sup>1)</sup>	3.3	2.6	-	3.2
Adjusted EBITDA (last 12 months), excluding IFRS 16* <sup>1)</sup>	122.1	160.5	-23.9	122.2
Net debt, excluding IFRS 16	393.5	365.1	7.8	386.8
Adjusted net debt/adjusted EBITDA (last 12 months), excluding IFRS 16* <sup>1)</sup>	3.2	2.3	-	3.2
Average personnel (FTEs)	6,507	6,202	4.9	6,552
Private practitioners (end of period)	6,087	5,713	6.5	5,928
<b>Sustainability</b>				
PEI-index <sup>2)</sup>	2.9	N/A	N/A	N/A
Net Promoter Score (NPS), appointments	84.5	82.8	2.1	82.7

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

1) Alternative performance measure. In addition to the IFRS figures, Terveystalo presents additional, alternative performance indicators that 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 separately from the IFRS figures, and they should not be considered to replace the IFRS figures.

2) The PEI index (Patient Enablement Instrument) is used to measure whether the patient feels that he is coping with his symptoms or illness much better, better, as before, or worse after the reception. The scale is -1-4.

## Operating environment

### Target markets

Demand for health services continued to be strong in Terveystalo's addressable markets. Nevertheless, the growth continued to be tempered by the lack of supply, even though Terveystalo has managed to increase the supply, especially in physical appointments. The demand for COVID testing dropped significantly from the comparison period. The demand for basic laboratory services is growing but remains slightly below pre-pandemic levels. In Sweden, the demand for occupational health services continued to be strong despite the increasing uncertainty in the overall economic environment.

The growth of demand for digital services and remote appointments decreased year-on-year, as the COVID situation increased demand for remote services in the comparison period.



A tight labour market and high inflation create growing pressure on operating costs, including wages. The employment situation is strong, but significant changes can affect the demand for occupational health services. The weakened consumer confidence and decreasing purchasing power have not yet impacted the demand for consumer customers' health services.

The long-term growth prospects are good for Terveystalo's addressable markets in Finland and Sweden; underlying demand is strong, and the megatrends, such as the aging population, digitalisation of healthcare, and lengthening queues in public healthcare, support growth in the future. As the most preferred employer, Terveystalo is well-positioned to drive growth going forward, supported by its strong market position.

#### **The impacts of inflation**

High inflation puts upward pressure on prices in all procurement categories, and Terveystalo has actively negotiated with its suppliers to limit the impact of inflation on costs. The rising price of electricity has a negative impact on operational costs. Due to component shortages, delivery times have become longer in certain categories of products and materials, such as healthcare equipment.

Skill shortages, a tight labour market, and high inflation put pressure also on wages. The private healthcare sector concluded a two-year salary agreement for the period 1 May 2022 to 30 April 2024. The first wage increase of 2.0% took effect on 1 October 2022. The wage increases in 2023 will be decided according to the wage increases in the reference sectors and the salary increase is at least 1.9%.

Commercial initiatives have and will be undertaken to mitigate the effect of inflation as a part of Terveystalo's profit improvement program. During 2022, Terveystalo implemented several price increases, the effects of which will be seen in stages during 2023. Price increases for corporate customers and insurance companies came into effect at the beginning of 2023.

#### **The treatment queues, Social and healthcare reform, and changes in the regulation**

The contraction of non-urgent care in the private and public healthcare sectors during COVID-19 restrictions has resulted in a significant treatment gap in other illnesses. According to Finnish Institute for Health and Welfare (THL), at the end of December 2022, more than 160,000 patients were waiting for access to non-urgent specialized medical care in the hospitals of the medical districts. Of those waiting for treatment, almost 21,000 (12.7%) had been waiting for admission to treatment for more than six months. At the end of December 2022, there were approximately 9,600 more patients who had been waiting for more than half a year than a year earlier. The treatment queues continued to lengthen also in Sweden. At the end of December 2022, close to 168,500 people in Sweden were waiting for surgery or a procedure ([www.skr.se](http://www.skr.se)).

Under the social and healthcare reform, the responsibility for the organization of social and healthcare services will be transferred to the 21 well-being services counties and the City of Helsinki. The well-being services county councils, elected in January 2022, will decide on the well-being services county and service strategies, principles of the service network, service level of emergency services, budget and financial planning of the well-being services county, and appointment of members to governing bodies. The term of office of the county council is four years, commencing on March 1, 2022. In 2022, the new well-being services county councils focused on administrative organization. Decisions on new material service procurements from the private sector are expected in the second half of 2023.

As a result of the social welfare and healthcare reform, some of Terveystalo's outsourcing agreements for public services will need to be renegotiated so that the new contractual terms will enter into force at the beginning of 2026 at the latest. Furthermore, there will be restrictions on the subcontracting practices for public services produced as outsourced services, but these are not expected to have a significant impact on Terveystalo. The dismantling of the queues for non-urgent care in the public sector will require more extensive use of private healthcare services in the aftercare of the pandemic.

Cuts to Kela reimbursements for private healthcare took effect on 1 January 2023. The changes have not had an impact on the demand. As consumers' general purchasing power weakens, the changes can also affect the use of other services. Cutting Kela reimbursements from private healthcare is likely to lengthen the queues in public healthcare, make it more difficult to dismantle long treatment queues, increase the costs of the public sector, and make the work of newly established well-being services counties more difficult.

### The impacts of the war in Ukraine

The indirect impacts of the war in Ukraine on Terveystalo are assessed to be minimal, as Terveystalo does not have business operations in, or with, countries that are subject to sanctions. Indirect impacts arise from high inflation and potential disruptions in the supply chain and the financial markets. The indirect economic impacts are visible in weakened consumer confidence and purchasing power. The impacts may also have a delayed economic impact through declining employment, which could negatively impact the demand for Terveystalo's services.

## Financial development

### Revenue

**In the first quarter of 2023, the Group's revenue** increased by 3.4% year-on-year to EUR 341.1 (329.7) million. The Healthcare Services segment revenue increased by 4.5 and was EUR 249.8 (239.0) million.

Visits to laboratory services decreased substantially year-on-year as COVID testing decreased. A total of approximately 2,700 (178,000) COVID-19 tests were performed during the first quarter, a decrease of 98.5% year-on-year.<sup>1)</sup> Revenue from laboratory services not related to COVID testing increased year-on-year but remained below the pre-pandemic levels. Revenue from surgical operations and imaging services grew substantially year-on-year.

The Portfolio Businesses segment revenue decreased by 4.1% and was EUR 70.8 (73.8) million.

The revenue from Sweden increased by 14.9% and came to EUR 25.5 (22.2) million.

Acquisitions increased revenue in Sweden by approximately EUR 2.8 million.

There were 64 (63) working days in January-March.

*1) Excludes sample collection services*

Revenue, MEUR	1-3/ 2023	1-3/ 2022	Change, %	2022
Healthcare Services	249.8	239.0	4.5	897.8
Portfolio Businesses	70.8	73.8	-4.1	290.7
Sweden	25.5	22.2	14.9	92.8
Other	-5.0	-5.3	-5.5	-22.2
<b>Total</b>	<b>341.1</b>	<b>329.7</b>	<b>3.4</b>	<b>1,259.1</b>

*Other-segment reported figures mainly consist of parent company expenses, unallocated Group level IFRS-adjustments and eliminations between reporting segments. Others-segment's revenue include eliminations between reporting segments.*

## Financial performance

The Group's adjusted earnings for the first quarter of 2023 before interest, taxes, amortization, and impairment losses (EBITA) decreased by 6.4 % to EUR 36.5 (38.9) million, representing 10.7% (11.8%) of revenue.

Adjusted EBITA, MEUR	1–3/ 2023	1–3/ 2022	Change, %	2022
Healthcare Services	31.4	35.1	-10.6	99.2
Portfolio Businesses	2.9	1.8	58.5	3.5
Sweden	1.8	0.8	141.4	2.6
Other	0.3	1.2	-73.1	-0.1
<b>Total</b>	<b>36.5</b>	<b>38.9</b>	<b>-6.4</b>	<b>105.2</b>

Profitability was reduced year-on-year due to the decline in COVID testing in Healthcare Services and increased costs. Material expenses and service purchasing increased by 7.2% year-on-year and amounted to EUR 142.3(132.8) million. Employee benefit expenses increased by 0.7% year-on-year and amounted to EUR 116.5 (115.7) million. Personnel costs increased due to acquisitions, recruitment, and an increase in appointment visits, as well as salary increases. Other operating expenses increased by 46.0% to EUR 37.6 (25.8) million due to external consulting expenses, as well as higher costs related to rents and premises, and IT. The Group's adjusted EBITDA decreased by 2.4% year-on-year to EUR 55.3 (56.6) million. Adjusted EBIT amounted to EUR 28.5 (31.9) million. Operating profit (EBIT) came to EUR 19.1 (31.2) million.

Net financing costs increased to EUR 5.0 (0.1) million due to the increased interest rate and amount of loans, as well as the increase in the fair value of interest rate hedges during the comparison period. The result before tax was EUR 14.1 (31.3) million. Income taxes were EUR 3.0 (6.0) million. The result for the first quarter amounted to EUR 11.1 (25.3) million, and earnings per share were EUR 0.09 (0.20).

Cash flow from operating activities in the first quarter increased to EUR 35.9 (24.8) million, mainly due to the payment schedules for corporate income taxes. In addition, the cash flow was reduced by the weaker result.

Cash flow from investing activities decreased to EUR -9.7 (-36.1) million.

Cash flow from financing activities amounted to EUR -23.9 (11.8) million. The change from the comparison period mainly consisted of dividends paid in the comparison period.

## Profit improvement program

During the fourth quarter of 2022, Terveystalo launched a profit improvement, which aims for an inflation-adjusted, annualized (run-rate) EBITA improvement of at least 50 million euros by the end of 2024. The company estimates that the P&L impact to be achieved in 2023 will be approximately 30 million euros.

The costs related to the program are estimated to be 25–30 million euros. The costs are related to restructuring and advisory fees. Advisory fees are tied to the results achieved by the program. The costs of the program are treated as items affecting comparability.

