



Terveystalo Group Interim Report January–September 2023

Profit improvement ahead of schedule and clearly visible in the third quarter results

Terveystalo

July–September 2023 in brief

- **Revenue increased by 1.5% year-on-year to EUR 280.5 (276.4) million.**
The Healthcare Services segment revenue increased by 7.2% and was EUR 209.3 (195.2) million.
Portfolio Businesses revenue decreased by 12.1% mainly due to terminated outsourcing contracts and was EUR 60.5 (68.8) million.
The revenue from Sweden decreased by 11.5% and came to EUR 15.8 (17.8) million. In SEK terms, the revenue decreased by 0.9%.
- **Adjusted¹⁾ earnings before interest, taxes, amortization, and impairment losses (EBITA) increased by 69.7% year-on-year to EUR 21.1 (12.5) million, representing 7.5% (4.5%) of revenue.**
The profitability improvement came mainly from the Healthcare Services segment. Profitability was improved due to the normalisation of the sales mix, and progress of the profit improvement program including pricing actions and improved operational efficiency. The impact of prolonged inflation dampened the profitability improvement.
- Items affecting comparability¹⁾ with an effect on EBITA were EUR 2.7 (1.0) million.
- The result for the period was EUR 3.3 (-19.6) million.
- Earnings per share (EPS) was EUR 0.03 (-0.15).
- Cash flow from operating activities grew to EUR 35.6 (4.8) million due to positive working capital development.
- The profit improvement program had an approximately EUR 10 million impact on the adjusted EBITA in July–September.

January–September 2023 in brief

- **Revenue increased by 2.1% year-on-year to EUR 944.0 (924.3) million.**
The Healthcare Services segment revenue increased by 5.4% and was EUR 693.8 (658.3) million.
Portfolio Businesses revenue decreased by 7.9% and was EUR 199.9 (217.0) million.
The revenue from Sweden increased by 1.0% and came to EUR 65.9 (65.2) million. In SEK terms, the revenue grew by 10.1%.
- **Adjusted¹⁾ earnings before interest, taxes, and amortization (EBITA) increased by 14.0% to EUR 86.1 (75.5) million, representing 9.1 (8.2) percent of revenue.**
- Items affecting comparability with an effect on EBITA were EUR 15.7 (3.4) million.
- Profit for the period was EUR 21.9 (16.8) million.
- Earnings per share (EPS) were EUR 0.17 (0.13).
- **Net debt/adjusted EBITDA was 3.1 (3.1).**
- Cash flow from operating activities was EUR 97.4 (64.4) million.
- The profit improvement program targeting at least 50-million-euro annual (run-rate) EBITA improvement by the end of 2024 has progressed well and the target will be achieved ahead of schedule. The measures implemented by the end of the reporting period are estimated to have an annual run-rate impact of over EUR 40 million on profitability.
 - In January–September, the adjusted EBITA impact of the profit improvement program was EUR 23 million.
 - The company estimates the adjusted EBITA impact for 2023 to be over EUR 30 million.
- Starting from 1 January 2023, Terveystalo Group comprises 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. Adjustments related to the profit improvement program were approximately EUR 2.9 million during the third quarter and 16.4 million during January-September.

CEO Ville Iho: Profit improvement is progressing ahead of schedule

Terveystalo's revenue grew 1.5% year-on-year to EUR 281 million in the third quarter, which is seasonally the slowest quarter of the year. We had a negative impact from Covid-19 testing in the comparison period, expired outsourcing contracts, and the foreign exchange rate. Excluding these changes, the underlying organic growth was around 6% year-on-year. The Healthcare Services segment grew by more than 7% year-on-year, driven by volume growth in surgery and successful pricing actions at the beginning of 2022. Portfolio business revenue declined as planned due to the expiry of contracts in the outsourcing business. In Sweden, a slightly slower pick up of demand after the summer holiday period than in the previous year and a markedly weaker exchange rate had a negative impact on revenue.

Terveystalo's profitability strengthened according to plan and adjusted EBITA grew by 70% year-on-year to EUR 21 million. Profitability improved thanks to a stronger customer and service mix in the Healthcare Services segment and a well-progressed profit improvement program.

A year ago, we launched a profit improvement program, which has made rapid progress. The measures taken by the end of the reporting period under the profit improvement program are estimated to have a run-rate impact of over EUR 40 million on profitability. The full year adjusted EBITA impact is estimated to exceed EUR 30 million in 2023. The general increase in interest rates, the prolonged inflation, and the macroeconomic outlook underline the importance of the profit improvement program also in the coming quarters. We are committed to delivering an adjusted EBITA margin of at least 12% in 2025 in line with our financial targets and will reach the EUR 50 million target of the profit improvement program ahead of schedule.

The near-term outlook for the operating environment is mixed. A significant increase in Kela reimbursements in early 2024 is expected to support consumer demand for general and specialist practices, psychiatry, and basic oral health services and reduce pressure on the severely congested public primary care sector. The insurance-funded market will also continue to grow. On the other hand, the weakening macroeconomic outlook will inevitably affect the purchasing behaviour of businesses and consumers in both Finland and Sweden. However, thanks to our strong and diverse customer base, comprehensive service offering, and profit improvement program delivering ahead of schedule we can grow our business profitably even in a softer market environment.

Alongside our profit improvement program, we have continued to invest in technology, customer experience, and our products. Our customers are currently more satisfied than ever with Terveystalo's services, with an NPS score of over 86. In our key customer segment of corporate health, we have used technology to improve care pathways and brought new diagnostics to health promotion with our partner Nightingale Health. Since June, our symptom assessment tool has guided our customers to the right specialist in the right channel through AI-powered symptom mapping, streamlining both access to care and the work of the professional. Nightingale's blood analysis technology enables us to improve disease prevention by identifying the risks of lifestyle diseases on a more individual basis.

We are continuously working towards integrated, data-driven outpatient and preventive care to deliver best-in-class care outcomes and people experience. Our successes in the third quarter include our highest-ever customer satisfaction index, NPS, and several awards as the industry's most attractive employer. We will continue to fight for a healthier 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% (8.4% in 2022).

Estimates are based on consumer demand and the number of employed people remaining on current levels both in Finland and Sweden, the profit improvement program delivering over 30-million-euro adjusted EBITA impact in 2023, and prolonged 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
- an adjusted EBITA margin of at least 12 percent in 2025
- net debt/adjusted EBITDA ratio of 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	7–9/ 2023	7–9/ 2022	Change , %	1–9/ 2023	1–9/ 2022	Change , %	2022
Revenue	280.5	276.4	1.5	944.0	924.3	2.1	1 259.1
Adjusted EBITA * 1)	21.1	12.5	69.7	86.1	75.5	14.0	105.2
Adjusted EBITA, % * 1)	7.5	4.5	-	9.1	8.2	-	8.4
EBITA 1)	18.4	11.4	60.7	70.4	72.2	-2.5	95.9
EBITA, % 1)	6.6	4.1	-	7.5	7.8	-	7.6
EBIT	10.2	-24.6	141.5	44.3	21.1	109.5	33.9
EBIT, %	3.6	-8.9	-	4.7	2.3	-	2.7
Return on equity (ROE), % 1)	-	-	-	5.1	7.1	-	4.1
Equity ratio, % 1)	-	-	-	39.0	40.2	-	40.2
Earnings per share (EUR)	0.03	-0.15	116.7	0.17	0.13	30.3	0.19
Weighted number of shares outstanding, in thousands	126,556	126,548	-	126,554	126,348	-	126,508
Net debt	-	-	-	597.2	580.9	2.8	566.6
Gearing, % 1)	-	-	-	103.5	99.2	-	95.7
Net debt/adjusted EBITDA (last 12 months) 1)	-	-	-	3.1	3.1	-	3.2
Adjusted EBITDA (last 12 months), excluding IFRS 16*1)	-	-	-	133.1	135.4	-1.7	122.2
Net debt, excluding IFRS 16	-	-	-	391.5	406.1	-3.6	386.8
Adjusted net debt/adjusted EBITDA (last 12 months), excluding IFRS 16*1)	-	-	-	2.9	3.0	-	3.2
Average personnel (FTEs)	-	-	-	6,471	6,685	-3.2	6,552
Private practitioners (end of period)	-	-	-	6,126	5,852	4.7	5,928

*) 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.

Operating environment

Target markets

Seasonal fluctuations in the demand for health services have normalised. Demand during the third quarter was affected by the summer holiday season, but underlying demand remained strong for most services. After the summer, the flu season started a few weeks later than usual, and the booking rates normalised from exceptionally high levels during the comparison period. In Finland, the weakened consumer confidence and purchasing power impacted the demand for out-of-pocket dental care services and massage services. The demand for COVID-testing and remote appointments decreased year-on-year. The demand for basic laboratory services increased but remained slightly below the pre-pandemic level.

In Sweden, the demand for preventive occupational health services started to pick up a little slower after the holiday period than the previous year. The increased uncertainty of the economy slightly impacted the demand for preventive services, which are more sensitive to macroeconomic changes.

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 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

The prolonged inflation puts pressure on prices in some procurement categories, and Terveystalo has actively negotiated with its suppliers to limit the impact of inflation on costs. The rise of electricity prices has levelled off from the comparison period.

One of the key areas of the profit improvement program is the review of procurements and the effective implementation of identified savings targets. The goal is to fight inflation and reduce costs in certain product and service groups.

Skill shortages, a tight labour market, and continued high inflation put pressure on wages. In the private healthcare sector, a two-year collective agreement is valid for the period 1 May 2022 - 30 April 2024, which applies to Terveystalo's largest group of employees, i.e., nurses. In 2022, salary increases were 2.0% from 1 October 2022 and for 2023 the increases are in total 2.95 % and will come into force on 1 November 2023. In addition, the agreed, one-time instalment of 450 euros was paid in conjunction with the June 2023 salary payment. Wage inflation is also visible in other professionals' recruitment. Most of the physicians who work for Terveystalo are however private practitioners (approximately 96%).

