



Terveystalo Group Half-Year Report January-June 2023

Good profit development across segments in the second quarter of the year

Terveystalo

April-June 2023 in brief

- **Revenue increased by 1.3% year-on-year to EUR 322.4 (318.2) million.**
The Healthcare Services segment revenue increased by 4.7% and was EUR 234.7 (224.1) million.
Portfolio Businesses revenue decreased by 7.7% and was EUR 68.6 (74.3) million.
The revenue from Sweden increased by 6.8% in SEK terms. In euro terms, the revenue decreased by 2.4% due to the weakening of the exchange rate and came to EUR 24.6 (25.2) million.
- **Adjusted¹⁾ earnings before interest, taxes, amortization, and impairment losses (EBITA) increased by 18.1% year-on-year to EUR 28.5 (24.1) million, representing 8.8% (7.6%) of revenue.**
Profitability was strengthened across segments by the normalisation of the sales mix, price increases, the progress of the profit improvement program as planned, and improved operational efficiency. Continued high inflation dampened the strengthening of profitability.
- Items affecting comparability¹⁾ with an effect on EBITA were EUR 3.5 (1.7) million.
- Result for the period was EUR 7.5 (11.1) million.
- Earnings per share (EPS) was EUR 0.06 (0.09).
- Cash flow from operating activities was EUR 25.9 (34.8) million.
- The profit improvement program targeting at least 50-million-euro annual (run-rate) EBITA improvement by the end of 2024 has progressed according to the plan. The measures implemented by the end of the reporting period are estimated to have an annual run-rate impact of approximately EUR 40 million on profitability. The company estimates the P&L impact for the full-year 2023 to be over EUR 30 million.

January-June 2023 in brief

- **Revenue increased by 2.4% year-on-year to EUR 663.4 (647.9) million.**
The Healthcare Services segment revenue increased by 4.6% and was EUR 484.5 (463.1) million.
Portfolio Businesses revenue decreased by 5.9% and was EUR 139.4 (148.1) million.
The revenue from Sweden increased by 14.3% in SEK terms. In euro terms, the revenue grew by 5.7% and came to EUR 50.1 (47.4) million.
- **Adjusted¹⁾ earnings before interest, taxes, and amortization (EBITA) increased by 3.0% to EUR 64.9 (63.1) million, representing 9.8 (9.7) percent of revenue.**
- Items affecting comparability with an effect on EBITA were EUR 13.0 (2.3) million.
- Profit for the period was EUR 18.6 (36.4) million.
- Earnings per share (EPS) were EUR 0.15 (0.29).
- **Net debt/adjusted EBITDA was 3.3 (2.7).**
- Cash flow from operating activities was EUR 61.8 (59.6) 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 3.8 million during the second quarter and 13.5 million during January-June.

CEO Ville Iho: Clearly strengthened profitability across segments

Terveystalo's revenue increased by 1.3% to 322.4 million euros in the second quarter of 2023, driven by the Healthcare Services segment. As expected, the revenue of the Portfolio businesses decreased year-on-year due to the expired outsourcing contracts. Sweden's revenue continued to increase in local currency but decreased for the first time in euro terms due to the weakening of the exchange rate.

Revenue from appointments continued to grow thanks to an improved supply of physical appointments, price increases, and an improvement in the customer mix. The recovery of underlying diagnostics excluding Covid-19 testing continued until the beginning of the summer, when the demand fell due to a clearly reduced number of infections in addition to the normal holiday season impact. We have successfully strengthened our brick-and-mortar offering for three consecutive quarters to meet record demand. The supply is now more balanced compared to the aftermath of the pandemic, which is also reflected in the variation of booking rates according to the holiday and infection seasons.

We have managed to strengthen our profitability despite continued high inflation and the end of Covid-19 testing. Adjusted EBITA increased by 18.1% from the comparison period to 28.5 million euros. The profitability of the Healthcare services segment was strengthened by a more favourable sales mix, successful pricing measures, and the profit improvement program progressing as planned. Portfolio businesses and Sweden also strengthened their profitability significantly from the comparison period.

The profit improvement program measures implemented by the end of the second quarter are estimated to have an approximately EUR 40 million annual run-rate impact on profitability, and the P&L effect of the program for the entire year 2023 is estimated to exceed EUR 30 million. The rise in the general interest rate and continued high inflation underlines the importance of the profit improvement program during the next quarters.

During the second quarter, we issued our first 100-million-euro sustainability-linked bond, and we are very proud of the successful issuance. As a leading operator in private healthcare, we want to set an example and reform healthcare in a more sustainable direction.