The measures implemented by the end of the first quarter of 2023 are estimated to have approximately 25-million-euro annual run-rate impact on profitability. The P&L impact of the program during the first quarter was approximately 4.6 million euros. The costs of the program treated as items affecting comparability were 9.7 million euros.

## Financial position

Terveystalo's liquidity position is good. Cash and cash equivalents at the end of the reporting period amounted to EUR 42.4 (38.6) million. The total assets of the Group amounted to EUR 1,501.3 (1,484.6) million.

Equity attributable to owners of the parent company totalled EUR 566.9 (631.7) million.

Gearing (including lease liabilities) was 103.0% (85.0%) and net debt amounted to EUR 584.0 (536.8) million.

The average maturity of Terveystalo's financial loans was 2.0 (1.8) years, and the average interest rate was 2.82 (0.99) percent at the end of the first quarter of 2023. During the reporting period, the company fulfilled the covenant requirement included in its financing agreements reflecting relative indebtedness. There were no changes in financing agreements during the reporting period.

At the end of the reporting period, the unused part of credit based on financing agreements and bank accounts with a credit facility amounted to EUR 99,6 (93.8) million.

Return on equity for the reporting period was 1.8% (13.2%). The equity ratio was 37.9% (42.7%).

## 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 influences the revenue and earnings development, particularly when comparing quarterly performance. 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\* in January–March 2023, including M&A, amounted to EUR 9.8 (36.5) million. The Group's net capital expenditure, excluding M&A, amounted to EUR 8.9 (13.0) million. The investments consisted mainly of investments in the digital application and service development, IT system projects, medical equipment, and network. The relative share of intangible investments in gross investments decreased year-on-year.

During the first quarter of 2023, Terveystalo did not make any acquisitions.

\* Net investments do not include increases in right-of-use assets related to leases for business premises. Net investments include the acquisition of non-controlling interests.

## Personnel

The number of Terveystalo's employed staff on 31 March 2023 in Finland was 9,002 (9,923), in Sweden 922 (715), and in total 9,924 (10,638). In FTEs, the average number of personnel in Finland was 5,655 (5,560), in Sweden 852 (642,) and in total 6,507 (6,202). The number of private practitioners in Finland was 5,982 (5,603), in Sweden 105 (110,) and in total 6,087 (5,713).

## Reporting segments

Starting from 1 January 2023, Terveystalo has changed 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.

Terveystalo Group comprises of three reporting segments: Healthcare Services, Portfolio Businesses, and Sweden.



## Healthcare Services

*Healthcare Services – business segment offers customers in Finland integrated care paths from preventive occupational health services to primary care services and to different fields of specialized care, diagnostic, and day surgery. In Healthcare Services, Terveystalo aims for industry-leading profitability and the best care outcomes.*

- Revenue increased from the comparison period mainly due to higher sales prices. Consumer customers and corporate customers' share of revenue increased and visits to basic laboratory services clearly increased from the comparison period. In addition, strong demand for other services continued.
- Profitability decreased slightly from the comparison period due to the ending of COVID-testing. The recovery of other diagnostics and the planned progress of the profit improvement program supported profitability.
- The measures implemented by the end of the first quarter are estimated to have an annual run-rate impact of approximately EUR 25 million on profitability.

## Key figures

	1–3/ 2023	1–3/ 2022	Change, %
Revenue, MEUR	249,8	239,0	4,5
EBITA, MEUR	31,1	32,7	-4,7
EBITA, %	12,5	13,7	-1.2 %-p.
Adjusted EBITA, MEUR	31,4	35,1	-10,6
Adjusted EBITA, % of revenue	12,6	14,7	-2.1 %-p.

The revenue from Healthcare Services in the first quarter increased by 4.5% and was 249.8 (239.0) million euros.

The revenue from corporate customers increased by 5.0% to EUR 148.6 (141.6) million. Revenue from preventive occupational health services<sup>1)</sup> increased year-on-year. Revenue from illness-related appointments also increased, even though the sales from COVID-related services dropped year-on-year. The revenue from consumers increased by 9.6% to EUR 77.8 (71.0) million. Revenue increased especially due to higher sales from services produced for insurance companies. The revenue from public sector customers decreased by 11.6% to EUR 23.4 (26.5) million due to lower sales from COVID-related services. Revenue from services provided for municipal occupational health customers grew mainly due to price increases.

The revenue from appointment services increased by 15.9% to EUR 160.5 (138.5) million mainly due to implemented price increases in all customer groups. The number of physical appointments increased slightly year-on-year. The number of remote appointments decreased by 24% due to the COVID-related digital visits during the comparison period. Revenue from diagnostics services (laboratory and imaging) decreased by 17.3% and was 62.8 (75.9) million euros. The number of laboratory visits decreased clearly from the comparison period when there was a record number of COVID tests done. Excluding COVID testing, the number of laboratory visits increased from the comparison period. Also visits to imaging services clearly increased year-on-year. The revenue from other services increased by 7.7% and was 26.5 (24.6) driven by surgical operations.

<sup>1)</sup> 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 counselling; 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.

## Healthcare Services, revenue by customer groups, and services

Revenue, MEUR	1–3/ 2023	1–3/ 2022	Change, %
<b>By customer</b>			
Corporate	148.6	141.6	5.0
Consumer	77.8	71.0	9.6
Public sector	23.4	26.5	-11.6
<b>By service</b>			
Appointments	160.5	138.5	15.9
Diagnostics	62.8	75.9	-17.3
Other	26.5	24.6	7.7

**Corporate customers** constitute Terveystalo's largest customer group. Terveystalo's corporate customers consist of the company's occupational health 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.

**Consumer customers** are Terveystalo's second-largest customer group. Consumer customers include private individuals and families. Services for consumers are paid for either by the customers themselves or by their insurance companies.

The services offered to **public sector** customers include specialized care services, other healthcare services produced in the clinic network, as well as occupational health services for the public sector. Outsourcing and staffing services are included in Portfolio Businesses,

## Healthcare Services, number of visits

Visits	1–3/ 2023	1–3/ 2022	Change, %
<b>Appointments</b>			
Physical appointments	1,248,444	1,231,063	1.4
Remote appointments	334,081	439,693	-24.0
<b>Diagnostics</b>	357,352	431,227	-17.1
<b>Other</b>	11,128	10,533	5.7
<b>Total</b>	<b>1,951,006</b>	<b>2,112,516</b>	<b>-7.6</b>

In the Healthcare Services in the first quarter, adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) decreased by 10.6% and amounted to EUR 31.4 (35.1) million, representing 12.6 (14.7) % of revenue. The profitability decreased due to the drop in COVID-testing volumes and higher fixed costs. Higher sales prices improved profitability. The profit improvement program targeting at least 50-million-euro annualized (run-rate) EBITA improvement by the end of 2024, has progressed according to the plan. The measures implemented by the end of the reporting period are estimated to have an annual run-rate impact of around EUR 25 million on profitability.

## Portfolio Businesses

The Portfolio Businesses segment consists of business areas that aim for independent value creation utilising Terveystalo's capabilities according to their needs. Portfolio Businesses include public sector outsourcing, staffing services, and dental care, as well as other businesses such as public sector digital services, rehabilitation, child welfare, and massage services, as well as interpretation services.

- Revenue decreased slightly year-on-year due to terminated outsourcing contracts. Good development in staffing services and dental business increased revenue from the comparison period.
- Profitability improved markedly year-on-year due to the termination of low-margin outsourcing contracts, price increases, cost cutting, as well as increased demand.

## Key figures

	1-3/ 2023	1-3/ 2022	Change, %
Revenue, MEUR	70.8	73.8	-4.1
EBITA, MEUR	2.8	1.4	99.5
EBITA, %	3.9 %	1.9 %	2.0 %-p.
Adjusted EBITA, MEUR	2.9	1.8	58.5
Adjusted EBITA, % of revenue	4.1 %	2.5 %	1.6 %-p.

## Portfolio Businesses, revenue by services

Revenue, MEUR	1-3/ 2023	1-3/ 2022	Change, %
Outsourcing services	24.7	31.3	-20.9
Staffing services	22.2	21.5	3.0
Dental care	15.0	12.9	16.6
Other	8.8	8.1	9.3
Total	70.8	73.8	-4.1

In the Portfolio Businesses in the first quarter, revenue decreased by 4.1% and amounted to EUR 70.8 (73.8) million. Revenue from outsourcing services decreased by 20.9% due to terminated outsourcing contracts and amounted to EUR 24.7 (31.3) million. Revenue from staffing services increased by 3.0% and amounted to EUR 22.2 (21.5) million. Higher demand for specialist care services had a positive impact on revenue. Revenue from nurse staffing decreased due to a decrease in COVID-related services year-on-year. Revenue from dental care increased by 16.6% and amounted to EUR 15.0 (12.9) million. Stronger demand compared to the comparison period and the investments made in the marketing of dental care services supported the revenue growth. Revenue from other services increased by 9.3% and amounted to EUR 8.8 (8.1) million.

In the Portfolio Businesses in the first quarter, adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) increased by 58.5% and amounted to EUR 2.9 (1.8) million, representing 4.1 (2.5) % of revenue. Termination of low-margin outsourcing contracts, price increases, cost cutting, as well as increased demand improved profitability year-on-year

## Sweden

*The Sweden segment consists of Feelgood subsidiaries' operations in Sweden, which are focused on occupational health and consultation for organizational management and harmful use. In Sweden, Terveystalo aims for profitable growth in the medium and long term.*

- Revenue clearly increased year-on-year as strong demand continues.
- Adjusted EBITA doubled year-on-year. Increased operational efficiency strengthened profitability.

## Key figures

	1-3/ 2023	1-3/ 2022	Change, %
Revenue, MEUR	25.5	22.2	14.9
EBITA, MEUR	1.7	0.6	197.8

EBITA, %	6.8 %	2.6 %	4.2 %-p.
Adjusted EBITA, MEUR	1.8	0.8	141.4
Adjusted EBITA, % of revenue	7.2 %	3.4 %	3.8 %-p.