Commercial initiatives have been and will be undertaken to mitigate the effect of inflation as a part of Terveystalo's profit improvement program. Terveystalo has implemented several price increases, the effects of which will be seen in stages during 2023 and 2024.

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. Treatment queues for specialised care have continued to grow. According to Finnish Institute for Health and Welfare (THL), at the end of August 2023, close to 178,000 patients were waiting for access to non-urgent specialised medical care in hospitals in well-being services counties. Of those waiting for treatment, more than 30,500 (17.2%) had been waiting for more than half a year to get treatment. At the end of August 2023, there were almost 9,400 more patients waiting for more than half a year than in April 2023.

Under the social and healthcare reform in Finland, the responsibility for the organisation of social and healthcare services was transferred to the 21 well-being services counties and the City of Helsinki at the beginning of 2023. The well-being services county councils decide on the 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 well-being services counties

have launched smaller tenders for e.g., digital service solutions, but no decisions on larger service procurements from the private sector have been made so far.

The direction of development in Terveystalo's operating environment in Finland is changing through the healthcare-related entries and goals of the new government program. The government program contains many entries aimed at increasing cooperation between private and public healthcare to improve the effectiveness and cost-efficiency of the healthcare system. As a first concrete measure, the government decided in September 2023 during the budget negotiations to raise Kela reimbursements in accordance with the government program. From 1 January 2024, Kela, the Social Insurance Institution of Finland, will reimburse the customer 30 euros for a visit to a private general practitioner and specialist and 25 euros for a remote appointment, instead of the current 8 euros. The reimbursement rates for psychiatric appointments will be increased to €30-40, depending on the length of the appointment. Reimbursement rates for psychiatric interventions, such as psychotherapy, will also be increased. In addition, the reimbursement for a basic oral examination by a dentist will increase from 15.50 euros to 30 euros. In total, Kela compensations will be increased by 500 million between 2024 and 2027, of which the state's financial contribution is 335 million. The aim of increasing the reimbursements is to shorten the treatment queues in primary care. The measures of the government program are estimated to support the growth of demand for private service production and will bring new opportunities for the implementation of publicly funded and privately provided services.

Impact of the global political situation and conflicts

The direct impacts of political tensions and conflicts, such as the war in Ukraine have been minimal to Terveystalo. The company does not have business operations in or with Ukraine, Israel, or countries that are subject to sanctions. The indirect financial impact arises from high inflation and potential disruptions in the supply chain and 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 third quarter of 2023, the Group's revenue increased by 1.5% year-on-year to EUR 280.5 (276.4) million. The Healthcare Services segment revenue increased by 7.2% and was EUR 209.3 (195.2) million. The revenue increase was mainly driven by price increases and improvement of the sales mix. Visits to laboratory services decreased substantially year-on-year as COVID testing decreased. A total of approximately 600 (40 300) COVID-19 tests were performed during the third quarter¹. Revenue from laboratory services not related to COVID testing increased year-on-year but remained slightly below the pre-pandemic levels. Revenue from surgical operations and imaging services grew year-on-year.

The Portfolio Businesses segment revenue decreased by 12.1% and was EUR 60.5 (68.8) million due to expired outsourcing contracts. The revenue from Sweden decreased by 11.5% due to lower demand and the weakening of the Swedish krona against EUR and came to EUR 15.8 (17.8) million. Without the currency effect, the revenue decreased by 0.9%.

Acquisitions did not have a material impact on the revenue growth in Sweden.

There were 65 (66) working days in July–September.

Revenue in January–September 2023 increased by 2.1% year-on-year and amounted to EUR 944.0 (924.3) million. The Healthcare Services segment revenue increased by 5.4% and was EUR 693.8 (658.3) million.

Visits to laboratory services decreased substantially year-on-year as COVID testing decreased. A total of approximately 5,200 (295,000) COVID-19 tests were performed². Revenue from other laboratory services increased year-on-year but remained below the pre-pandemic levels. Revenue from surgical operations and imaging services grew year-on-year.

The Portfolio Businesses segment revenue decreased by 7.9% and was EUR 199.9 (217.0) million due to expired outsourcing contracts.

The revenue from Sweden increased by 1.0% and came to EUR 65.9 (65.2) million. Without the currency effect, the revenue grew by 10.1%

Acquisitions increased revenue in Sweden by approximately EUR 4.1 million.

1) Excludes sample collection services

Revenue, MEUR	7–9/ 2023	7–9/ 2022	Change, %	1–9/ 2023	1–9/ 2022	Change, %	2022
Healthcare Services	209.3	195.2	7.2	693.8	658.3	5.4	897.8
Portfolio Businesses	60.5	68.8	-12.1	199.9	217.0	-7.9	290.7
Sweden	15.8	17.8	-11.5	65.9	65.2	1.0	92.8
Other	-5.1	-5.5	6.8	-15.6	-16.2	3.5	-22.2
Total	280.5	276.4	1.5	944.0	924.3	2.1	1 259.1

Segment Other reported figures mainly consist of parent company expenses, unallocated Group level adjustments, and provisions as well as eliminations between reporting segments. Other segment's revenue includes eliminations between reporting segments.

Financial performance and cash flow

The Group's adjusted earnings for the third quarter of 2023 before interest, taxes, amortization, and impairment losses (EBITA) increased by 69.7% to EUR 21.1 (12.5) million, representing 7.5% (4.5%) of revenue.

Adjusted EBITA, MEUR	7–9/ 2023	7–9/ 2022	Change, %	1–9/ 2023	1–9/ 2022	Change, %	2022
Healthcare Services	20.4	15.4	32.4	75.3	72.3	4.2	99.2
Portfolio Businesses	1.8	1.8	0.0	6.8	5.3	28.2	3.5
Sweden	-2.1	-2.0	-7.0	1.3	-0.4	>200.0	2.6
Other	1.0	-2.9	133.2	2.7	-1.7	>200.0	-0.1
Total	21.1	12.5	69.7	86.1	75.5	14.0	105.2

The profitability improvement came mostly from the Healthcare Services segment. Profitability was strengthened by normalization of the sales mix, price increases, and the progress of the profit improvement program. Material expenses and service purchasing decreased by 3.3% year-on-year and amounted to EUR 116.4 (120.4) million. Employee benefit expenses decreased by 0.6% year-on-year and amounted to EUR 99.9 (100.5) million. Personnel costs decreased due to the actions of the profit improvement program, lower sick leaves and terminated outsourcing contracts. Personnel costs, on the other hand, increased due to new recruitments, as well as salary increases. Other operating expenses increased by 7.2% to EUR 28.1 (26.2) million mainly due to advisory fees of the profit improvement program.

The Group's adjusted EBITDA increased by 28.2% year-on-year to EUR 39.7 (30.9) million. Adjusted EBIT amounted to EUR 13.0 (5.2) million. Operating profit (EBIT) came to EUR 10.2 (-24.6) million. Operating profit (EBIT) during the comparison period was significantly impacted by EUR 28.9 million impairment loss relating to other intangible assets.

Net financing costs increased to EUR -6.6 (0.3) million due to the increased interest rate, as well as the increase in the fair value of interest rate hedges during the comparison period. The result before tax was EUR 3.6 (-24.3) million. Income taxes were EUR -0.4 (4.7) million. The result for the third quarter amounted to EUR 3.3 (-19.6) million, and earnings per share were EUR 0.03 (-0.15).

Cash flow from operating activities in the third quarter increased to EUR 35.6 (4.8) million, mainly due to the improved operating profit and a decrease in net working capital.

Cash flow from investing activities amounted to EUR -10.8 (-14.3) million. The change from the comparison period mainly consisted of a decrease in investments in intangible and tangible assets.

Cash flow from financing activities amounted to EUR -1.6 (-4.5) million. The change from the comparison period mainly consisted of the long-term loan taken out in the comparison period and the seasonal variation of commercial paper financing, as well as the increased financing costs of the reporting period.

The Group's adjusted earnings for January–September 2023 before interest, taxes, amortization, and impairment losses (EBITA) increased by 14.0 % to EUR 86.1 (75.5) million, representing 9.1% (8.2%) of revenue. Profitability was strengthened by normalization of the sales mix, price increases, and the progress of the profit improvement program. Material expenses and service purchasing increased by 2.3% year-on-year and amounted to EUR 393.7 (384.9) million. Employee benefit expenses decreased by 1.4% year-on-year and amounted to EUR 329.9 (334.6) million due to the actions of the profit improvement program, lower sick leaves, and terminated outsourcing contracts. The decrease was partially offset by acquisitions, recruitment, as well as salary increases. Other operating expenses increased by 21.3% to EUR 96.9 (79.9) million mainly due to advisory fees of the profit improvement program, as well as higher costs related to rents and premises.

The Group's adjusted EBITDA increased by 9.3% year-on-year to EUR 142.1 (130.0) million. Adjusted EBIT amounted to EUR 61.9 (53.3) million. Operating profit (EBIT) came to EUR 44.3 (21.1) million. In the comparison period, impairment of other intangible assets EUR 28.9 million decreased the operating profit significantly.

Net financing costs increased to EUR -16.7 (0.0) million due to the increased interest rate, as well as the increase in the fair value of interest rate hedges during the comparison period. The result before tax was EUR 27.6 (21.1) million. Income taxes were EUR -5.7 (-4.3) million. The result for the reporting period amounted to EUR 21.9 (16.8) million, and earnings per share were EUR 0.17 (0.13).