Our most important sustainability goal is to fight for a healthier life, and we are constantly working towards more integrated and data-driven care with best-in-class care outcomes and people experience. The key means to achieve the goal are successful investments in automation and digital customer paths. At the end of the second quarter, we took a significant step towards smoother treatment paths, when our care need assessment tool using artificial intelligence was introduced to the first occupational health client. This is software as a medical device that directs the patient to the right treatment path and professional at the right time, thus improving care outcomes and resource management. We will continue to invest in the utilization of innovative technology, and we see the technological transformation in healthcare accelerating further.

The direction in which our operating environment is developing is about to change significantly through the healthcare-related entries and goals in the new government program, published at the end of the second quarter. The new government program contains many entries aimed at increasing cooperation between private and public healthcare to improve the effectiveness and cost-efficiency of the healthcare system. We estimate that the measures will support the growth of demand for private provision. When it comes to health, smooth access to treatment, effective patient-centric treatment paths, and high-quality care are everything. We welcome the government's strong intent to utilize private operators as a part of the solution by using our full capacity, know-how, and investment ability.

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 remaining on current levels both in Finland and Sweden, the profit improvement program delivering over 30-million-euro P&L 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	4-6/ 2023	4-6/ 2022	Change , %	1-6/ 2023	1-6/ 2022	Change , %	2022
Revenue	322.4	318.2	1.3	663.4	647.9	2.4	1 259.1
Adjusted EBITA * ¹⁾	28.5	24.1	18.1	64.9	63.1	3.0	105.2
Adjusted EBITA, % * ¹⁾	8.8	7.6	-	9.8	9.7	-	8.4
EBITA ¹⁾	25.0	22.5	11.2	52.0	60.7	-14.4	95.9
EBITA, % ¹⁾	7.7	7.1	-	7.8	9.4	-	7.6
EBIT	15.0	14.6	2.8	34.0	45.8	-25.7	33.9
EBIT, %	4.6	4.6	-	5.1	7.1	-	2.7
Return on equity (ROE), % ¹⁾	-	-	-	1.1	12.6	-	4.1
Equity ratio, % ¹⁾	-	-	-	39.0	40.6	-	40.2
Earnings per share (EUR)	0.06	0.09	-32.3	0.15	0.29	-48.8	0.19
Weighted number of shares outstanding, in	126,556	126,548	-	126,554	126,472	-	126,508
Net debt	-	-	-	601.7	557.3	8.0	566.6
Gearing, % ¹⁾	-	-	-	105.3	92.1	-	95.7
Net debt/adjusted EBITDA (last 12 months) ¹⁾	-	-	-	3.3	2.7	-	3.2
Adjusted EBITDA (last 12 months), excluding IFRS 16* ¹⁾	-	-	-	124.5	155.5	-19.9	122.2
Net debt, excluding IFRS 16	-	-	-	399.9	383.0	4.4	386.8
Adjusted net debt/adjusted EBITDA (last 12 months), excluding IFRS 16* ¹⁾	-	-	-	3.2	2.5	-	3.2
Average personnel (FTEs)	-	-	-	6,563	6,470	1.4	6,552
Private practitioners (end of period)	-	-	-	6,145	5,813	5.7	5,928
Sustainability							
PEI-index ²⁾				2.9	N/A	-	N/A
Net Promoter Score (NPS), appointments				85.7	82.6	-	82.7
Employee Net Promoter Score (eNPS)				23	30	-	29

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

1) Alternative performance measure. In addition to the IFRS figures, Terveystalo presents additional, alternative performance indicators that the company monitors internally, and which provide the company management, investors, stock market analysts, and other stakeholders with important additional information concerning the company's financial performance, financial position, and cash flows. These performance indicators should not be reviewed separately from the IFRS figures, and they should not be considered to replace the IFRS figures.

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

Operating environment

Target markets

Demand for health services continued to be strong in Terveystalo's addressable markets. Terveystalo has managed to increase the supply, especially in physical healthcare appointments to meet the demand.

The seasonal fluctuations in demand have normalised since the end of the COVID pandemic. Demand for COVID testing and remote appointments decreased year-on-year. The demand for basic laboratory services grew but remains slightly below pre-pandemic levels. In Sweden, the demand for occupational health services continued to be strong despite the increasing uncertainty in the overall economic environment.

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

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

The impacts of inflation

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

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. The negotiating parties have now reached an agreement on the salary increases for 2023, which replaces the previously agreed recording. The salary increases for 2023 are in total 2.95 % and will come into force on 1 November 2023. In addition, a one-time instalment of 450 euros was agreed upon, which was paid in conjunction with the June 2023 salary payment. Wage inflation is also visible in other professionals' recruitments. Most of the physicians who work for Terveystalo are however private practitioners (approximately 96%).