**In the Sweden segment in the first quarter**, revenue increased by 14.9% and amounted to EUR 25.5 (22.2) million. Demand continued strong, particularly in consultation for organizational management and harmful use. Revenue increased mainly because of acquisitions. The weakening of the Swedish krona from the comparison period had a negative impact on revenue. Acquisitions increased revenue in Sweden by approximately EUR 2.8 million.

**In the Sweden segment in the first quarter**, adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) increased by 141.4% and amounted to EUR 1.8 (0.8) million, representing 7.2 (3.4) % of revenue. Profitability was strengthened by increased operational efficiency.

## Shares, shareholders, and Board authorizations

Terveystalo Plc has one share series (TTALO), which is listed on Nasdaq Helsinki Ltd. At the end of the first quarter of 2023, Terveystalo's market value was EUR 892 (1,428) million and the closing price was EUR 7.02 (11.24). During the first quarter of 2023, the highest price of Terveystalo's share was EUR 7.91 (11.94), the lowest price was EUR 6.43 (10.02), and the average price was EUR 7.05 (11.20). A total of 89.8 (32.0) million shares were traded during the quarter. At the end of the reporting period, the number of Terveystalo shares registered in the Trade Register was 127,036,531 (128,036,531). The total number of shareholders was 31,949 (27,281) at the end of the first quarter of 2023.

### Notifications of major shareholdings

During the first quarter of 2023, Terveystalo Plc did not receive any notifications pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act.

## Decisions of the Annual General Meeting 2023 and the first Board 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 fiscal 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.

The Annual General Meeting decided, in accordance with the proposal of the Board of Directors, that a dividend of EUR 0.28 per share (totalling approximately EUR 35.4 million with the current number of shares) be paid based on the balance sheet adopted for the fiscal year ended 31 December 2022.

The dividend will be paid in two instalments as follows:

- The first dividend instalment of EUR 0.14 per share will be paid to shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Oy on the record date of the first dividend instalment 27 March 2023. The first dividend instalment was paid to shareholders on 3 April 2023.
- The second dividend instalment of EUR 0.14 per share will be paid to shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Oy on the record date of the second dividend instalment 2 October 2023. The second dividend instalment will be paid on 9 October 2023. The Annual General Meeting authorized the Board of Directors to resolve, if necessary, on a new record date and date of payment for the second dividend instalment should the rules of Euroclear Finland Oy or statutes applicable to the Finnish book-entry system change or otherwise so require.

The number of members of the Board of Directors was confirmed to be seven (7). Kari Kauniskangas, Carola Lemne, Kristian Pullola, Matts Rosenberg, and Katri Viippola were re-elected as members of the Board, and Sofia Hasselberg and Ari Lehtoranta were elected as new members of the Board for a term that ends at the end of the Annual General Meeting 2024.

KPMG Oy Ab was re-elected as the Company's auditor. KPMG Oy Ab has notified that Henrik Holmbom, APA, would be acting as the principal auditor.

As proposed by the Board of Directors, the Annual General Meeting resolved to authorize the Board of Directors to resolve on the repurchase and/or on the acceptance as pledge of the Company's own shares using the unrestricted equity of the Company. The authorization covers a maximum of 12,703,653 shares, which corresponds to approximately 10% of all shares in the Company. In addition, as proposed by the Board of Directors, the Annual General Meeting resolved to authorize the Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act. The authorization covers a maximum of 12,703,653 shares, which corresponds to approximately 10% of all shares in the Company. These authorizations are effective until the end of the next Annual General Meeting, however no longer than until 30 June 2024.

As proposed by the Board of Directors, the Annual General Meeting resolved to authorize the Board of Directors to decide on donations in a total maximum of EUR 150,000 for charitable or corresponding purposes. In addition, the Annual General Meeting resolved to authorize the Board of Directors to decide on the donation recipients, purposes of use, and other terms of the donations. The authorization will remain effective until the end of the next Annual General Meeting 2024, however no longer than for a period of 18 months from the date of the resolution of the Annual General Meeting.

The new Board elected Kari Kauniskangas as Chairman of the Board and Matts Rosenberg as Vice Chairman of the Board. Kristian Pullola was elected Chairman of the Audit Committee and Matts Rosenberg and Katri Viippola were elected members. Kari Kauniskangas was elected Chairman of the Remuneration Committee and Dag Andersson and Carola Lemne were elected members of the Committee.

In its organizing meeting, the new Board of Directors Terveystalo's Board of Directors elected Kari Kauniskangas as Chairman of the Board and Matts Rosenberg as Vice Chairman of the Board. 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.

## Changes in the management team

Ilari Richardt has been appointed Senior Vice President of Digital Services and a member of the Executive Team as of 29 March 2023 as Kati Sulin leaves the company.

## Events after the end of the reporting period

On 12 April 2023, Terveystalo announced that Henri Mäenalanen had been appointed as the Chief Operating Officer of Terveystalo Healthcare Services as of 12 April 2023 as Siina Saksi had moved to a new position outside the Company.

## 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 outlook within the next 12 months. The list is not intended to be exhaustive. The order in which the risks are presented does not describe the magnitude of the impact of the risks' realization or the probability of their occurrence.



- Achieving the targeted financial effects of the launched profit improvement program is necessary to combat the impact of high inflation and to achieve the financial targets set by the company.
- 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.
- Weak general economic performance and high inflation in Finland and their effects on the financial circumstances of private individuals, employers, and public entities may adversely affect Terveystalo's business and results of operations by decreasing the demand for Terveystalo's services, as well as may adversely affect the availability of financing.
- The development and implementation of information system projects and services, service products, and operating models involve risks. The company develops new digital customer solutions, which increases the overall risk related to information systems. A failure in the development of digital systems may expose Terveystalo to potential technical faults and disturbances.
- The company may not be able to find suitable acquisition targets or expansion opportunities under favourable terms, and the integration of acquisition targets is not necessarily realized as planned.
- Terveystalo's expansion to new geographical locations involves several risks, and failure to identify expansion opportunities, recruit new employees, and achieve estimated benefits may adversely affect Terveystalo's business and the results of operations.
- 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 a decline in customer satisfaction.
- Endangered information security or privacy can lead to losses, claims for damages, and endanger reputation.
- The COVID-19 pandemic and other potential pandemics or epidemics and related restrictive measures may adversely affect the business operations of Terveystalo through, among other things, demand for certain healthcare services and challenges in the supply chain.
- 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.
- Terveystalo is exposed to changes in demand for occupational healthcare services due to demographic trends; aging and shrinking working-age population.
- The Social Welfare and Healthcare Reform in Finland and its legal interpretations may have impacts on Terveystalo's business and results of operations.
- Changes in compensation systems for healthcare services may adversely affect Terveystalo's business, financial position, and results of operations.
- Failures or deficiencies in the operational risk management, medical quality, and internal control processes may result in failure of quality control, including medical quality, or otherwise adversely affect Terveystalo's profitability and reputation.
- Terveystalo's operations could be subject to labour disruptions or disputes.
- 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 on the company's website and in the company's Annual Review.

## Financial reporting in 2023

In 2023, Terveystalo will publish financial information as follows:

Half-yearly Report, January - June 2023	18 July 2023
Interim Report, January - September 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 Financial Statements and the Report of the Board of Directors are published as a part of the Annual Report 2022.

Terveystalo observes a silent period of 30 days before the publication of financial information.

## Capital Markets Day 2023

Terveystalo will arrange Capital Markets Day on 10 May 2023 in Helsinki. The event will take place in Helsinki, Finland, at Sanomatalo (Töölönlahdenkatu 2). Anyone can follow the event via a live webcast at <https://terveystalo.videosync.fi/cmd-2023>

## Q1 2023 Result briefing

Terveystalo will arrange a webcast and a conference call in English on its result on Friday 28 April 2023 starting at 10:30 EEST. You can watch the webcast online at: <https://terveystalo.videosync.fi/2023-q1-results>

You can access the teleconference by registering at the link below. After the registration, you will be provided phone numbers and a conference ID to access the conference. <http://palvelu.flik.fi/teleconference/?id=10010302>

Helsinki, 27 April 2023

Terveystalo Plc

**Board of Directors**

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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)

## Consolidated statement of comprehensive income

EUR mill.	Note	1-3/2023	1-3/2022	Change, %	2022
<b>Revenue</b>	4	<b>341.1</b>	<b>329.7</b>	<b>3.4</b>	<b>1,259.1</b>
Other operating income		1.3	0.5	170.8	2.7
Materials and services	5	-142.3	-132.8	7.2	-525.7
Employee benefit expenses	6	-116.5	-115.7	0.7	-455.0
Depreciation, amortisation and impairment losses	10, 11	-26.8	-24.7	8.3	-134.9
Other operating expenses	7	-37.6	-25.8	46.0	-112.3
<b>Operating result</b>		<b>19.1</b>	<b>31.2</b>	<b>-38.9</b>	<b>33.9</b>
Financial income		0.2	2.1	-88.3	7.5
Financial expenses		-5.2	-2.0	164.7	-10.4
<b>Net finance income and expenses</b>		<b>-5.0</b>	<b>0.1</b>	<b>&gt;-200.0</b>	<b>-2.9</b>
Share of result in associated companies		0.0	-0.1	-100.0	-0.1
<b>Result before taxes</b>		<b>14.1</b>	<b>31.3</b>	<b>-54.9</b>	<b>30.9</b>
Income tax expense	8	-3.0	-6.0	-50.1	-6.5
<b>Net income</b>		<b>11.1</b>	<b>25.3</b>	<b>-56.0</b>	<b>24.4</b>
<b>Net income attributable to:</b>					
Owners of the parent company		11.1	25.3	-56.0	24.4
Non-controlling interests		-0.0	-0.0	38.3	-0.0
<b>Other comprehensive income</b>					
Items that may be reclassified to profit or loss		-0.9	-0.5	87.9	-5.3
Items that will not be reclassified to profit or loss		-	0.1	-	0.2
<b>Other comprehensive income for the period, net of tax</b>		<b>-0.9</b>	<b>-0.4</b>	<b>110.4</b>	<b>-5.1</b>
<b>Total comprehensive income</b>		<b>10.2</b>	<b>24.9</b>	<b>-59.0</b>	<b>19.3</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent company		10.2	24.9	-59.0	19.3
Non-controlling interest		-0.0	-0.0	38.3	-0.0
<b>Earnings per share for profit attributable to the shareholders of the parent company, in euro</b>					
Basic earnings per share		0.09	0.20	-56.0	0.19
Diluted earnings per share		0.09	0.20	-55.8	0.19