Cash flow from operating activities increased to EUR 97.4 (64.4) million, mainly due to the payment schedules for corporate income taxes and decrease in net working capital. In addition, the change in cash flow was impacted by amortisations in the comparison period, as well as the increased financing costs of the reporting period.

Cash flow from investing activities amounted to EUR -32.7 (-69.9) million. The change from the comparison period mainly consisted of a decrease in M&A activities and investments in intangible assets.

Cash flow from financing activities amounted to EUR -69.3 (-4.1) million. The change from the comparison period was mainly due to changes in the financing needs, as well as increased net financing costs.

Profit improvement program

During the fourth quarter of 2022, Terveystalo launched a profit improvement program, which aims for an inflation-adjusted, annualized (run-rate) EBITA improvement of at least EUR 50 million by the end of 2024. The program has progressed well, and the target will be achieved ahead of schedule. The company estimates that the adjusted EBITA impact to be achieved in 2023 will be over EUR 30 million.

The costs related to the program are estimated to be EUR 25–30 million. 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 third quarter of 2023 are estimated to have an annual run-rate impact on profitability of over 40 million euros. The adjusted EBITA impact of the program during the third quarter was approximately EUR 10 million and during January–September 2023 EUR 23 million. The costs of the program, treated as items affecting comparability, were EUR 2.9 million during the third quarter and EUR 16.4 million during January–September 2023.

Financial position

Terveystalo's liquidity position is good. Cash and cash equivalents at the end of the reporting period amounted to EUR 35.4 (28.3) million. The total assets of the Group amounted to EUR 1,482.1 (1,459.9) million.

Equity attributable to owners of the parent company totalled EUR 576.9 (585.3) million.

Gearing (including lease liabilities) was 103.5% (99.2%) and net debt amounted to EUR 597.2 (580.9) million. The increase in net debt is mainly due to lease liabilities. Net debt, excluding IFRS 16 (lease liabilities) amounted to EUR 391.5 (406.1) million.

The average maturity of Terveystalo's financial loans was 2.5 (1.9) years at the end of the third quarter of 2023, and the weighted average interest rate for the quarter was 4.9 (0.9) percent. During the reporting period, the company fulfilled the covenant requirement included in its financing agreements reflecting relative indebtedness.

After the reporting period, the company signed an agreement for a long-term loan of EUR 135 million and refinanced the current revolving credit facility. The loan is a bullet loan, and the maturity of the loan is three years supplemented by an extension option of one year. The loan will be used for refinancing the loans due in 2023-2024. In connection with this, the company agreed on the refinancing of a EUR 40 million revolving credit facility due in 2024. The maturity of the credit revolving facility is three years supplemented by an extension option of one year.

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 93.6 (214.8) million.

Return on equity for the reporting period was 5.1% (7.1%). The equity ratio was 39.0% (40.2%).

In accordance with the 2023 Annual General Meeting's decision, a dividend of EUR 0.28 per share has been paid based on the balance sheet adopted for the fiscal year ending 31 December 2022. The dividend was paid in two instalments. The first dividend instalment was paid to shareholders on 3 April 2023 and the second dividend instalment on 9 October 2023.

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 the summer months. The number of business days influences the revenue and earnings development, particularly when comparing quarterly performance. There were 65 (66) working days in July–September and 190 (190) working days in January–September. 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–September 2023, including M&A, amounted to EUR 32.3 (68.3) million. The Group's net capital expenditure, excluding M&A, amounted to EUR 28.4 (38.6) million. The investments consisted mainly of investments in 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 second quarter, Terveystalo subsidiary, Feelgood Svenska AB, entered into agreements for two acquisitions. Feelgood acquired Växjö Hälsoforum and Quality Care's operations, of which the former was finalised during the third quarter and the latter after the end of the reporting period in October.

* 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 30 September 2023 in Finland was 9,027 (10,176), in Sweden 774 (851), and in total 9,801 (11,027). In FTEs, the average number of personnel in Finland was 5,642 (5,765), in Sweden 832 (923), and in total 6,471 (6,685). The number of private practitioners in Finland was 6,021 (5,742), in Sweden 105 (110) and in total 6,126 (5,852).

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 and strengthening of the sales mix. Consumer customers and corporate customers' share of revenue increased and visits to basic laboratory services increased from the comparison period. In addition, strong demand for other services continued.
- Profitability increased clearly from the comparison period despite the ending of COVID-19 testing. Higher sales prices, improved sales mix in non-COVID-related services, and the progress of the profit improvement program supported profitability.
- The measures implemented by the end of the third quarter are estimated to have an annual run-rate impact of over EUR 40 million on profitability. The adjusted EBITA impact of the program was approximately EUR 10 million in Q3 and EUR 23 million in January–September 2023.

Key figures

	7–9/ 2023	7–9/ 2022	Change, %	1–9/ 2023	1–9/ 2022	Change, %	2022
Revenue, MEUR	209.3	195.2	7.2	693.8	658.3	5.4	897.8
EBITA, MEUR	20.3	14.7	38.4	74.7	68.5	9.1	93.8
EBITA, %	9.7	7.5	2.2 %-p.	10.8	10.4	0.4 %-p.	10.4
Adjusted EBITA, MEUR	20.4	15.4	32.4	75.3	72.3	4.2	99.2
Adjusted EBITA, % of revenue	9.8	7.9	1.9 %-p.	10.9	11.0	-0.1 %-p.	11.0

The revenue from Healthcare Services in the third quarter increased by 7.2% and was 209.3 (195.2) million euros. The revenue from corporate customers increased by 9.6% to EUR 122.2 (111.5) million. Revenue from preventive occupational health services¹⁾ 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 7.5% to EUR 68.0 (63.2) million. Revenue increased especially due to higher sales from services produced for insurance companies and higher selling prices. The revenue from public sector customers decreased by 6.5% to EUR 19.2 (20.5) million due to terminated contracts and lower sales from COVID-related services. Revenue from services provided for municipal occupational health customers grew due to price increases.

The revenue from appointment services increased by 8.7% to EUR 136.1 (125.2) million mainly due to implemented price increases in all customer groups. The number of physical appointments decreased slightly year-on-year. The number of remote appointments decreased by 21.4% from the comparison period. There was a high number of COVID-related digital visits during the comparison period. Revenue from diagnostics services (laboratory and imaging) decreased by 0.6% and was 52.7 (53.0) million euros. The number of laboratory visits decreased clearly from the comparison period when there was still quite a high number of COVID tests done. Excluding COVID testing, the number of laboratory visits increased from the comparison period but remained still slightly below the 2019 levels. The revenue from other services increased by 20.9% and was 20.6 (17.0) driven by surgical operations.

The revenue from Healthcare Services in January–September 2023 increased by 5.4% and was 693.8 (658.3) million euros.

The revenue from corporate customers increased by 6.6% to EUR 407.5 (382.2) million. Revenue from preventive occupational health services¹⁾ 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 7.7% to EUR 221.2 (205.3) million. Revenue increased especially due to higher sales from services produced for insurance companies. The revenue from public sector customers decreased by 8.0% to EUR 65.1 (70.8) million due to terminated contracts and lower sales from COVID-related services. Revenue from services provided for municipal occupational health customers grew due to price increases.

The revenue from appointment services increased by 11.8% to EUR 448.9 (401.3) 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 20.8% due to the COVID-related digital visits during the comparison period. Revenue from diagnostics services (laboratory and imaging) decreased by 9.7% and was 172.9 (191.4) million euros. The number of laboratory visits decreased clearly from the comparison period when there was a high number of COVID tests done. Excluding COVID testing, the number of laboratory visits increased from the comparison period but remained still below the 2019 levels. The revenue from other services increased by 10.0% and was 72.1 (65.5) driven by surgical operations.

¹⁾ 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	7–9/ 2023	7–9/ 2022	Change, %	1–9/ 2023	1–9/ 2022	Change, %	2022
By customer							
Corporate	122.2	111.5	9.6	407.5	382.2	6.6	522.9
Consumer	68.0	63.2	7.5	221.2	205.3	7.7	278.4
Public sector	19.2	20.5	-6.5	65.1	70.8	-8.0	96.4
By service							
Appointments	136.1	125.2	8.7	448.9	401.3	11.8	556.3
Diagnostics	52.7	53.0	-0.6	172.9	191.4	-9.7	250.0
Other	20.6	17.0	20.9	72.1	65.5	10.0	91.5

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 third-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	7–9/ 2023	7–9/ 2022	Change, %	1–9/ 2023	1–9/ 2022	Change, %	2022
Appointments	1,320,731	1,410,702	-6.4	4,377,531	4,585,605	-4.5	6,351,339
Physical appointments	1,024,531	1,033,891	-0.9	3,428,421	3,387,086	1.2	4,723,915
Remote appointments	296,200	376,811	-21.4	949,110	1,198,519	-20.8	1,627,424
Diagnostics	288,074	314,256	-8.3	966,462	1,107,982	-12.8	1,460,908
Other	10,943	8,091	35.2	32,180	29,339	9.7	41,278
Total	1,619,748	1,733,049	-6.5	5,376,174	5,722,927	-6.1	7,853,525

In the Healthcare Services, adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) increased by 32.4% and amounted to EUR 20.4 (15.4) million, representing 9.8 (7.9) % of revenue in the third quarter. Profitability was supported by higher prices and improved sales mix in non-COVID-related services. The profit improvement program targeting at

least 50-million-euro annualized (run-rate) EBITA improvement by the end of 2024, has progressed well. The measures implemented by the end of the reporting period are estimated to have an annual run-rate impact of over EUR 40 million on profitability.