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. Price increases for corporate customers and insurance companies came into effect at the beginning of 2023.

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

The contraction of non-urgent care in the private and public healthcare sectors during COVID-19 restrictions has resulted in a significant treatment gap in other illnesses. According to Finnish Institute for Health and Welfare (THL), at the end of April 2023, close to 169,000 patients were waiting for access to non-urgent specialized medical care in hospitals in well-being services counties.

Of those waiting for treatment, more than 21,000 (12.5%) had been waiting for more than half a year to get treatment. At the end of April 2023, there were almost 3,000 more patients waiting for more than half a year than in January 2023. The treatment queues continued to lengthen also in Sweden compared to the previous year. At the end of May 2023, over 162,000 people were waiting for surgery or a procedure (www.skr.se).

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

Finland's new government began its term in June 2023. The government program was published in June 2023, and it contains many sets of measures aimed at reforming healthcare services and improving the effectiveness and cost-efficiency of the service system. Treatment queues will be dismantled, basic social and health services will be invested in, and multi-provision will be promoted by, among other things, removing restrictions on private service provision. According to the government program, access to basic healthcare will be improved, among other things, by allocating one-time funding to the dismantling of treatment queues in basic healthcare with the help of the new Kela reimbursement model in the second supplementary budget of 2023.

The measures of the government program are estimated to have a positive effect on the demand for private healthcare services. The scale and timing of the effects depend on the implementation model and timeline. The timeline of measures will be clarified in the budget and legislative plan to be published by the end of August 2023.

The impacts of the war in Ukraine

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

Financial development

Revenue

In the second quarter of 2023, the Group's revenue increased by 1.3% year-on-year to EUR 322.4 (318.2) million. The Healthcare Services segment revenue increased by 4.7% and was EUR 234.7 (224.1) million. The revenue increase was mainly driven by price increases, improvement of the sales mix, and volume growth. Visits to laboratory services decreased substantially year-on-year as COVID testing decreased. A total of approximately 1,900 (74,700) COVID-19 tests were performed during the second quarter, a decrease of approximately 97% year-on-year.¹⁾ Revenue from laboratory services not related to COVID testing increased year-on-year but remained below the pre-pandemic levels. Revenue from surgical operations and imaging services grew year-on-year.

The Portfolio Businesses segment revenue decreased by 7.7% and was EUR 68.6 (74.3) million due to expired outsourcing contracts.

The revenue from Sweden decreased by 2.4% due to the weakening of SEK against EUR and came to EUR 24.6 (25.2) million. Without the currency effect, the revenue grew by 6.8%.

Acquisitions increased revenue in Sweden by approximately EUR 0.9 million.

There were 60 (61) working days in April-June.

Revenue in January-June 2023 increased by 2.4% year-on-year and amounted to EUR 663.4 (647.9) million. The Healthcare Services segment revenue increased by 4.6% and was EUR 484.5 (463.1) million.

Visits to laboratory services decreased substantially year-on-year as COVID testing decreased. A total of approximately 4,600 (254,000) COVID-19 tests were performed, a decrease of approximately 98% year-on-year.¹⁾ 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 5.9% and was EUR 139.4 (148.1) million due to expired outsourcing contracts.

The revenue from Sweden increased by 5.7% and came to EUR 50.1 (47.4) million. Without the currency effect, the revenue grew by 14.3%

Acquisitions increased revenue in Sweden by approximately EUR 3.9 million.

1) Excludes sample collection services

Revenue, MEUR	4-6/ 2023	4-6/ 2022	Change, %	1-6/ 2023	1-6/ 2022	Change, %	2022
Healthcare Services	234.7	224.1	4.7	484.5	463.1	4.6	897.8
Portfolio Businesses	68.6	74.3	-7.7	139.4	148.1	-5.9	290.7
Sweden	24.6	25.2	-2.4	50.1	47.4	5.7	92.8
Other	-5.5	-5.4	1.8	-10.5	-10.7	-1.8	-22.2
Total	322.4	318.2	1.3	663.4	647.9	2.4	1 259.1

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

Financial performance and cash flow

The Group's adjusted earnings for the second quarter of 2023 before interest, taxes, amortization, and impairment losses (EBITA) increased by 18.1 % to EUR 28.5 (24.1) million, representing 8.8% (7.6%) of revenue.