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

## Consolidated statement of financial position

EUR mill.	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	10	82.1	73.9	82.0
Right-of-use assets	12	184.8	165.9	173.9
Goodwill	11	879.2	872.2	879.5
Other intangible assets	11	140.6	175.3	145.2
Investment properties		0.5	0.5	0.5
Investments in associates		0.0	0.5	0.0
Loan receivables		0.0	0.1	0.3
Deferred tax assets		7.4	4.9	7.7
Other non-current assets		0.8	0.9	0.8
<b>Total non-current assets</b>		<b>1,295.3</b>	<b>1,294.2</b>	<b>1,289.8</b>
<b>Current assets</b>				
Inventories		6.7	6.5	6.6
Trade and other receivables		155.4	144.7	138.4
Current tax receivables		1.5	0.5	4.5
Cash and cash equivalents		42.4	38.6	40.2
<b>Total current assets</b>		<b>206.0</b>	<b>190.4</b>	<b>189.7</b>
<b>TOTAL ASSETS</b>		<b>1,501.3</b>	<b>1,484.6</b>	<b>1,479.4</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital		0.1	0.1	0.1
Invested non-restricted equity reserve		492.8	492.8	492.8
Treasury shares		-15.7	-15.8	-15.8
Retained earnings		89.7	154.6	114.9
<b>Equity attributable to equity holders of the Company total</b>		<b>566.9</b>	<b>631.7</b>	<b>592.0</b>
Non-controlling interest		0.0	0.0	0.0
<b>TOTAL EQUITY</b>		<b>566.9</b>	<b>631.7</b>	<b>592.0</b>
<b>Non-current liabilities</b>				
Non-current financial liabilities	13	382.3	256.6	383.1
Non-current lease liabilities		142.5	124.1	133.2
Deferred tax liabilities		28.5	28.4	29.5
Other liabilities		15.3	13.9	16.2
Provisions		7.9	7.5	8.3
<b>Total non-current liabilities</b>		<b>576.4</b>	<b>430.5</b>	<b>570.3</b>
<b>Current liabilities</b>				
Current financial liabilities	13	53.7	147.2	44.2
Current lease liabilities		48.0	47.6	46.5
Current tax liabilities		0.1	1.3	0.0
Dividend liabilities		18.8	-	0.0
Trade and other payables		234.4	224.3	223.2
Provisions		2.9	2.0	3.2
<b>Total current liabilities</b>		<b>358.0</b>	<b>422.4</b>	<b>317.1</b>
<b>TOTAL LIABILITIES</b>		<b>934.5</b>	<b>853.0</b>	<b>887.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,501.3</b>	<b>1,484.6</b>	<b>1,479.4</b>

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

## 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 interest	Total equity
<b>Equity 1 Jan 2023</b>	0.1	492.8	-15.8	114.9	592.0	0.0	592.0
<b>Comprehensive income</b>							
Profit for the period	-	-	-	11.1	11.0	0.0	11.1
Other comprehensive income	-	-	-	-0.9	-0.9	-	-0.9
<b>Transactions with owners</b>							
Dividend	-	-	-	-35.4	-35.4	-	-35.4
Share-based payments	-	-	0.1	-0.1	0.0	-	0.0
<b>Transactions with non-controlling interest</b>							
Transactions with non-controlling interest	-	-	-	-	-	0.0	0.0
<b>Equity 31 Mar 2023</b>	<b>0.1</b>	<b>492.8</b>	<b>-15.7</b>	<b>89.7</b>	<b>566.7</b>	<b>0.0</b>	<b>566.9</b>

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
<b>Equity 1 Jan 2022</b>	0.1	492.8	-18.0	134.0	608.8	0.0	608.9
<b>Comprehensive income</b>							
Profit for the period	-	-	-	25.3	25.3	0.0	25.3
Other comprehensive income	-	-	-	-0.4	-0.4	-	-0.4
<b>Transactions with owners</b>							
Share-based payments	-	-	2.2	-4.3	-2.1	-	-2.1
<b>Transactions with non-controlling interests</b>							
Transactions with non-controlling interest	-	-	-	-	-	-0.0	-0.0
<b>Equity 31 Mar 2022</b>	<b>0.1</b>	<b>492.8</b>	<b>-15.8</b>	<b>154.6</b>	<b>631.7</b>	<b>0.0</b>	<b>631.7</b>



Equity attributable to owners of the parent company							
EUR mill.	Share capital	Invested non- restricted equity reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
<b>Equity 1 Jan 2022</b>	0.1	492.8	-18.0	134.0	608.8	0.0	608.9
<b>Comprehensive income</b>							
Profit for the period	-	-	-	24.4	24.4	0.0	24.4
Other comprehensive income	-	-	-	-5.1	-5.1	-	-5.1
<b>Transactions with owners</b>							
Share-based payments	-	-	2.2	-3.0	-0.8	-	-0.8
Dividend	-	-	-	-35.4	-35.4	-	-35.4
<b>Transactions with non-controlling interest</b>							
<b>Equity 31 Dec 2022</b>	<b>0.1</b>	<b>492.8</b>	<b>-15.8</b>	<b>114.9</b>	<b>592.0</b>	<b>0.0</b>	<b>592.0</b>

## Consolidated statement of cash flows

EUR mill.	1-3/2023	1-3/2022	2022
<b>Cash flows from operating activities</b>			
Profit before taxes	14.1	31.3	30.9
<b>Adjustments for</b>			
Depreciation, amortisation and impairment losses	26.8	24.7	134.9
Change in provisions	-0.7	-1.5	0.5
Other transactions	-1.3	-2.8	-4.1
Gains and losses on sale of property, plant and equipment	-0.1	-0.1	-0.3
Net finance expenses	5.0	-0.1	2.9
<b>Changes in working capital</b>			
Trade and other receivables	-17.5	-12.2	1.6
Inventories	-0.0	-0.1	-0.2
Trade and other payables	9.9	3.5	0.4
Interest received	0.2	0.1	0.3
Income taxes paid	-0.4	-18.1	-26.0
<b>Net cash from operating activities</b>	<b>35.9</b>	<b>24.8</b>	<b>140.9</b>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries, net of cash acquired	-0.8	-23.1	-34.9
Acquisition of property, plant and equipment	-5.6	-6.8	-30.2
Acquisition of intangible assets	-3.5	-6.4	-29.0
Acquisition of business operation, net of cash acquired	-	-	-0.7
Proceeds from the disposal of associates	-	-	0.1
Proceeds from sale of property, plant and equipment	0.2	0.1	0.7
Dividends received	0.0	0.0	0.0
<b>Net cash from investing activities</b>	<b>-9.7</b>	<b>-36.1</b>	<b>-93.9</b>
<b>Cash flows from financing activities</b>			
Acquisition of non-controlling interest	-0.1	-0.0	-0.0
Proceeds from non-current borrowings	-	-	169.5
Repayment of non-current borrowings	-	-	-40.0
Proceeds from current borrowings	10.0	26.5	41.0
Repayment of current borrowings	-0.0	-0.2	-116.7
Payment of lease liabilities	-13.2	-11.9	-49.3
Payment of hire purchase liabilities	-1.3	-1.5	-5.3
Interests and other financial expenses paid	-2.7	-1.2	-8.4
Dividends paid	-16.6	-	-35.4
<b>Net cash from financing activities</b>	<b>-23.9</b>	<b>11.8</b>	<b>-44.6</b>
<b>Net change in cash and cash equivalents</b>	<b>2.4</b>	<b>0.5</b>	<b>2.3</b>
Cash and cash equivalents at the beginning of the period	40.2	38.1	38.1
Translation differences	-0.1	0.0	-0.3
Cash and cash equivalents at the end of the period	42.4	38.6	40.2

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

## **Notes to the interim financial statements**

### **1. Basis of accounting principles**

The figures in 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 2022. The accounting principles adopted are consistent with those of the annual financial statements for 2022 except for changes in segment reporting. All presented figures have been rounded. Financial ratios have been calculated using exact figures.

Terveystalo changed reporting segments on 1 January 2023 due to changes in operating model. In the new reporting structure operating and reporting segments are Healthcare Services, Portfolio Businesses and Sweden. Terveystalo published comparative data for the 2022 financial year on 28 March 2023 with separate release. More information on changed reporting segments is in Note 4.

### **2. Use of judgments and estimates**

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 for 2022.

### **3. Events after the reporting period**

On 12 April 2023, the Terveystalo announced that Henri Mäenalanen had been appointed as the Chief Operating Officer of Terveystalo Healthcare Services as of 12 April 2023 as Siina Saksi had moved to a new position outside the Company.

#### 4. Revenue and segment information

Terveystalo has changed its operating model, and, as a result, the 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. Terveystalo Group comprises of three reporting segments: Healthcare Services, Portfolio Businesses, and Sweden. 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, on 28 March 2023 Terveystalo published comparative information for the 2022 financial year in accordance with the new reporting structure to enable comparison. The comparative information is unaudited.

Terveystalo offers services to three customer groups: corporate customers, private customers, and public customers. The Group does not have customers whose revenue exceeds 10 percent of the Group's total revenue.

Healthcare Services offers customers in Finland integrated care paths from preventive occupational health services to primary care services and to different fields of specialized care, diagnostic, and day surgery. In Healthcare Services, Terveystalo aims for industry-leading profitability and the best care outcomes.

The Portfolio Businesses segment consists of business areas that aim for independent value creation utilising Terveystalo's capabilities according to their needs. Portfolio Businesses include public sector outsourcing, staffing services, and dental care, as well as other businesses such as public sector digital services, rehabilitation, child welfare, and massage services, as well as interpretation services.