In January–September 2023, adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) increased by 4.2% and amounted to EUR 75.3 (72.3) million, representing 10.9 (11.0) % of revenue. The drop in COVID-19 testing volumes had a negative impact on profitability, whereas higher prices and improved sales mix in non-COVID-related services strengthened the 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 year-on-year due to terminated outsourcing contracts.
- In the third quarter, profitability was flat year-on-year.
- Year-to-date profitability improved markedly in January–September due to the termination of low-margin outsourcing contracts, price increases, and cost cuts. The improvement was partially offset by higher costs of specialised care in outsourcing services and prolonged inflation.

Key figures

	7–9/ 2023	7–9/ 2022	Change, %	1–9/ 2023	1–9/ 2022	Change, %	2022
Revenue, MEUR	60.5	68.8	-12.1	199.9	217.0	-7.9	290.7
EBITA, MEUR	1.8	1.8	-0.1	6.7	4.4	50.9	2.0
EBITA, %	2.9	2.6	0.4 %-p.	3.3	2.0	1.3 %-p.	0.7
Adjusted EBITA, MEUR	1.8	1.8	0.0	6.8	5.3	28.2	3.5
Adjusted EBITA, % of revenue	3.0	2.7	0.4 %-p.	3.4	2.4	1.0 %-p.	1.2

Portfolio Businesses, revenue by services

Revenue, MEUR	7–9/ 2023	7–9/ 2022	Change, %	1–9/ 2023	1–9/ 2022	Change, %	2022
Outsourcing services	20.3	28.8	-29.4	68.1	90.0	-24.3	118.7
Staffing services	19.7	20.1	-2.3	63.3	62.7	1.1	84.1
Dental care	11.6	11.5	0.9	41.1	37.9	8.5	52.2
Other	8.9	8.4	5.9	27.3	26.3	3.5	35.6
Total	60.5	68.8	-12.1	199.9	217.0	-7.9	290.7

In the Portfolio Businesses, revenue decreased by 12.1% and amounted to EUR 60.5 (68.8) million in the third quarter. Revenue from outsourcing services decreased by 29.4% due to terminated outsourcing contracts and amounted to EUR 20.3 (28.8) million. Revenue from staffing services decreased by 2.3% and amounted to EUR 19.7 (20.1) million. Revenue from nurse staffing decreased due to a decrease in COVID-related services year-on-year. Revenue from dental care increased by 0.9% and amounted to EUR 11.6 (11.5) million. Revenue from other services increased by 5.9% and amounted to EUR 8.9 (8.4) million.

In January–September 2023, revenue decreased by 7.9% and amounted to EUR 199.9 (217.0) million. Revenue from outsourcing services decreased by 24.3% due to terminated outsourcing contracts and amounted to EUR 68.1 (90.0) million. Revenue from

staffing services increased by 1.1% and amounted to EUR 63.3 (62.7) 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 8.5% and amounted to EUR 41.1 (37.9) million. Revenue from other services increased by 3.5% and amounted to EUR 27.3 (26.3) million.

Adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) for the third quarter was at the same level as in the comparison period and amounted to EUR 1.8 (1.8) million, representing 3.0 (2.7) % of revenue. Termination of low-margin outsourcing contracts, price increases, cost cutting, as well as increased demand improved profitability year-on-year. Higher costs of specialised care in outsourcing services, as well as inflation impacted negatively.

In January–September 2023, adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) increased by 28.2% and amounted to EUR 6.8 (5.3) million, representing 3.4 (2.4) % 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 decreased year-on-year due to the weakening of the Swedish krona and softer demand. The demand for preventive occupational health services started to pick up somewhat slower after the holiday period than in the previous year. In addition, the increased economic uncertainty had a negative impact on the demand.
- In the third quarter, adjusted EBITA decreased slightly year-on-year mainly due to the lower revenue and prolonged inflation.

Key figures

	7–9/ 2023	7–9/ 2022	Change, %	1–9/ 2023	1–9/ 2022	Change, %	2022
Revenue, MEUR	15.8	17.8	-11.5	65.9	65.2	1.0	92.8
EBITA, MEUR	-2.4	-2.1	-17.1	0.9	-0.9	191.6	1.9
EBITA, %	-15.3	-11.5	-3.7 %-p.	1.3	-1.4	2.8 %-p.	2.1
Adjusted EBITA, MEUR	-2.1	-2.0	-7.0	1.3	-0.4	>200.0	2.6
Adjusted EBITA, % of revenue	-13.3	-11.0	-2.3 %-p.	2.0	-0.6	2.6 %-p.	2.8

In the Sweden segment, revenue decreased by 11.5% and amounted to EUR 15.8 (17.8) million **in the third quarter**. The weakening of the Swedish krona from the comparison period had a negative impact on revenue. Without the currency effect, the revenue decreased by 0.9%. The demand for preventive occupational health services started to pick up a little slower after the holiday period than the previous year. The increased uncertainty of the economy slightly impacted the demand for preventive services, which are more sensitive to macroeconomic changes.

In January–September 2023, revenue increased by 1.0% and amounted to EUR 65.9 (65.2) million. The weakening of the Swedish krona from the comparison period had a negative impact on revenue. Without the currency effect, the revenue grew by 10.1%. Demand was at a good level during the first half of the year, particularly in consultation for organizational management and harmful use. During the third quarter, the demand for preventive occupational health services started to pick up a little slower after the holiday period than the previous year. The increased uncertainty of the economy impacted the demand for preventive services, which are more sensitive to macroeconomic changes. Acquisitions increased revenue in Sweden by approximately EUR 4.1 million.

Adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) decreased by 7.0% and amounted to EUR -2.1 (-2.0) million, representing -13.3 (-11.0) % of revenue in the third quarter. Profitability was weakened due to the lower revenue and cost inflation.

In January–September 2023, **adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA)** increased to EUR 1.3 (-0.4) million, representing 2.0 (-0.6) % of revenue. Profitability was strengthened by increased operational efficiency.

Shares and shareholders

Terveystalo Plc has one share series (TTALO), which is listed on Nasdaq Helsinki Ltd. At the end of the third quarter of 2023, Terveystalo's market value was EUR 960 (1,051) million and the closing price was EUR 7.56 (8.27). During January–September 2023, the highest price of Terveystalo's share was EUR 8.53 (11.94), the lowest price was EUR 6.43 (8.27), and the average price was EUR 7.56 (10.32). A total of 16.1 (10.3) million shares were traded. At the end of the reporting period, the number of Terveystalo shares registered in the Trade Register was 127,036,531 (127,036,531). The total number of shareholders was 33,108 (28,380) at the end of the third quarter of 2023. Terveystalo and its subsidiaries hold 480,230 (488,536) own shares for reward purposes, corresponding to 0.4% of all outstanding shares.

Notifications of major shareholdings

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

Events after the end of the reporting period

After the reporting period, the company signed an agreement for a long-term loan of EUR 135 million and refinanced the current revolving credit facility. The loan is a bullet loan, and the maturity of the loan is three years supplemented by an extension option of one year. The loan will be used for refinancing the loans due in 2023–2024. In connection with this, the company agreed on the refinancing of a EUR 40 million revolving credit facility due in 2024. The maturity of the credit revolving facility is three years supplemented by an extension option of one year.

Terveystalo subsidiary, Feelgood Svenska AB, acquired Quality Care's operations after the end of the reporting period in October.

In accordance with the 2023 Annual General Meeting's decision, a dividend of EUR 0.28 per share has been paid based on the balance sheet adopted for the fiscal year ending 31 December 2022. The first dividend instalment was paid to shareholders on 3 April 2023 and the second dividend instalment after the end of the reporting period on 9 October 2023.

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.
- 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.

Terveystalo's financial reporting and Annual General Meeting in 2024

In 2024, Terveystalo will publish financial information as follows:

Financial statements release 2023	14 February 2024
Annual Report 2023	Week 8
Interim Report, 1 January 1 – 31 March 2024	26 April 2024
Half-yearly Report, 1 January – 30 September 2024	17 July 2024
Interim Report, 1 January – 30 September 2024	25 October 2024

The financial reports will be published at approximately 9:00 a.m. EET. Financial reports are published in Finnish and English.

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

Terveystalo Plc's Annual General Meeting (AGM) is planned to be held on Tuesday 26 March 2024. The meeting will be convened by the company's Board of Directors separately at a later date.

Result briefing

Terveystalo will arrange a webcast and a conference call in English on its result on Friday 27 October 2023 starting at 10:30 EEST. You can watch the webcast online at: <https://terveystalo.videosync.fi/2023-q3-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=10010304>