Adjusted EBITA, MEUR	4-6/ 2023	4-6/ 2022	Change, %	1-6/ 2023	1-6/ 2022	Change, %	2022
Healthcare Services	23.5	21.7	8.2	54.9	56.8	-3.5	99.2
Portfolio Businesses	2.0	1.6	25.9	4.9	3.5	43.2	3.5
Sweden	1.6	0.8	90.4	3.4	1.6	115.0	2.6
Other	1.4	0.0	-	1.8	1.2	47.9	-0.1
Total	28.5	24.1	18.1	64.9	63.1	3.0	105.2

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 2.4% year-on-year and amounted to EUR 134.9 (131.7) million. Employee benefit expenses decreased by 4.2% year-on-year and amounted to EUR 113.5 (118.5) 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 acquisitions, recruitment, as well as salary increases. Other operating expenses increased by 11.8% to EUR 31.2 (27.9) million mainly due to external consulting expenses, as well as higher costs related to rents and premises.

The Group's adjusted EBITDA increased by 11.2% year-on-year to EUR 47.1 (42.4) million. Adjusted EBIT amounted to EUR 20.5 (16.2) million. Operating profit (EBIT) came to EUR 15.0 (14.6) million.

Net financing costs increased to EUR 5.1 (0.4) million due to the increased interest rate and amount of loans, as well as the increase in the fair value of interest rate hedges during the comparison period. The result before tax was EUR 9.8 (14.1) million. Income taxes were EUR 2.3 (3.0) million. The result for the second quarter amounted to EUR 7.5 (11.1) million, and earnings per share were EUR 0.06 (0.09).

Cash flow from operating activities in the second quarter decreased to EUR 25.9 (34.8) million, mainly due to an increase in net working capital.

Cash flow from investing activities amounted to EUR -12.2 (-19.5) million. The change from the comparison period mainly consisted of a decrease in investments in intangible assets and a decrease in M&A activities.

Cash flow from financing activities amounted to EUR -43.9 (-11.5) million. The change from the comparison period mainly consisted of increased financial costs and dividends paid in the comparison period. In addition, the cash flow for the reporting period was significantly affected by the bond issuance and a partial repayment of bank loans.

The Group's adjusted earnings for January-June 2023 before interest, taxes, amortization, and impairment losses (EBITA) increased by 3.0 % to EUR 64.9 (63.1) million, representing 9.8% (9.7%) 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 4.8% year-on-year and amounted to EUR 277.3 (264.5) million. Employee benefit expenses decreased by 1.8% year-on-year and amounted to EUR 230.0 (234.2) 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 28.2% to EUR 68.8 (53.7) million mainly due to external consulting expenses, as well as higher costs related to rents and premises.

The Group's adjusted EBITDA increased by 3.4% year-on-year to EUR 102.4 (99.0) million. Adjusted EBIT amounted to EUR 49.0 (48.1) million. Operating profit (EBIT) came to EUR 34.0 (45.8) million.

Net financing costs increased to EUR 10.1 (0.3) million due to the increased interest rate and amount of loans, as well as the increase in the fair value of interest rate hedges during the comparison period. The result before tax was EUR 23.9 (45.4) million. Income taxes were EUR 5.3 (9.0) million. The result for the reporting period amounted to EUR 18.6 (36.4) million, and earnings per share were EUR 0.15 (0.29).

Cash flow from operating activities increased to EUR 61.8 (59.6) million, mainly due to the payment schedules for corporate income taxes. In addition, the cash flow was reduced by the weaker result and increase in committed net working capital.

Cash flow from investing activities amounted to EUR -21.9 (-55.6) 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 -67.8 (0.3) million. The change from the comparison period mainly consisted of the bond issuance and partial repayment of bank loans. In addition, the cash flow was affected by the decrease in the amount of commercial papers issued during the reporting period.

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 company estimates that the P&L 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 second quarter of 2023 are estimated to have an approximately 40-million-euro annual run-rate impact on profitability. The P&L impact of the program during the second quarter was approximately EUR 8.1 million and during the first half EUR 12.7 million. The costs of the program, treated as items affecting comparability, were EUR 3.8

million during the second quarter and EUR 13.5 million during the first half.

Financial position

Terveystalo's liquidity position is good. Cash and cash equivalents at the end of the reporting period amounted to EUR 12.0 (42.3) million. The total assets of the Group amounted to EUR 1,469.7 (1,493.9) million.

Equity attributable to owners of the parent company totalled EUR 571.6 (605.1) million.

Gearing (including lease liabilities) was 105.3% (92.1%) and net debt amounted to EUR 601.7 (557.3) million. The average maturity of Terveystalo's financial loans was 2.8 (1.7) years at the end of the second quarter of 2023, and the weighted average interest rate for the quarter was 3.6 (1.0) percent. During the reporting period, the company fulfilled the covenant requirement included in its financing agreements reflecting relative indebtedness.