The Sweden segment consists of Feelgood subsidiaries' operations in Sweden, which are focused on occupational health and consultation for organizational management and harmful use. In Sweden, Terveystalo aims for profitable growth in the medium and long term.

Others segment reported figures mainly consist of parent company expenses, unallocated Group level IFRS adjustments and eliminations between reporting segments. Others segment's revenue include eliminations between reporting segments.

##### Disaggregation of revenue

EUR mill.	1-3/2023	1-3/2022	Change, %	2022
Health care services	249.8	239.0	4.5	897.8
Portfolio business	70.8	73.8	-4.1	290.7
Sweden	25.5	22.2	14.9	92.8
Other	-5.0	-5.3	-5.5	-22.2
<b>Total</b>	<b>341.1</b>	<b>329.7</b>	<b>3.4</b>	<b>1,259.1</b>

Healthcare services, revenue				
EUR mill.	1-3/2023	1-3/2022	Change, %	2022
<b>By customer</b>				
Corporate	148.6	141.6	5.0	522.9
Consumer	77.8	71.0	9.6	278.4
Public sector	23.4	26.5	-11.6	96.4
<b>By service</b>				
Appointments	160.5	138.5	15.9	556.3
Diagnostics	62.8	75.9	-17.3	250.0
Other	26.5	24.6	7.7	91.5

Portfolio businesses, revenue				
EUR mill.	1-3/2023	1-3/2022	Change, %	2022
Outsourcing services	24.7	31.3	-20.9	118.7
Staffing services	22.2	21.5	3.0	84.1
Dental care	15.0	12.9	16.6	52.2
Other	8.8	8.1	9.3	35.6

## Timing of satisfying performance obligations

EUR mill.	1-3/2023	1-3/2022	Change, %	2022
At a point in time	315.8	297.0	6.3	1,134.4
Over time	25.3	32.7	-22.5	124.6
<b>Total</b>	<b>341.1</b>	<b>329.7</b>	<b>3.4</b>	<b>1,259.1</b>

## Other segment information

Adjusted EBITA				
EUR mill.	1-3/2023	1-3/2022	Change, %	2022
Health care services	31.4	35.1	-10.6	99.2
Portfolio business	2.9	1.8	58.5	3.5
Sweden	1.8	0.8	141.4	2.6
Other	0.3	1.2	-73.1	-0.1
<b>Total</b>	<b>36.5</b>	<b>38.9</b>	<b>-6.4</b>	<b>105.2</b>

EBITA				
EUR mill.	1-3/2023	1-3/2022	Change, %	2022
Health care services	31.1	32.7	-4.7	93.8
Portfolio business	2.8	1.4	99.5	2.0
Sweden	1.7	0.6	197.8	1.9
Other	-8.6	3.6	>-200.0	-1.8
<b>Total</b>	<b>27.0</b>	<b>38.3</b>	<b>-29.4</b>	<b>95.9</b>

## 5. Materials and services

EUR mill.	1-3/2023	1-3/2022	Change, %	2022
Purchase of materials	-10.9	-11.4	-3.9	-44.1
Change in inventories	0.0	0.2	-73.0	0.2
External services	-131.5	-121.6	8.1	-481.8
<b>Total</b>	<b>-142.3</b>	<b>-132.8</b>	<b>7.2</b>	<b>-525.7</b>

## 6. Employee benefit expenses

EUR mill.	1-3/2023	1-3/2022	Change, %	2022
Wages and salaries	-97.9	-96.6	1.4	-379.5
Share-based payments	-0.1	-0.6	-86.6	-2.0
Other personnel expenses	-18.5	-18.5	0.2	-73.5
<b>Total</b>	<b>-116.5</b>	<b>-115.7</b>	<b>0.7</b>	<b>-455.0</b>



## 7. Other operating expenses

EUR mill.	1-3/2023	1-3/2022	Change, %	2022
Leases and premises	-6.6	-4.8	36.3	-22.9
ICT expenses	-10.0	-9.6	4.8	-39.7
Marketing and communication expenses	-2.4	-2.2	8.0	-8.5
Other operating expenses	-18.6	-9.2	103.4	-41.1
<b>Total</b>	<b>-37.6</b>	<b>-25.8</b>	<b>46.0</b>	<b>-112.3</b>

## 8. Income taxes

### Income taxes in the statement of income

EUR mill.	1-3/2023	1-3/2022	Change, %	2022
Current tax for the reporting year	-3.7	-5.7	-35.5	-8.3
Income taxes for prior periods	-0.0	0.0	-146,7	0.0
Change in deferred taxes	0.7	-0.3	>-200.0	1.8
<b>Total income taxes</b>	<b>-3.0</b>	<b>-6.0</b>	<b>-50.1</b>	<b>-6.5</b>

## **9. Share-based payments**

During the review period, bridge plan targeted for the CEO ended and in consequence, the shares earned were granted according to realization of the plan's conditional performance measures. 8 306 shares were granted. Rewards were conditional on the fulfilment of a two-year service condition and performance conditions tied to financial targets that were set separately. The plan is fully accounted for as an equity settled share-based payment. The plan's impact to the result for the period has been EUR 0.0 million.

In addition to above mentioned incentive plan, Terveystalo has performance share plan 2021 vesting periods 2021-2023 and 2022-2024 as well as restricted share plan vesting periods 2021-2023 and 2022-2024 ongoing during the review period. Descriptions of these plans are included in financial statements 2022.

## 10. Property, plant and equipment

1-3/2023	Land and water, buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
EUR mill.					
<b>Acquisition cost 1 Jan 2023</b>	<b>2.3</b>	<b>165.1</b>	<b>64.4</b>	<b>4.2</b>	<b>236.0</b>
Additions	-	3.5	0.2	1.9	5.5
Disposals	-	-0.1	-	-	-0.1
Translation differences	-	-0.0	-0.0	-0.0	-0.0
Transfers between items	-	0.4	2.0	-2.4	-
<b>Acquisition cost 31 Mar 2023</b>	<b>2.3</b>	<b>168.9</b>	<b>66.6</b>	<b>3.6</b>	<b>241.4</b>
<b>Accumulated depreciation and impairment losses 1 Jan 2023</b>	<b>-1.2</b>	<b>-117.1</b>	<b>-35.8</b>	<b>-</b>	<b>-154.0</b>
Depreciation	-0.0	-3.8	-1.5	-	-5.3
<b>Accumulated depreciation and impairment losses 31 Mar 2023</b>	<b>-1.2</b>	<b>-120.9</b>	<b>-37.3</b>	<b>-</b>	<b>-159.3</b>
<b>Carrying amount 1 Jan 2023</b>	<b>1.2</b>	<b>47.9</b>	<b>28.7</b>	<b>4.2</b>	<b>82.0</b>
<b>Carrying amount 31 Mar 2023</b>	<b>1.2</b>	<b>48.0</b>	<b>29.3</b>	<b>3.6</b>	<b>82.1</b>

1-3/2022	Land and water, buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
EUR mill.					
<b>Acquisition cost 1 Jan 2022</b>	<b>2.1</b>	<b>144.4</b>	<b>55.0</b>	<b>3.0</b>	<b>204.4</b>
Business combination	-	0.1	0.2	0.0	0.3
Additions	-	5.1	0.2	1.6	6.7
Disposals	-	-0.0	-0.0	-	-0.0
Translation differences	-	-0.0	-0.0	-	-0.0
Transfers between items	-	0.1	0.6	-0.7	0.1
<b>Acquisition cost 31 Mar 2022</b>	<b>2.1</b>	<b>149.5</b>	<b>55.9</b>	<b>3.9</b>	<b>211.4</b>
<b>Accumulated depreciation and impairment losses 1 Jan 2022</b>	<b>-1.1</b>	<b>-101.7</b>	<b>-29.6</b>	<b>-</b>	<b>-132.4</b>
Depreciation and impairment losses for the reporting period	-0.0	-3.7	-1.4	-	-5.1
<b>Accumulated depreciation and impairment losses 31 Mar 2022</b>	<b>-1.1</b>	<b>-105.4</b>	<b>-31.1</b>	<b>-</b>	<b>-137.6</b>
<b>Carrying amount 1 Jan 2022</b>	<b>1.0</b>	<b>42.6</b>	<b>25.4</b>	<b>2.9</b>	<b>72.0</b>
<b>Carrying amount 31 Mar 2022</b>	<b>1.0</b>	<b>44.1</b>	<b>24.9</b>	<b>3.9</b>	<b>73.9</b>

2022	Land and water, buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
EUR mill.					
<b>Acquisition cost 1 Jan 2022</b>	<b>2.1</b>	<b>144.4</b>	<b>55.0</b>	<b>3.0</b>	<b>204.4</b>
Business combination	0.2	0.4	0.5	0.0	1.1
Additions	-	20.0	4.9	6.1	31.0
Disposals	-	-0.4	-	-	-0.4
Translation differences	-0.0	-0.2	-0.0	-0.0	-0.2
Transfers between items	-	1.0	4.0	-4.9	0.1
<b>Acquisition cost 31 Dec 2022</b>	<b>2.3</b>	<b>165.1</b>	<b>64.4</b>	<b>4.2</b>	<b>236.0</b>
<b>Accumulated depreciation and impairment losses 1 Jan 2022</b>	<b>-1.1</b>	<b>-101.7</b>	<b>-29.6</b>	<b>-</b>	<b>-132.4</b>
Depreciation	-0.0	-14.6	-5.9	-	-20.6
Impairment losses	-	-0.8	-0.2	-	-1.0
Translation differences	0.0	0.1	0.0	-	0.1
<b>Accumulated depreciation and impairment losses 31 Dec 2022</b>	<b>-1.2</b>	<b>-117.1</b>	<b>-35.8</b>	<b>-</b>	<b>-154.0</b>
<b>Carrying amount 1 Jan 2022</b>	<b>1.0</b>	<b>42.6</b>	<b>25.4</b>	<b>2.9</b>	<b>72.0</b>
<b>Carrying amount 31 Dec 2022</b>	<b>1.2</b>	<b>47.9</b>	<b>28.7</b>	<b>4.2</b>	<b>82.0</b>