Helsinki, 26 October 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

Consolidated statement of comprehensive income

EUR mill.	Note	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	2022
Revenue	4	280.5	276.4	1.5	944.0	924.3	2.1	1,259.1
Other operating income		0.8	0.6	36.4	3.1	1.7	77.6	2.7
Materials and services	5	-116.4	-120.4	-3.3	-393.7	-384.9	2.3	-525.7
Employee benefit expenses	6	-99.9	-100.5	-0.6	-329.9	-334.6	-1.4	-455.0
Depreciation, amortisation and impairment losses	10, 11	-26.7	-54.6	-51.1	-82.2	-105.5	-22.0	-134.9
Other operating expenses	7	-28.1	-26.2	7.2	-96.9	-79.9	21.3	-112.3
Operating result		10.2	-24.6	141.5	44.3	21.1	109.5	33.9
Financial income		0.2	2.6	-91.0	0.8	6.6	-87.3	7.5
Financial expenses		-6.8	-2.2	>200.0	-17.5	-6.6	166.5	-10.4
Net finance income and expenses		-6.6	0.3	>-200.0	-16.7	0.0	>-200.0	-2.9
Share of result in associated companies		-	-0,0	-100.0	-	-0.1	-100.0	-0.1
Result before taxes		3.6	-24.3	114.9	27.6	21.1	30.9	30.9
Income tax expense	8	-0.4	4.7	107.8	-5.7	-4.3	33.3	-6.5
Net income		3.3	-19.6	116.6	21.9	16.8	30.3	24.4
Net income attributable to:								
Owners of the parent company		3.3	-19.6	116.7	21.9	16.8	30.5	24.4
Non-controlling interests		0.0	0.0	>200.0	0.0	0.0	>200.0	-0.0
Other comprehensive income								
Items that may be reclassified to profit or loss		-1.4	-0.9	52.9	-2.3	-3.9	-40.4	-5.3
Items that will not be reclassified to profit or loss		-	0.1	-	-	0.3	-	0.2
Other comprehensive income for the period, net of tax		-1.4	-0.8	79.5	-2.3	-3.6	-35.2	-5.1
Total comprehensive income		1.9	-20.4	109.1	19.6	13.2	48.2	19.3
Total comprehensive income attributable to:								
Owners of the parent company		1.9	-20.4	109.1	19.6	13.2	48.2	19.3
Non-controlling interest		0.0	0.0	>200.0	0.0	0.0	>200.0	-0.0
Earnings per share for profit attributable to the shareholders of the parent company, in euro								
Basic earnings per share		0.03	-0.15	116.7	0.17	0.13	30.3	0.19
Diluted earnings per share		0.03	-0.15	116.7	0.17	0.13	30.5	0.19

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

Consolidated statement of financial position

EUR mill.	Note	30 Sep 2023	30 Sep 2022	31 Dec 2022
ASSETS				
Non-current assets				
Property, plant and equipment	10	82.5	78.4	82.0
Right-of-use assets	12	199.6	168.8	173.9
Goodwill	11	876.4	875.5	879.5
Intangible assets	11	132.3	143.0	145.2
Investment properties		0.5	0.5	0.5
Investments in associates		0.0	0.0	0.0
Loan receivables		0.0	0.1	0.3
Deferred tax assets		6.0	5.6	7.7
Other non-current assets		0.8	0.8	0.8
Total non-current assets		1,298.1	1,272.6	1,289.8
Current assets				
Inventories		7.0	7.6	6.6
Trade and other receivables		138.3	140.4	138.4
Current tax receivables		3.4	11.1	4.5
Cash and cash equivalents		35.4	28.3	40.2
Total current assets		184.1	187.4	189.7
TOTAL ASSETS		1,482.1	1,459.9	1,479.4
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Company				
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		99.8	108.2	114.9
Equity attributable to equity holders of the Company total		576.9	585.3	592.0
Non-controlling interest		-	0.0	0.0
TOTAL EQUITY		576.9	585.3	592.0
Non-current liabilities				
Non-current financial liabilities	13	380.3	288.5	383.1
Non-current lease liabilities		158.3	127.4	133.2
Deferred tax liabilities		26.1	27.6	29.5
Other liabilities		13.4	12.5	16.2
Provisions		3.0	8.7	8.3
Total non-current liabilities		581.0	464.8	570.3
Current liabilities				
Current financial liabilities	13	46.7	145.9	44.2
Current lease liabilities		47.4	47.3	46.5
Current tax liabilities		0.0	0.4	0.0
Dividend liabilities		17.7	17.7	0.0
Trade and other payables		209.9	195.7	223.2
Provisions		2.3	2.7	3.2
Total current liabilities		324.1	409.8	317.1
TOTAL LIABILITIES		905.2	874.6	887.4
TOTAL EQUITY AND LIABILITIES		1,482.1	1,459.9	1,479.4

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
Equity 1 Jan 2023	0.1	492.8	-15.8	114.9	592.0	0.0	592.0
Comprehensive income							
Profit for the period	-	-	-	21.9	21.9	0.0	21.9
Other comprehensive income	-	-	-	-2.3	-2.3	-	-2.3
Transactions with owners							
Dividend	-	-	-	-35.4	-35.4	-	-35.4
Share-based payments	-	-	0.1	0.7	0.8	-	0.8
Transactions with non-controlling interest							
Transactions with non-controlling interest	-	-	-	-	-	-0.0	-0.0
Equity 30 Sep 2023	0.1	492.8	-15.7	99.8	576.9	-	576.9

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
Equity 1 Jan 2022	0.1	492.8	-18.0	134.0	608.8	0.0	608.9
Comprehensive income							
Profit for the period	-	-	-	16.8	16.8	0.0	16.8
Other comprehensive income	-	-	-	-3.6	-3.6	-	-3.6
Transactions with owners							
Equity repayment	-	-	-	-35.4	-35.4	-	-35.4
Share-based payments	-	-	2.2	-3.6	-1.4	-	-1.4
Transactions with non-controlling interests							
Transactions with non-controlling interest	-	-	-	-	-	0.0	0.0
Equity 30 Sep 2022	0.1	492.8	-15.8	108.2	585.3	0.0	585.3

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
Equity 1 Jan 2022	0.1	492.8	-18.0	134.0	608.8	0.0	608.9
Comprehensive income							
Profit for the period	-	-	-	24.4	24.4	0.0	24.4
Other comprehensive income	-	-	-	-5.1	-5.1	-	-5.1
Transactions with owners							
Share-based payments	-	-	2.2	-3.0	-0.8	-	-0.8
Dividend	-	-	-	-35.4	-35.4	-	-35.4
Transactions with non-controlling interest							
Equity 31 Dec 2022	0.1	492.8	-15.8	114.9	592.0	0.0	592.0

Consolidated statement of cash flows

EUR mill.	7-9/2023	7-9/2022	1-9/2023	1-9/2022	2022
Cash flows from operating activities					
Profit before taxes	3.6	-24.3	27.6	21.1	30.9
Adjustments for					
Depreciation, amortisation and impairment losses	26.7	54.6	82.2	105.5	134.9
Change in provisions	-0.7	2.0	-2.9	0.4	0.5
Other transactions	0.2	-0.3	-5.8	-3.6	-4.1
Gains and losses on sale of property, plant and equipment	0.1	-0.1	-0.1	-0.2	-0.3
Net finance expenses	6.6	-0.4	16.7	0.0	2.9
Changes in working capital					
Trade and other receivables	14.1	1.8	-4.2	-2.6	1.6
Inventories	-0.2	-0.3	-0.4	-1.2	-0.2
Trade and other payables	-12.4	-22.3	-10.9	-26.2	0.4
Interest received	0.3	0.1	0.8	0.2	0.3
Income taxes paid	-2.5	-6.0	-5.7	-29.0	-26.0
Net cash from operating activities	35.6	4.8	97.4	64.4	140.9
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired	-1.3	-1.3	-4.0	-29.1	-34.9
Acquisition of property, plant and equipment	-6.0	-7.5	-17.8	-20.8	-30.2
Acquisition of intangible assets	-3.6	-5.1	-11.7	-19.9	-29.0
Acquisition of business operation, net of cash acquired	-	-0.7	-0.0	-0.7	-0.7
Sale of business operation, net of cash disposed of	-	-	0.3	-	-
Proceeds from the disposal of associates	-	0.1	-	0.1	0.1
Proceeds from sale of property, plant and equipment	0.2	0.2	0.6	0.5	0.7
Dividends received	0.0	0.0	0.0	0.0	0.0
Net cash from investing activities	-10.8	-14.3	-32.7	-69.9	-93.9
Cash flows from financing activities					
Acquisition of non-controlling interest	-	-0.0	-0.1	-0.0	-0.0
Proceeds from non-current borrowings	-	25.0	99.6	49.9	169.5
Repayment of non-current borrowings	-	-	-100.0	-15.0	-40.0
Proceeds from current borrowings	15.8	1.5	25.9	41.0	41.0
Repayment of current borrowings	-	-16.2	-22.0	-16.4	-116.7
Payment of lease liabilities	-12.7	-12.2	-38.2	-36.6	-49.3
Payment of hire purchase liabilities	-1.0	-1.3	-3.4	-4.1	-5.3
Interests and other financial expenses paid	-3.7	-1.2	-13.3	-5.2	-8.4
Dividends paid	-	-	-17.7	-17.7	-35.4
Net cash from financing activities	-1.6	-4.5	-69.3	-4.1	-44.6
Net change in cash and cash equivalents	23.2	-14.0	-4.6	-9.7	2.3
Cash and cash equivalents at the beginning of the period	12.0	42.3	40.2	38.1	38.1
Translation differences	0.1	0.0	-0.1	0.0	-0.3
Cash and cash equivalents at the end of the period	35.4	28.3	35.4	28.3	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

After the reporting period, the company signed an agreement for a long-term loan of EUR 135 million and refinanced the current revolving credit facility. The loan is a bullet-loan and the maturity of the loan is three years supplemented by an extension option of one year. The loan will be used for refinancing the loans due in 2023-2024. In connection with this, the company agreed on the refinancing of a EUR 40 million revolving credit facility due in 2024. The maturity of the credit revolving facility is three years supplemented by an extension option of one year.

Terveystalo subsidiary, Feelgood Svenska AB, acquired Quality Care's operations after the end of the reporting period in October.

In accordance with 2023 Annual General Meeting's decision, a dividend of EUR 0.28 per share has been paid based on the balance sheet adopted for the fiscal year ended 31 December 2022. The first dividend instalment was paid to shareholders on 3 April 2023 and the second dividend instalment after the end of the reporting period on 9 October 2023.

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.

Other segment reported figures mainly consist of parent company expenses, unallocated Group level adjustments and provisions as well as eliminations between reporting segments. Other segment's revenue includes eliminations between reporting segments.