## 11. Intangible assets

1-3/2023	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
EUR mill.					
<b>Acquisition cost 1 Jan 2023</b>	<b>947.5</b>	<b>167.8</b>	<b>88.7</b>	<b>140.2</b>	<b>1,344.2</b>
Business combination	0.3	-	-	-	0.3
Additions	-	-	-	3.5	3.5
Translation differences	-0.6	-0.1	-0.0	-0.1	-0.9
<b>Acquisition cost 31 Mar 2023</b>	<b>947.2</b>	<b>167.6</b>	<b>88.7</b>	<b>143.6</b>	<b>1,347.2</b>
<b>Accumulated amortisations and impairment losses 1 Jan 2023</b>	<b>-68.0</b>	<b>-117.5</b>	<b>-38.5</b>	<b>-95.6</b>	<b>-319.6</b>
Amortisation	-	-2.5	-1.2	-4.2	-7.9
Translation differences	-	0.0	0.0	0.0	0.1
<b>Accumulated amortisations and impairment losses 31 Mar 2023</b>	<b>-68.0</b>	<b>-120.0</b>	<b>-39.7</b>	<b>-99.8</b>	<b>-327.5</b>
<b>Carrying amount 1 Jan 2023</b>	<b>879.5</b>	<b>50.3</b>	<b>50.2</b>	<b>44.6</b>	<b>1,024.7</b>
<b>Carrying amount 31 Mar 2023</b>	<b>879.2</b>	<b>47.7</b>	<b>49.0</b>	<b>43.8</b>	<b>1,019.8</b>

1-3/2022	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
EUR mill.					
<b>Acquisition cost 1 Jan 2022</b>	<b>916.6</b>	<b>166.5</b>	<b>88.8</b>	<b>111.0</b>	<b>1,282.9</b>
Business combination	23.9	0.7	-	0.2	24.7
Additions	-	-	-	6.6	6.6
Translation differences	-0.3	-0.1	-0.1	-0.1	-0.5
Reclassifications	-	-	-	-0.1	-0.1
<b>Acquisition cost 31 Mar 2022</b>	<b>940.2</b>	<b>167.1</b>	<b>88.7</b>	<b>117.7</b>	<b>1,313.7</b>
<b>Accumulated amortizations and impairment losses 1 Jan 2022</b>	<b>-68.0</b>	<b>-107.4</b>	<b>-33.7</b>	<b>-50.0</b>	<b>-259.1</b>
Amortization and impairment losses for the reporting period	-	-2.5	-1.2	-3.3	-7.0
<b>Accumulated amortizations and impairment losses 31 Mar 2022</b>	<b>-68.0</b>	<b>-109.8</b>	<b>-34.9</b>	<b>-53.4</b>	<b>-266.1</b>
<b>Carrying amount 1 Jan 2022</b>	<b>848.6</b>	<b>59.1</b>	<b>55.1</b>	<b>61.0</b>	<b>1,023.8</b>
<b>Carrying amount 31 Mar 2022</b>	<b>872.2</b>	<b>57.3</b>	<b>53.8</b>	<b>64.2</b>	<b>1,047.4</b>



2022	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
EUR mill.					
<b>Acquisition cost 1 Jan 2022</b>	<b>916.6</b>	<b>166.5</b>	<b>88.8</b>	<b>111.0</b>	<b>1,282.9</b>
Business combination	34.4	2.0	-	4.1	40.4
Additions	-	-	-	26.1	26.1
Translation differences	-3.5	-0.7	-0.1	-0.9	-5.2
Reclassifications	-	-	-	-0.1	-0.1
<b>Acquisition cost 31 Dec 2022</b>	<b>947.5</b>	<b>167.8</b>	<b>88.7</b>	<b>140.2</b>	<b>1,344.2</b>
<b>Accumulated amortizations and impairment losses 1 Jan 2022</b>	<b>-68.0</b>	<b>-107.4</b>	<b>-33.7</b>	<b>-50.0</b>	<b>-259.1</b>
Amortization	-	-10.2	-4.8	-15.1	-30.1
Impairment losses*	-	-	-	-30.5	-30.5
Translation differences	-	0.1	0.0	0.1	0.2
<b>Accumulated amortizations and impairment losses 31 Dec 2022</b>	<b>-68.0</b>	<b>-117.5</b>	<b>-38.5</b>	<b>-95.6</b>	<b>-319.6</b>
<b>Carrying amount 1 Jan 2022</b>	<b>848.6</b>	<b>59.1</b>	<b>55.1</b>	<b>61.0</b>	<b>1,023.8</b>
<b>Carrying amount 31 Dec 2022</b>	<b>879.5</b>	<b>50.3</b>	<b>50.2</b>	<b>44.6</b>	<b>1,024.7</b>

\* Includes approx. EUR 29 million impairment related to discontinued sub-projects of the basic IT system development.

## 12. Right of-use-assets and lease liabilities

### 12.1 Right-of-use assets

1-3/2023			
EUR mill.	Premises	Other right-of-use assets	Total
<b>Acquisition cost 1 Jan 2023</b>	<b>331.7</b>	<b>41.5</b>	<b>373.1</b>
Additions	26.6	-	26.6
Disposals	-2.0	-	-2.0
Translation differences	-0.3	-	-0.3
<b>Acquisition cost 31 Mar 2023</b>	<b>356.0</b>	<b>41.5</b>	<b>397.4</b>
<b>Accumulated depreciation and impairment losses 1 Jan 2023</b>	<b>-167.5</b>	<b>-31.8</b>	<b>-199.3</b>
Depreciation for the reporting period	-12.7	-0.8	-13.5
Translation differences	0.1	0.0	0.1
<b>Accumulated depreciation and impairment losses 31 Mar 2023</b>	<b>-180.1</b>	<b>-32.6</b>	<b>-212.7</b>
<b>Carrying amount 1 Jan 2023</b>	<b>164.2</b>	<b>9.7</b>	<b>173.9</b>
<b>Carrying amount 31 Mar 2023</b>	<b>175.9</b>	<b>8.9</b>	<b>184.8</b>

1-3/2022			
EUR mill.	Premises	Other right-of-use assets	Total
<b>Acquisition cost 1 Jan 2022</b>	<b>278.7</b>	<b>41.1</b>	<b>319.8</b>
Business combination	2.2	-	2.2
Additions	4.6	0.2	4.7
Disposals	-0.7	-	-0.7
Translation differences	-0.1	0.0	-0.1
<b>Acquisition cost 31 Mar 2022</b>	<b>284.8</b>	<b>41.2</b>	<b>326.0</b>
<b>Accumulated depreciation and impairment losses 1 Jan 2022</b>	<b>-119.0</b>	<b>-28.3</b>	<b>-147.3</b>
Depreciation for the reporting period	-11.8	-0.9	-12.7
<b>Accumulated depreciation and impairment losses 31 Mar 2022</b>	<b>-130.7</b>	<b>-29.3</b>	<b>-160.0</b>
<b>Carrying amount 1 Jan 2022</b>	<b>159.7</b>	<b>12.7</b>	<b>172.5</b>
<b>Carrying amount 31 Mar 2022</b>	<b>154.2</b>	<b>12.0</b>	<b>166.2</b>

2022			
EUR mill.	Premises	Other right-of-use assets	Total
<b>Acquisition cost 1 Jan 2022</b>	<b>278.7</b>	<b>41.1</b>	<b>319.8</b>
Business combination	4.4	-	4.4
Additions	54.5	0.8	55.3
Disposals	-4.7	-0.3	-5.0
Translation differences	-1.3	-	-1.3
<b>Acquisition cost 31 Dec 2022</b>	<b>331.7</b>	<b>41.5</b>	<b>373.1</b>
<b>Accumulated depreciation and impairment losses 1 Jan 2022</b>	<b>-119</b>	<b>-28.3</b>	<b>-147.3</b>
Depreciation for the reporting period	-48,8	-3,5	-52,3
Translation differences	0.3	0.0	0.3
<b>Accumulated depreciation and impairment losses 31 Dec 2022</b>	<b>-167,5</b>	<b>-31.8</b>	<b>-199.3</b>
<b>Carrying amount 1 Jan 2022</b>	<b>159.7</b>	<b>12.7</b>	<b>172.5</b>
<b>Carrying amount 31 Dec 2022</b>	<b>164.2</b>	<b>9.7</b>	<b>173.9</b>

## 12.2. Lease liabilities

31 Mar 2023			
EUR mill.	Premises	Other	Total
Non-current lease liabilities	134.3	8.2	142.5
Current lease liabilities	45.2	2.8	48.0
<b>Total lease liabilities</b>	<b>179.5</b>	<b>11.0</b>	<b>190.5</b>

31 Mar 2022			
EUR mill.	Premises	Other	Total
Non-current lease liabilities	113.5	10.6	124.1
Current lease liabilities	44.3	3.3	47.6
<b>Total lease liabilities</b>	<b>157.7</b>	<b>13.9</b>	<b>171.7</b>

31 Dec 2022			
EUR mill.	Premises	Other	Total
Non-current lease liabilities	124.2	9.0	133.2
Current lease liabilities	43.7	2.8	46.5
<b>Total lease liabilities</b>	<b>167.9</b>	<b>11.8</b>	<b>179.8</b>

### 13. Financial assets and liabilities – carrying amount, fair values and fair value hierarchy

EUR mill. 31 Mar 2023						
	Financial assets and liabilities at fair value	Financial assets and liabilities at amortised cost	Carrying amount	Fair value	Fair value hierarchy	
<b>Financial assets</b>						
<b>Non-current</b>						
Loan receivables	0.0	-	0.0	0.0		Level 2
Unquoted equity investments	0.8	-	0.8	0.8		Level 3
<b>Current</b>						
Trade receivables	-	130.7	130.7	130.7		
Cash and cash equivalents	-	42.4	42.4	42.4		
Interest rate derivatives	9.8	-	9.8	9.8		Level 2
<b>Total</b>	<b>10.6</b>	<b>173.1</b>	<b>183.7</b>	<b>183.7</b>		
<b>Financial liabilities</b>						
<b>Non-current</b>						
Loans from financial institutions	-	379.2	379.2	379.2		
Hire purchase liabilities	-	3.1	3.1	3.1		
Contingent considerations	4.8	-	4.8	4.8		Level 3
<b>Current</b>						
Loans from financial institutions	-	50.0	50.0	50.0		
Hire purchase liabilities	-	3.7	3.7	3.7		
Trade payables	-	56.7	56.7	56.7		
Contingent considerations	5.2	-	5.2	5.2		Level 3
Interest rate derivatives	3.2	-	3.2	3.2		Level 2
<b>Total</b>	<b>13.2</b>	<b>492.7</b>	<b>505.8</b>	<b>505.8</b>		

Financial assets and liabilities classified at fair value hierarchy level 3 consist of unquoted equity investments and contingent considerations from business combinations. The measurement of unquoted equity investments is based on the managements estimate of future cash flows arising from the investments and the measurement of contingent considerations is based on the amounts specified in purchase agreements and the management estimate on whether the consideration will be realised. The effect on earnings arising from the changes of fair values of financial assets and liabilities classified at fair value hierarchy level 3 has been EUR 0.6 million (2022: EUR -2.4 million).

EUR mill. 31 Dec 2022						
	Financial assets and liabilities at fair value	Financial assets and liabilities at amortised cost	Carrying amount	Fair value	Fair value hierarchy	
<b>Financial assets</b>						
<b>Non-current</b>						
Loan receivables	0.3	-	0.3	0.3	Level 2	
Unquoted equity investments	0.8	-	0.8	0.8	Level 3	
<b>Current</b>						
Trade receivables	-	119.7	119.7	119.7		
Cash and cash equivalents	-	40.2	40.2	40.2		
Interest rate derivatives	9.9	-	9.9	9.9	Level 2	
<b>Total</b>	<b>11.0</b>	<b>159.9</b>	<b>170.9</b>	<b>170.9</b>		
<b>Financial liabilities</b>						
<b>Non-current</b>						
Loans from financial institutions	-	379.2	379.2	379.2		
Hire purchase liabilities	-	3.9	3.9	3.9		
Contingent considerations	5.6	-	5.6	5.6	Level 3	
<b>Current</b>						
Loans from financial institutions	-	40.0	40.0	40.0		
Hire purchase liabilities	-	4.2	4.2	4.2		
Trade payables	-	49.0	49.0	49.0		
Contingent considerations	5.0	-	5.0	5.0	Level 3	
Interest rate derivatives	3.4	-	3.4	3.4	Level 2	
<b>Total</b>	<b>14.0</b>	<b>476.2</b>	<b>490.2</b>	<b>490.2</b>		

## 14. Business Combinations

During the review period ended 31 March 2023, the Group has not made corporate acquisitions or acquisitions of business operations.

In 2023, effect to goodwill arising from corporate acquisitions made in year 2022 was EUR 0.3 million. The cash flow effect was EUR 0.8 million due to adjustments to purchase prices and additional purchase price paid.

### Business Combinations 2022

During the year 2022, the Group made 12 corporate acquisitions and 3 business acquisitions.

On 1 February 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the occupational health provider Vantaan Työterveys Oy.

On 1 February 2022 Feelgood Företagshälsovård AB acquired 100 percent of the Swedish occupational health provider Länshälsan Uppsala Ab.

On 31 March 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy service provider Lapin Liikuntaklinikka Oy.

On 31 March 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy service provider OMT Klinikka Kokkola Oy.

On 31 March 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy and occupational therapy service provider Suomen Fysiogeriatría Oy and an indirect 100 percent ownership in its subsidiaries Aktiivi-Fysioterapia Tampere Oy, Mimmin Terapia Oy and toi.minna Oy.

On 1 May 2022 Feelgood Företagshälsovård AB acquired 100 percent of the shares of the Swedish occupational health provider Jobbhälsan i Norr AB.

On 1 May 2022 Feelgood Svenska AB acquired 100 percent of the shares of the Swedish addiction treatment provider Nämndemansgården AB and its subsidiaries.

On 31 May 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy service provider Into Terveys Oy.

On 30 June 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy service provider Kunnon Syke Oy.

On 31 August 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the therapy service provider Ludus Oy Tutkimus- ja Kuntoutuspalvelut.

On 31 August 2022 Suomen Terveystalo Oy acquired the dental clinic business of Hammasrasti.

On 31 August 2022 Suomen Terveystalo Oy acquired the physiotherapy and therapy businesses of FysioProfessionals.

On 30 September 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the physiotherapy service provider Saimaan Urheilufysioterapia Oy.

On 30 September 2022 Suomen Terveystalo Oy acquired the dental clinic business of Hymyn Paikka.

On 31 October 2022 Terveystalo Healthcare Oy acquired 100 percent of the shares of the chat and video connection solution provider Somia Reality Oy.

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

## Consideration transferred

EUR mill.	
Purchase price, payable in cash	37.8
Contingent consideration	5.1
<b>Total consideration transferred</b>	<b>42.9</b>

## Identifiable assets acquired and liabilities assumed

EUR mill.	
Cash and cash equivalents	4.4
Intangible assets	6.0
Property, plant and equipment	1.1
Right-of-use assets	4.4
Deferred tax assets	0.2
Inventories	0.2
Trade and other receivables	5.2
Financial liabilities	-0.5
Lease liabilities	-4.4
Trade and other payables	-6.2
Deferred tax liabilities	-1.1
Interest bearing liabilities	-0.1
<b>Total identifiable net assets acquired</b>	<b>8.9</b>

<b>Goodwill</b>	<b>34.0</b>
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As a result of these business combinations, a preliminary goodwill amounting to EUR 34.0 million was recognised. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. EUR 1.0 million of the recognised goodwill is deductible in taxation. Cashflow impact of the acquisitions made during 2022 was EUR 32.9 million.

In these business combinations, the Group has acquired customer relationships and technology-related intangible assets. 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 technology has been determined using the estimated replacement cost.

The fair value of the acquired trade and other receivables amounted to EUR 5.2 million, for which the risk of impairment has been deemed as non-significant.

The Group has incurred acquisition-related expenses of EUR 1.3 million related to transfer tax, consulting, valuation or equivalent services. The expenses have been included in other operating expenses.

The contributed revenue recognised from the acquisitions during the year 2022 was EUR 18.3 million and loss was EUR 1.0 million.

If the acquisition had occurred on 1 January 2022, management estimates that the Group's consolidated revenue in 2022 would have been EUR 1 268.0 million and the consolidated result for the period would have been EUR 23.3 million.

## 15. Collateral and other contingent liabilities

EUR mill.	31 Mar 2023	31 Mar 2022	31 Dec 2022
Business mortgages	7.4	9.3	11.4
<b>Total</b>	<b>7.4</b>	<b>9.3</b>	<b>11.4</b>
<b>Securities for own debts</b>			
Deposits	0.5	0.2	0.5
Guarantees	0.4	0.9	0.4
<b>Total</b>	<b>0.9</b>	<b>1.1</b>	<b>0.9</b>



## 16. Group's key financial ratios

EUR mill. unless stated otherwise	1-3/2023	1-3/2022	Change, %	2022
Revenue	341.1	329.7	3.4	1,259.1
Adjusted EBITDA, * <sup>1)</sup>	55.3	56.6	-2.4	178.0
Adjusted EBITDA, % * <sup>1)</sup>	16.2	17.2	-	14.1
EBITDA <sup>1) 2)</sup>	45.9	56.0	-18.0	168.8
EBITDA, % <sup>1)</sup>	13.4	17.0	-	13.4
Adjusted EBITA * <sup>1)</sup>	36.5	38.9	-6.4	105.2
Adjusted EBITA, % * <sup>1)</sup>	10.7	11.8	-	8.4
EBITA <sup>1)</sup>	27.0	38.3	-29.4	95.9
EBITA, % <sup>1)</sup>	7.9	11.6	-	7.6
Adjusted operating profit (EBIT) * <sup>1)</sup>	28.5	31.9	-10.6	73.4
Adjusted operating profit (EBIT), % * <sup>1)</sup>	8.4	9.7	-	5.8
Operating profit (EBIT)	19.1	31.2	-38.9	33.9
Operating profit (EBIT), %	5.6	9.5	-	2.7
Return on equity (ROE), % <sup>1)</sup>	1.8	13.2	-	4.1
Equity ratio, % <sup>1)</sup>	37.9	42.7	-	40.2
Earnings per share (€)	0.09	0.20	-56.0	0.19
Weighted average number of shares outstanding, in thousands	126,551	126,439	-	126,508
Net debt <sup>1)</sup>	584.0	536.8	8.8	566.6
Gearing, % <sup>1)</sup>	103.0	85.0	-	95.7
Net debt/Adjusted EBITDA (LTM) * <sup>1)</sup>	3.3	2.6	-	3.2
Total assets	1,501.3	1,484.6	1.1	1,479.4
Adjusted EBITDA (LTM), excluding IFRS 16 * <sup>1)</sup>	122.1	160.5	-23.9	122.2
Net debt, excluding IFRS 16 <sup>1)</sup>	393.5	365.1	7.8	386.8
Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 * <sup>1)</sup>	3.2	2.3	-	3.2
Average personnel (FTEs)	6,507	6,202	4.9	6,552
Personnel (end of period)	9,924	10,638	-6.7	10,933
Private practitioners (end of period)	6,087	5,713	6.5	5,928

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

<sup>1)</sup> 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 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 a substitute to the measures under IFRS.

## 17. 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 the 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 a 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.