Disaggregation of revenue

EUR mill.	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	2022
Healthcare services	209.3	195.2	7.2	693.8	658.3	5.4	897.8
Portfolio business	60.5	68.8	-12.1	199.9	217.0	-7.9	290.7
Sweden	15.8	17.8	-11.5	65.9	65.2	1.0	92.8
Other	-5.1	-5.5	6.8	-15.6	-16.2	3.5	-22.2
Total	280.5	276.4	1.5	944.0	924.3	2.1	1,259.1

Healthcare services, revenue							
EUR mill.	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	2022
By customer							
Corporate	122.2	111.5	9.6	407.5	382.2	6.6	522.9
Consumer	68.0	63.2	7.5	221.2	205.3	7.7	278.4
Public sector	19.2	20.5	-6.5	65.1	70.8	-8.0	96.4
By service							
Appointments	136.1	125.2	8.7	448.9	401.3	11.8	556.3
Diagnostics	52.7	53.0	-0.6	172.9	191.4	-9.7	250.0
Other	20.6	17.0	20.9	72.1	65.5	10.0	91.5

Portfolio businesses, revenue							
EUR mill.	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	2022
Outsourcing services	20.3	28.8	-29.4	68.1	90.0	-24.3	118.7
Staffing services	19.7	20.1	-2.3	63.3	62.7	1.1	84.1
Dental care	11.6	11.5	0.9	41.1	37.9	8.5	52.2
Other	8.9	8.4	5.9	27.3	26.3	3.5	35.6

Timing of satisfying performance obligations

EUR mill.	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	2022
At a point in time	259.6	244.9	6.0	874.1	829.4	5.4	1,134.4
Over time	20.9	31.5	-33.6	69.9	94.9	-26.4	124.6
Total	280.5	276.4	1.5	944.0	924.3	2.1	1,259.1

Other segment information

Adjusted EBITA							
EUR mill.	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	2022
Healthcare services	20.4	15.4	32.4	75.3	72.3	4.2	99.2
Portfolio business	1.8	1.8	0.0	6.8	5.3	28.2	3.5
Sweden	-2.1	-2.0	-7.0	1.3	-0.4	>200.0	2.6
Other	1.0	-2.9	133.2	2.7	-1.7	>200.0	-0.1
Total	21.1	12.5	69.7	86.1	75.5	14.0	105.2

EBITA							
EUR mill.	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	2022
Healthcare services	20.3	14.7	38.4	74.7	68.5	9.1	93.8
Portfolio business	1.8	1.8	-0.1	6.7	4.4	50.9	2.0
Sweden	-2.4	-2.1	-17.1	0.9	-0.9	191.6	1.9
Other	-1.3	-3.0	55.8	-11.9	0.2	> -200.0	-1.8
Total	18.4	11.4	60.7	70.4	72.2	-2.5	95.9

5. Materials and services

EUR mill.	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	2022
Purchase of materials	-6.8	-10.1	-32.7	-28.4	-32.3	-12.2	-44.1
Change in inventories	0.2	0.3	-40.6	0.4	1.2	-64.8	0.2
External services	-109.9	-110.6	-0.7	-365.7	-353.8	3.4	-481.8
Total	-116.4	-120.4	-3.3	-393.7	-384.9	2.3	-525.7

6. Employee benefit expenses

EUR mill.	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	2022
Wages and salaries	-83.0	-83.3	-0.4	-276.3	-278.8	-0.9	-379.5
Share-based payments	-0.5	-0.5	2.9	-0.8	-1.5	-45.6	-2.0
Other personnel expenses	-16.3	-16.6	-1.6	-53.3	-54.4	-2.0	-73.5
Total	-99.9	-100.5	-0.6	-329.9	-334.6	-1.4	-455.0

7. Other operating expenses

EUR mill.	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	2022
Leases and premises	-5.5	-6.3	-12.0	-17.8	-16.0	11.4	-22.9
ICT expenses	-9.6	-9.7	-1.1	-29.6	-29.2	1.5	-39.7
Marketing and communication expenses	-2.0	-2.5	-20.2	-7.1	-7.1	0.0	-8.5
Other operating expenses	-11.0	-7.8	41.7	-42.5	-27.7	53.4	-41.1
Total	-28.1	-26.2	7.2	-96.9	-79.9	21.3	-112.3

8. Income taxes

Income taxes in the statement of income

EUR mill.	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	2022
Current tax for the reporting year	-1.4	3.9	135.6	-7.3	-5.2	39.2	-8.3
Income taxes for prior periods	-0,0	0.0	195.1	-0.1	0.0	>200.0	0.0
Change in deferred taxes	1.1	0.7	-45.2	1.7	0.9	-75.6	1.8
Total income taxes	-0.4	4.7	107.8	-5.7	-4.3	33.3	-6.5

9. Share-based payments

During the second quarter of 2023, Terveystalo granted a new performance period to long-term incentive plan 2021 to the members of executive team and other key persons. Vesting period is three years and the rewards are conditional on the fulfillment of a three-year service condition and performance conditions tied to total shareholder return. The reward is granted as a gross number of Terveystalo shares, including a cash portion for taxes and tax-related expenses arising from the reward to the employee. The reward is settled as net shares. The program's impact to the result for the nine months of the year 2023 has been EUR 0.3 million and the expected total cost of the program is EUR 1.6 million. 56 persons are included in the arrangement.

During the second quarter of 2023, Terveystalo granted a new performance period to restricted share plan to individually selected employees. Vesting period is three years and the rewards are conditional on the fulfillment of a service condition. The reward is granted as a gross number of Terveystalo shares, including a cash portion for taxes and tax-related expenses arising from the reward to the employee. The reward is settled as net shares. The program's impact to the result for the nine months of the year 2023 has been EUR 0.0 million and the expected total cost of the program is EUR 0.1 million. 4 persons are included in the arrangement.

During the first quarter of 2023, 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 plans, 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

1-9/2023	Land and water, buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
EUR mill.					
Acquisition cost 1 Jan 2023	2.3	165.1	64.4	4.2	236.0
Business combination	-	0.0	-	-	0.0
Additions	-	8.7	0.5	8.0	17.2
Disposals	-	-0.3	-0.1	-	-0.5
Translation differences	-0.0	-0.1	-0.0	-	-0.1
Transfers between items	-	0.9	5.6	-6.5	-
Acquisition cost 30 Sep 2023	2.3	174.3	70.3	5.7	252.7
Accumulated depreciation and impairment losses 1 Jan 2023	-1.2	-117.1	-35.8	-	-154.0
Depreciation	-0.0	-11.3	-4.8	-	-16.2
Translation differences	0.0	-	0.0	-	0.0
Accumulated depreciation and impairment losses 30 Sep 2023	-1.2	-128.4	-40.6	-	-170.1
Carrying amount 1 Jan 2023	1.2	47.9	28.7	4.2	82.0
Carrying amount 30 Sep 2023	1.1	45.8	29.8	5.7	82.5

1-9/2022	Land and water, buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
EUR mill.					
Acquisition cost 1 Jan 2022	2.1	144.4	55.0	3.0	204.4
Business combination	0.2	0.2	0.5	0.0	1.0
Additions	-	13.3	2.7	5.4	21.4
Disposals	-	-0.3	-	-	-0.3
Translation differences	-0,0	-0.1	-0,0	-	-0.2
Transfers between items	-	0.8	2.6	-3.4	0.1
Acquisition cost 30 Sep 2022	2.3	158.3	60.7	5.0	226.3
Accumulated depreciation and impairment losses 1 Jan 2022	-1.1	-101.7	-29.6	-	-132.4
Depreciation and impairment losses for the reporting period	-0.0	-11.0	-4.5	-	-15.5
Accumulated depreciation and impairment losses 30 Sep 2022	-1.1	-112.7	-34.1	-	-148.0
Carrying amount 1 Jan 2022	1.0	42.6	25.4	2.9	72.0
Carrying amount 30 Sep 2022	1.2	45.6	26.6	5.0	78.4

2022	Land and water, buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
EUR mill.					
Acquisition cost 1 Jan 2022	2.1	144.4	55.0	3.0	204.4
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
Acquisition cost 31 Dec 2022	2.3	165.1	64.4	4.2	236.0
Accumulated depreciation and impairment losses 1 Jan 2022	-1.1	-101.7	-29.6	-	-132.4
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
Accumulated depreciation and impairment losses 31 Dec 2022	-1.2	-117.1	-35.8	-	-154.0
Carrying amount 1 Jan 2022	1.0	42.6	25.4	2.9	72.0
Carrying amount 31 Dec 2022	1.2	47.9	28.7	4.2	82.0

11. Intangible assets

1-9/2023	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
EUR mill.					
Acquisition cost 1 Jan 2023	947.5	167.8	88.7	140.2	1,344.2
Business combination	0.6	0.1	-	-	0.7
Additions	-	-	-	11.7	11.7
Translation differences	-1.5	-0.1	-0.2	-0.4	-2.2
Acquisition cost 30 Sep 2023	946.6	167.7	88.6	151.5	1,354.4
Accumulated amortisations and impairment losses 1 Jan 2023	-68.0	-117.5	-38.5	-95.6	-319.6
Amortisation	-	-7.6	-3.5	-13.0	-24.1
Impairment losses*	-2.2	-	-	-	-2.2
Translation differences	-	-	-	0.1	0.1
Accumulated amortisations and impairment losses 30 Sep 2023	-70.2	-125.0	-42.0	-108.5	-345.7
Carrying amount 1 Jan 2023	879.5	50.3	50.2	44.6	1,024.7
Carrying amount 30 Sep 2023	876.4	42.7	46.6	43.0	1,008.7

* Impairment of goodwill related to reorganisation of Portfolio businesses in connection to sale of business operations