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

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

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

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

$$\text{Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 *} = \frac{\text{Interest-bearing liabilities excluding lease liabilities - interest-bearing receivables and cash and cash equivalents}}{\text{Adjusted EBITDA (LTM), excluding IFRS 16}}$$

### 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.

$$\text{Adjusted EBITDA*} = \text{Earnings Before Interest, Taxes, Depreciation, Amortization, Impairment losses and adjustments}$$

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

$$\text{Adjusted EBITA*} = \text{Earnings Before Interest, Taxes, Amortization, Impairment losses and adjustments}$$

Adjusted EBITA, %*	=	$\frac{\text{Earnings Before Interest, Taxes, Amortization, Impairment losses and adjustments}}{\text{Revenue}}$	x 100%
Adjusted operating profit (EBIT)*	=	Earnings Before Interest, Taxes and Share of profits in associated companies, and adjustments	
Adjusted operating profit (EBIT), %*	=	$\frac{\text{Earnings Before Interest, Taxes and Share of profits in associated companies, and adjustments}}{\text{Revenue}}$	x 100%
EBITDA	=	Earnings Before Interest, Taxes, Depreciation and Amortization and Impairment losses	
EBITDA, %	=	$\frac{\text{Earnings Before Interest, Taxes, Depreciation and Amortization and Impairment losses}}{\text{Revenue}}$	x 100%
EBITA	=	Earnings Before Interest, Taxes, Amortization and Impairment losses	
EBITA, %	=	$\frac{\text{Earnings Before Interest, Taxes, Amortization and Impairment losses}}{\text{Revenue}}$	x 100%
Operating profit (EBIT)	=	Earnings Before Interest, Taxes and Share of profits in associated companies	
Operating profit (EBIT), %	=	$\frac{\text{Earnings Before Interest, Taxes and Share of profits in associated companies}}{\text{Revenue}}$	x 100%
Adjusted EBITDA, excluding IFRS 16 *	=	Earnings Before Interest, Taxes, Depreciation, Amortization, Impairment losses and adjustments, excluding IFRS 16 lease adjustments	

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

## 18. Reconciliation of alternative performance measures

Adjusted EBITDA, EUR mill.	1-3/2023	1-3/2022	1-12/2022
Profit (loss) for the period	11.1	25.3	24.4
Income tax expense	3.0	6.0	6.5
Share of profits in associated companies	0.0	0.1	0.1
Net finance expenses	5.0	-0.1	2.9
Depreciation, amortisation and impairment losses	26.8	24.7	134.9
Adjustments*	9.4	0.7	9.2
<b>Adjusted EBITDA</b>	<b>55.3</b>	<b>56.6</b>	<b>178.0</b>

Adjusted EBITDA, %	1-3/2023	1-3/2022	1-12/2022
Adjusted EBITDA	55.3	56.6	178.0
Revenue	341.1	329.7	1,259.1
<b>Adjusted EBITDA, %</b>	<b>16.2</b>	<b>17.2</b>	<b>14.1</b>

EBITDA, EUR mill.	1-3/2023	1-3/2022	1-12/2022
Profit (loss) for the period	11.1	25.3	24.4
Income tax expense	3.0	6.0	6.5
Share of profits in associated companies	0.0	0.1	0.1
Net finance expenses	5.0	-0.1	2.9
Depreciation, amortisation and impairment losses	26.8	24.7	134.9
<b>EBITDA</b>	<b>45.9</b>	<b>56.0</b>	<b>168.8</b>

EBITDA, %	1-3/2023	1-3/2022	1-12/2022
EBITDA	45.9	56.0	168.8
Revenue	341.1	329.7	1,259.1
<b>EBITDA, %</b>	<b>13.4</b>	<b>17.0</b>	<b>13.4</b>

Adjusted EBITA, EUR mill.	1-3/2023	1-3/2022	1-12/2022
Profit (loss) for the period	11.1	25.3	24.4
Income tax expense	3.0	6.0	6.5
Share of profits in associated companies	0.0	0.1	0.1
Net finance expenses	5.0	-0.1	2.9
Amortisation and impairment losses	7.9	7.0	62.0
Adjustments*	9.4	0.7	9.2
<b>Adjusted EBITA</b>	<b>36.5</b>	<b>38.9</b>	<b>105.2</b>

Adjusted EBITA, %	1-3/2023	1-3/2022	1-12/2022
Adjusted EBITA	36.5	38.9	105.2
Revenue	341.1	329.7	1,259.1
<b>Adjusted EBITA, %</b>	<b>10.7</b>	<b>11.8</b>	<b>8.4</b>

EBITA, EUR mill.	1-3/2023	1-3/2022	1-12/2022
Profit (loss) for the period	11.1	25.3	24.4
Income tax expense	3.0	6.0	6.5
Share of profits in associated companies	0.0	0.1	0.1
Net finance expenses	5.0	-0.1	2.9
Amortisation and impairment losses	7.9	7.0	62.0
<b>EBITA</b>	<b>27.0</b>	<b>38.3</b>	<b>95.9</b>

EBITA, %	1-3/2023	1-3/2022	1-12/2022
EBITA	27.0	38.3	95.9
Revenue	341.1	329.7	1,259.1
<b>EBITA, %</b>	<b>7.9</b>	<b>11.6</b>	<b>7.6</b>

Adjusted operating profit (EBIT), EUR mill.	1-3/2023	1-3/2022	1-12/2022
Profit (loss) for the period	11.1	25.3	24.4
Income tax expense	3.0	6.0	6.5
Share of profits in associated companies	0.0	0.1	0.1
Net finance expenses	5.0	-0.1	2.9
Adjustments*	9.4	0.7	39.5
<b>Adjusted operating profit (EBIT)</b>	<b>28.5</b>	<b>31.9</b>	<b>73.4</b>

Adjusted operating profit, (EBIT), %	1-3/2023	1-3/2022	1-12/2022
Adjusted operating profit (EBIT)	28.5	31.9	73.4
Revenue	341.1	329.7	1,259.1
<b>Adjusted operating profit (EBIT), %</b>	<b>8.4</b>	<b>9.7</b>	<b>5.8</b>

Operating profit (EBIT), EUR mill.	1-3/2023	1-3/2022	1-12/2022
Profit (loss) for the period	11.1	25.3	24.4
Income tax expense	3.0	6.0	6.5
Share of profits in associated companies	0.0	0.1	0.1
Net finance expenses	5.0	-0.1	2.9
<b>EBIT</b>	<b>19.1</b>	<b>31.2</b>	<b>33.9</b>

Operating profit, (EBIT), %	1-3/2023	1-3/2022	1-12/2022
EBIT	19.1	31.2	33.9
Revenue	341.1	329.7	1,259.1
<b>EBIT, %</b>	<b>5.6</b>	<b>9.5</b>	<b>2.7</b>

Return on equity, %	31 Mar 23	31 Mar 22	31 Dec 22
Profit/loss for the period (LTM)	10.2	81.9	24.4
Equity (including non-controlling interest) (average)	579.4	620.3	600.4
<b>Return on equity, %</b>	<b>1.8</b>	<b>13.2</b>	<b>4.1</b>

Equity ratio, %	31 Mar 23	31 Mar 22	31 Dec 22
Equity (including non-controlling interest)	566.9	631.7	592.0
Total assets	1,501.3	1,484.6	1,479.4
Advances received	5.9	5.5	7.1
<b>Equity ratio, %</b>	<b>37.9</b>	<b>42.7</b>	<b>40.2</b>

Gearing, %	31 Mar 23	31 Mar 22	31 Dec 22
Interest-bearing liabilities	626.4	575.5	607.0
Interest-bearing receivables and cash and cash equivalents	42.5	38.8	40.4
Equity	566.9	631.7	592.0
<b>Gearing, %</b>	<b>103.0</b>	<b>85.0</b>	<b>95.7</b>

Net debt/Adjusted EBITDA (LTM)	31 Mar 23	31 Mar 22	31 Dec 22
Interest-bearing liabilities	626.4	575.5	607.0
Interest-bearing receivables and cash and cash equivalents	42.5	38.8	40.4
Adjusted EBITDA (LTM)	176.7	209.4	178.0
<b>Net debt/Adjusted EBITDA (LTM)</b>	<b>3.3</b>	<b>2.6</b>	<b>3.2</b>

Adjusted EBITDA (LTM), excluding IFRS 16	31 Mar 23	31 Mar 22	31 Dec 22
Profit (loss) for the period	10.2	81.8	23.3
Income tax expense	3.5	20.3	7.6
Share of profits in associated companies	0.0	0.3	0.1
Net finance expenses	8.0	6.7	2.9
Depreciation, amortisation and impairment losses	136.9	95.5	134.9
Adjustments*	18.0	4.8	9.2
IFRS 16 lease expense adjustment	-54.6	-48.8	-55.8
<b>Adjusted EBITDA (LTM), excluding IFRS 16</b>	<b>122.1</b>	<b>160.5</b>	<b>122.2</b>

Net debt/Adjusted EBITDA (LTM), excluding IFRS 16	31 Mar 23	31 Mar 22	31 Dec 22
Interest-bearing liabilities	435.9	403.8	427.2
Interest-bearing receivables and cash and cash equivalents	42.5	38.8	40.4
Adjusted EBITDA (LTM)	122.1	160.5	122.2
<b>Net debt/Adjusted EBITDA (LTM), excluding IFRS 16</b>	<b>3.2</b>	<b>2.3</b>	<b>3.2</b>

Adjustments*, EUR mill.	1-3/2023	1-3/2022	1-12/2022
Acquisition-related expenses <sup>(1)</sup>	-0.4	0.4	2.8
Restructuring-related expenses <sup>(2)</sup>	0.4	0.2	1.5
Impairment losses	0.0	-	30.3
Strategic projects and other items affecting to comparability	9.4	0.1	5.0
<b>Adjustments</b>	<b>9.4</b>	<b>0.7</b>	<b>39.5</b>

Adjustments by segments *, EUR mill.	1-3/2023	1-3/2022	1-12/2022
Healthcare services	0.2	2.5	5.4
Portfolio businesses	0.2	0.5	1.4
Sweden	0.1	0.2	0.7
Other	8.9	2.4	1.7
<b>Total</b>	<b>9.4</b>	<b>0.7</b>	<b>9.2</b>

\* Adjustments are material items outside the ordinary course of business and these relate to acquisition-related expenses, restructuring-related expenses, gains and losses on sale of assets (net), strategic projects, impairment losses and other items affecting comparability. Adjustments in Other segment includes mostly profit improvement program related costs.

<sup>1)</sup> Including transaction costs and expenses from integration of acquired businesses.

<sup>2)</sup> Including restructuring of network and business operations.