1-9/2022	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
EUR mill.					
Acquisition cost 1 Jan 2022	916.6	166.5	88.8	111.0	1,282.9
Business combination	29.5	2.0	-	0.2	31.7
Additions	-	-	-	17.1	17.1
Translation differences	-2.7	-0.5	-0.1	-0.7	-4.0
Reclassifications	-	-	-	-0.1	-0.1
Acquisition cost 30 Sep 2022	943.5	167.9	88.7	127.6	1,327.7
Accumulated amortizations and impairment losses 1 Jan 2022	-68.0	-107.4	-33.7	-50.0	-259.1
Amortization	-	-7.5	-3.6	-10.2	-21.3
Impairment losses	-	-	-	-29.0	-29.0
Accumulated amortizations and impairment losses 30 Sep 2022	-68.0	-114.8	-37.3	-89.2	-309.4
Carrying amount 1 Jan 2022	848.6	59.1	55.1	61.0	1,023.8
Carrying amount 30 Sep 2022	875.5	53.1	51.4	38.4	1,018.4

2022	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
EUR mill.					
Acquisition cost 1 Jan 2022	916.6	166.5	88.8	111.0	1,282.9
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
Acquisition cost 31 Dec 2022	947.5	167.8	88.7	140.2	1,344.2
Accumulated amortizations and impairment losses 1 Jan 2022	-68.0	-107.4	-33.7	-50.0	-259.1
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
Accumulated amortizations and impairment losses 31 Dec 2022	-68.0	-117.5	-38.5	-95.6	-319.6
Carrying amount 1 Jan 2022	848.6	59.1	55.1	61.0	1,023.8
Carrying amount 31 Dec 2022	879.5	50.3	50.2	44.6	1,024.7

* 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

1-9/2023			
EUR mill.	Premises	Other right-of-use assets	Total
Acquisition cost 1 Jan 2023	331.7	41.5	373.1
Additions	80.1	0.6	80.7
Disposals	-14.4	-	-14.4
Translation differences	-0.8	-0.0	-0.8
Acquisition cost 30 Sep 2023	396.5	42.1	438.6
Accumulated depreciation and impairment losses 1 Jan 2023	-167.5	-31.8	-199.3
Depreciation for the reporting period	-37.6	-2.4	-40.0
Translation differences	0.2	0.0	0.2
Accumulated depreciation and impairment losses 30 Sep 2023	-204.9	-34.2	-239.1
Carrying amount 1 Jan 2023	164.2	9.7	173.9
Carrying amount 30 Sep 2023	191.6	8.0	199.6

1-9/2022			
EUR mill.	Premises	Other right-of-use assets	Total
Acquisition cost 1 Jan 2022	278.7	41.1	319.8
Business combination	3.5	-	3.5
Additions	36.5	0.5	37.0
Disposals	-4.2	-0.3	-4.6
Translation differences	-0.8	0.0	-0.8
Acquisition cost 30 Sep 2022	313.8	41.2	355.0
Accumulated depreciation and impairment losses 1 Jan 2022	-119.0	-28.3	-147.3
Depreciation for the reporting period	-36.3	-2.7	-38.9
Accumulated depreciation and impairment losses 30 Sep 2022	-155.3	-31.0	-186.2
Carrying amount 1 Jan 2022	159.7	12.7	172.5
Carrying amount 30 Sep 2022	158.5	10.2	168.8

2022			
EUR mill.	Premises	Other right-of-use assets	Total
Acquisition cost 1 Jan 2022	278.7	41.1	319.8
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
Acquisition cost 31 Dec 2022	331.7	41.5	373.1
Accumulated depreciation and impairment losses 1 Jan 2022	-119.0	-28.3	-147.3
Depreciation for the reporting period	-48.8	-3.5	-52.3
Translation differences	0.3	0.0	0.3
Accumulated depreciation and impairment losses 31 Dec 2022	-167.5	-31.8	-199.3
Carrying amount 1 Jan 2022	159.7	12.7	172.5
Carrying amount 31 Dec 2022	164.2	9.7	173.9

12.2. Lease liabilities

30 Sep 2023			
EUR mill.	Premises	Other	Total
Non-current lease liabilities	151.1	7.2	158.3
Current lease liabilities	44.7	2.7	47.4
Total lease liabilities	195.8	9.9	205.7

30 Sep 2022			
EUR mill.	Premises	Other	Total
Non-current lease liabilities	118.2	9.2	127.4
Current lease liabilities	44.1	3.2	47.3
Total lease liabilities	162.3	12.4	174.7

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
Total lease liabilities	167.9	11.8	179.7

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

	Financial assets and liabilities at fair value	Financial assets and liabilities at amortised cost	Carrying amount	Fair value	Fair value hierarchy
EUR mill. 30 Sep 2023					
Financial assets					
Non-current					
Loan receivables	0.0	-	0.0	0.0	Level 2
Unquoted equity investments	0.8	-	0.8	0.8	Level 3
Current					
Trade receivables	-	118.9	118.9	118.9	
Cash and cash equivalents	-	35.4	35.4	35.4	
Interest rate derivatives	5.9	-	5.9	5.9	Level 2
Total	6.7	154.3	161.0	161.0	
Financial liabilities					
Non-current					
Loans from financial institutions	-	279.4	279.4	279.4	Level 2
Bonds	-	99.1	99.1	98.9	Level 1
Hire purchase liabilities	-	1.8	1.8	1.8	Level 2
Contingent considerations	3.4	-	3.4	3.4	Level 3
Current					
Loans from financial institutions	-	43.9	43.9	43.9	Level 2
Hire purchase liabilities	-	2.8	2.8	2.8	Level 2
Trade payables	-	50.0	50.0	50.0	
Contingent considerations	2.7	-	2.7	2.7	Level 3
Interest rate derivatives	0.2	-	0.2	0.2	Level 2
Total	6.3	477.0	483.3	483.3	

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 1.4 million (2022: EUR -1.2 million).

Terveystalo issued a senior unsecured sustainability-linked bonds in the aggregate principal amount of EUR 100 million. Bonds will mature on 1 June 2028 and carry initially a fixed annual interest of 5.375 per cent. Nasdaq Helsinki admitted the Bonds to trading on the official list of Nasdaq Helsinki on 5 June 2023. The net proceeds of the issue of the Bonds are used for refinancing of the existing indebtedness of Terveystalo or its subsidiaries and for general corporate purposes of the Terveystalo group.

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
Financial assets					
Non-current					
Loan receivables	0.3	-	0.3	0.3	Level 2
Unquoted equity investments	0.8	-	0.8	0.8	Level 3
Current					
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
Total	11.0	159.9	170.9	170.9	
Financial liabilities					
Non-current					
Loans from financial institutions	-	379.2	379.2	379.2	Level 2
Hire purchase liabilities	-	3.9	3.9	3.9	Level 2
Contingent considerations	5.6	-	5.6	5.6	Level 3
Current					
Loans from financial institutions	-	40.0	40.0	40.0	Level 2
Hire purchase liabilities	-	4.2	4.2	4.2	Level 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
Total	14.0	476.2	490.2	490.2	

14. Business Combinations

During the nine months ended 30 September 2023, the Group has made one corporate acquisition.

On 15 August 2023 Feelgood Företagshälsövård AB acquired 100 percent of the Swedish occupational health provider Växjö Hälsoforum AB.

The consideration transferred for the corporate acquisition was EUR 0.4 million. As a result of the business combination, a preliminary goodwill amounting to EUR 0.3 million was recognized. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. The goodwill is not deductible in taxation. Cashflow impact of the acquisition made during 2023 was EUR 0.2 million.

In these business combinations, the Group has acquired customer relationships. 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 the acquired trade and other receivables amounted to EUR 0.1 million, for which the risk of impairment has been deemed as non-significant.

The Group has incurred acquisition-related expenses of EUR 0.1 million related to consulting, valuation or equivalent services. The expenses have been included in the other operating expenses.

The contributed revenue recognized from the acquisitions during the nine months ended 30 September 2023 was EUR 0.1 million and loss was EUR 0.0 million.

If the acquisition had occurred on 1 January 2023, management estimates that the Group's consolidated revenue during the nine months ended 30 September 2023 would have been EUR 944.5 million and the consolidated result for the period would have been EUR 21.9 million.

In 2023, effect to goodwill arising from corporate acquisitions made in year 2022 was EUR 0.3 million. The cash flow effect was EUR -3.6 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 Företagshälsövård 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 Företagshälsövård 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
Total consideration transferred	42.9

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
Total identifiable net assets acquired	8.9

Goodwill	34.0
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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.	30 Sep 2023	30 Sep 2022	31 Dec 2022
Business mortgages	7.3	11.4	11.4
Total	7.3	11.4	11.4
Securities for own debts			
Deposits	0.2	0.2	0.5
Guarantees	0.2	0.5	0.4
Total	0.4	0.7	0.9

16. Group's key financial ratios

EUR mill. unless stated otherwise	7-9/2023	7-9/2022	Change, %	1-9/2023	1-9/2022	Change, %	2022
Revenue	280.5	276.4	1.5	944.0	924.3	2.1	1,259.1
Adjusted EBITDA, * ¹⁾	39.7	30.9	28.2	142.1	130.0	9.3	178.0
Adjusted EBITDA, % * ¹⁾	14.1	11.2	-	15.1	14.1	-	14.1
EBITDA ^{1) 2)}	36.9	29.9	23.4	126.5	126.6	-0.1	168.8
EBITDA, % ¹⁾	13.2	10.8	-	13.4	13.7	-	13.4
Adjusted EBITA * ¹⁾	21.1	12.5	69.7	86.1	75.5	14.0	105.2
Adjusted EBITA, % * ¹⁾	7.5	4.5	-	9.1	8.2	-	8.4
EBITA ¹⁾	18.4	11.4	60.7	70.4	72.2	-2.5	95.9
EBITA, % ¹⁾	6.6	4.1	-	7.5	7.8	-	7.6
Adjusted operating profit (EBIT) * ¹⁾	13.0	5.2	148.1	61.9	53.3	16.1	73.4
Adjusted operating profit (EBIT), % * ¹⁾	4.6	1.9	-	6.6	5.8	-	5.8
Operating profit (EBIT)	10.2	-24.6	141.5	44.3	21.1	109.5	33.9
Operating profit (EBIT), %	3.6	-8.9	-	4.7	2.3	-	2.7
Return on equity (ROE), % ¹⁾	-	-	-	5.1	7.1	-	4.1
Equity ratio, % ¹⁾	-	-	-	39.0	40.2	-	40.2
Earnings per share (€)	0.03	-0.15	116.7	0.17	0.13	30.3	0.19
Weighted average number of shares outstanding, in thousands	126,556	126,548	-	126,554	126,348	-	126,508
Net debt ¹⁾	-	-	-	597.2	580.9	2.8	566.6
Gearing, % ¹⁾	-	-	-	103.5	99.2	-	95.7
Net debt/Adjusted EBITDA (LTM) * ¹⁾	-	-	-	3.1	3.1	-	3.2
Total assets	-	-	-	1,482.1	1,459.9	1.5	1,479.4
Adjusted EBITDA (LTM), excluding IFRS 16 * ¹⁾	-	-	-	133.1	135.4	-1.7	122.2
Net debt, excluding IFRS 16 ¹⁾	-	-	-	391.5	406.1	-3.6	386.8
Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 * ¹⁾	-	-	-	2.9	3.0	-	3.2
Average personnel (FTEs)	-	-	-	6,471	6,685	-3.2	6,552
Personnel (end of period)	-	-	-	9,801	11,027	-11.1	10,933
Private practitioners (end of period)	-	-	-	6,126	5,852	4.7	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.

¹⁾ 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.	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
Profit (loss) for the period	3.3	-19.6	21.9	16.8	24.4
Income tax expense	0.4	-4.7	5.7	4.3	6.5
Share of profits in associated companies	-	-	-	0.1	0.1
Net finance expenses	6.6	-0.3	16.7	-0.0	2.9
Depreciation, amortisation and impairment losses	26.7	54.6	82.2	105.5	134.9
Adjustments*	2.7	1.0	15.6	3.4	9.2
Adjusted EBITDA	39.7	30.9	142.1	130.0	178.0

Adjusted EBITDA, %	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
Adjusted EBITDA	39.7	30.9	142.1	130.0	178.0
Revenue	280.5	276.4	944.0	924.3	1,259.1
Adjusted EBITDA, %	14.1	11.2	15.1	14.1	14.1

EBITDA, EUR mill.	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
Profit (loss) for the period	3.3	-19.6	21.9	16.8	24.4
Income tax expense	0.4	-4.7	5.7	4.3	6.5
Share of profits in associated companies	-	-	-	0.1	0.1
Net finance expenses	6.6	-0.3	16.7	-0.0	2.9
Depreciation, amortisation and impairment losses	26.7	54.6	82.2	105.5	134.9
EBITDA	36.9	29.9	126.5	126.6	168.8

EBITDA, %	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
EBITDA	36.9	29.9	126.5	126.6	168.8
Revenue	280.5	276.4	944.0	924.3	1,259.1
EBITDA, %	13.2	10.8	13.4	13.7	13.4

Adjusted EBITA, EUR mill.	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
Profit (loss) for the period	3.3	-19.6	21.9	16.8	24.4
Income tax expense	0.4	-4.7	5.7	4.3	6.5
Share of profits in associated companies	-	-	-	0.1	0.1
Net finance expenses	6.6	-0.3	16.7	-0.0	2.9
Amortisation and impairment losses	8.2	36.1	26.1	51.0	62.0
Adjustments*	2.7	1.0	15.7	3.4	9.2
Adjusted EBITA	21.1	12.5	86.1	75.5	105.2

Adjusted EBITA, %	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
Adjusted EBITA	21.1	12.5	86.1	75.5	105.2
Revenue	280.5	276.4	944.0	924.3	1,259.1
Adjusted EBITA, %	7.5	4.5	9.1	8.2	8.4

EBITA, EUR mill.	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
Profit (loss) for the period	3.3	-19.6	21.9	16.8	24.4
Income tax expense	0.4	-4.7	5.7	4.3	6.5
Share of profits in associated companies	-	-	-	0.1	0.1
Net finance expenses	6.6	-0.3	16.7	-0.0	2.9
Amortisation and impairment losses	8.2	36.1	26.1	51.0	62.0
EBITA	18.4	11.4	70.4	72.2	95.9

EBITA, %	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
EBITA	18.4	11.4	70.4	72.2	95.9
Revenue	280.5	276.4	944.0	924.3	1,259.1
EBITA, %	6.6	4.1	7.5	7.8	7.6

Adjusted operating profit (EBIT), EUR mill.	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
Profit (loss) for the period	3.3	-19.6	21.9	16.8	24.4
Income tax expense	0.4	-4.7	5.7	4.3	6.5
Share of profits in associated companies	-	-	-	0.1	0.1
Net finance expenses	6.6	-0.3	16.7	-0.0	2.9
Adjustments*	2.7	29.9	17.7	32.2	39.5
Adjusted operating profit (EBIT)	13.0	5.2	61.9	53.3	73.4

Adjusted operating profit, (EBIT), %	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
Adjusted operating profit (EBIT)	13.0	5.2	61.9	53.3	73.4
Revenue	280.5	276.4	944.0	924.3	1,259.1
Adjusted operating profit (EBIT), %	4.6	1.9	6.6	5.8	5.8

Operating profit (EBIT), EUR mill.	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
Profit (loss) for the period	3.3	-19.6	21.9	16.8	24.4
Income tax expense	0.4	-4.7	5.7	4.3	6.5
Share of profits in associated companies	-	-	-	0.1	0.1
Net finance expenses	6.6	-0.3	16.7	-0.0	2.9
EBIT	10.2	-24.6	44.3	21.1	33.9

Operating profit, (EBIT), %	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
EBIT	10.2	-24.6	44.3	21.1	33.9
Revenue	280.5	276.4	944.0	924.3	1,259.1
EBIT, %	3.6	-8.9	4.7	2.3	2.7

Return on equity, %	30 Sep 23	30 Sep 22	31 Dec 22
Profit/loss for the period (LTM)	29.5	42.6	24.4
Equity (including non-controlling interest) (average)	584.5	597.1	600.4
Return on equity, %	5.1	7.1	4.1

Equity ratio, %	30 Sep 23	30 Sep 22	31 Dec 22
Equity (including non-controlling interest)	576.9	585.3	592.0
Total assets	1,482.1	1,459.9	1,479.4
Advances received	3.9	4.0	7.1
Equity ratio, %	39.0	40.2	40.2

Gearing, %	30 Sep 23	30 Sep 22	31 Dec 22
Interest-bearing liabilities	632.7	609.2	607.0
Interest-bearing receivables and cash and cash equivalents	35.5	28.4	40.4
Equity	576.9	585.3	592.0
Gearing, %	103.5	99.2	95.7

Net debt/Adjusted EBITDA (LTM)	30 Sep 23	30 Sep 22	31 Dec 22
Interest-bearing liabilities	632.7	609.2	607.0
Interest-bearing receivables and cash and cash equivalents	35.5	28.4	40.4
Adjusted EBITDA (LTM)	190.1	189.1	178.0
Net debt/Adjusted EBITDA (LTM)	3.1	3.1	3.2

Adjusted EBITDA (LTM), excluding IFRS 16	30 Sep 23	30 Sep 22	31 Dec 22
Profit (loss) for the period	29.5	42.6	23.3
Income tax expense	7.9	10.2	7.6
Share of profits in associated companies	-	0.1	0.1
Net finance expenses	19.6	2.0	2.9
Depreciation, amortisation and impairment losses	111.6	129.8	134.9
Adjustments*	21.5	4.3	9.2
IFRS 16 lease expense adjustment	-57.1	-53.7	-55.8
Adjusted EBITDA (LTM), excluding IFRS 16	133.1	135.4	122.2

Net debt/Adjusted EBITDA (LTM), excluding IFRS 16	30 Sep 23	30 Sep 22	31 Dec 22
Interest-bearing liabilities	427.0	434.4	427.2
Interest-bearing receivables and cash and cash equivalents	35.5	28.4	40.4
Adjusted EBITDA (LTM)	133.1	135.4	122.2
Net debt/Adjusted EBITDA (LTM), excluding IFRS 16	2.9	3.0	3.2

Adjustments*, EUR mill.	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
Acquisition-related expenses ⁽¹⁾	-0.2	0.5	-0.9	2.1	2.8
Restructuring-related expenses ⁽²⁾	0.3	0.1	0.9	0.6	1.5
Impairment losses	-	28.9	2.0	28.9	30.3
Strategic projects and other items affecting to comparability	2.6	0.4	15.7	0.7	5.0
Adjustments	2.7	29.9	17.7	32.2	39.5

Adjustments by segments *, EUR mill.	7-9/2023	7-9/2022	1-9/2023	1-9/2022	1-12/2022
Healthcare services	0.1	0.7	0.6	3.8	5.4
Portfolio businesses	0.1	0.1	0.1	0.8	1.4
Sweden	0.3	0.1	0.4	0.6	0.7
Other	2.3	0.1	14.6	-1.9	1.7
Total	2.7	1.0	15.7	3.4	9.2

* 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 are mainly related to the profit improvement program.

¹⁾ Including transaction costs and expenses from integration of acquired businesses.

²⁾ Including restructuring of network and business operations.