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

At the end of the reporting period, the unused part of credit based on financing agreements and bank accounts with a credit facility amounted to EUR 99.6 (120.5) million.

Return on equity for the reporting period was 1.1% (12.6%). The equity ratio was 39.0% (40.6%).

In accordance with 2023 Annual General Meeting's decision, a dividend of EUR 0.28 per share will be paid based on the balance sheet adopted for the fiscal year ended 31 December 2022. The dividend will be paid in two instalments. The first dividend instalment was paid to shareholders on 3 April 2023. The second dividend instalment will be paid 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. 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–June 2023, including M&A, amounted to EUR 21.6 (56.9) million. The Group's net capital expenditure, excluding M&A, amounted to EUR 19.5 (27.8) 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 will acquire Växjö Hälsoforum and Quality Care's operations. The acquisitions are expected to be finalised during the third quarter.

* 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 June 2023 in Finland was 9,242 (9,740), in Sweden 918 (718), and in total 10,094 (10,674). In FTEs, the average number of personnel in Finland was 5,713 (5,800), in Sweden 845 (670), and in total 6,563 (6,470). The number of private practitioners in Finland was 6,072 (5,723), in Sweden 105 (110,) and in total 6,145 (5,826).

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, strengthening of the sales mix, and volume growth. Consumer customers and corporate customers' share of revenue increased and visits to basic laboratory services clearly increased from the comparison period. In addition, strong demand for other services continued.
- Profitability increased from the comparison period despite the ending of COVID-testing. Higher sales prices, the recovery of other diagnostics, and the planned progress of the profit improvement program supported profitability.

The measures implemented by the end of the first half are estimated to have an annual run-rate impact of approximately EUR 40 million on profitability.

Key figures

	4–6/ 2023	4–6/ 2022	Change, %	1–6/ 2023	1–6/ 2022	Change, %	2022
Revenue, MEUR	234.7	224.1	4.7	484.5	463.1	4.6	897.8
EBITA, MEUR	23.2	21.1	9.9	54.3	53.8	1.0	93.8
EBITA, %	9.9	9.4	0.5 %-p.	11.2	11.6	-0.4 %-p.	10.4
Adjusted EBITA, MEUR	23.5	21.7	8.2	54.9	56.8	-3.5	99.2
Adjusted EBITA, % of revenue	10.0	9.7	0.3 %-p.	11.3	12.3	1.0 %-p.	11.0

The revenue from Healthcare Services in the second quarter increased by 4.7% and was 234.7 (224.1) million euros.

The revenue from corporate customers increased by 5.8% to EUR 136.7 (129.2) 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 6.1% to EUR 75.5 (71.1) million. Revenue increased especially due to higher sales from services produced for insurance companies and higher selling prices (new price increases implemented in May). The revenue from public sector customers decreased by 5.3% to EUR 22.5 (23.8) 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 10.6% to EUR 152.3 (137.7) 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 17% due to the COVID-related digital visits during the comparison period. Revenue from diagnostics services (laboratory and imaging) decreased by 8.1% and was 57.4 (62.5) million euros. The number of laboratory visits decreased clearly from the comparison period when there was still 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 4.6% and was 25.0 (23.9) driven by surgical operations.

The revenue from Healthcare Services in January-June 2023 increased by 4.6% and was 484.5 (463.1) million euros.

The revenue from corporate customers increased by 5.4% to EUR 285.3 (270.7) 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 7.9% to EUR 153.2 (142.1) million. Revenue increased especially due to higher sales from services produced for insurance companies. The revenue from public sector customers decreased by 8.6% to EUR 46.0 (50.3) 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 13.3% to EUR 312.8 (276.2) 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 21% due to the COVID-related digital visits during the comparison period. Revenue from diagnostics services (laboratory and imaging) decreased by 13.2% and was 120.2 (138.4) million euros. The number of laboratory visits decreased clearly from the comparison period when there was a record number of COVID tests done. Excluding COVID testing, the number of laboratory visits increased from the comparison period but remained still below the 2019 levels. The revenue from other services increased by 6.2% and was 51.5 (48.5) 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	4–6/ 2023	4–6/ 2022	Change, %	1–6/ 2023	1–6/ 2022	Change, %	2022
By customer							
Corporate	136.7	129.2	5.8	285.3	270.7	5.4	522.9
Consumer	75.5	71.1	6.1	153.2	142.1	7.9	278.4
Public sector	22.5	23.8	-5.3	46.0	50.3	-8.6	96.4
By service							
Appointments	152.3	137.7	10.6	312.8	276.2	13.3	556.3
Diagnostics	57.4	62.5	-8.1	120.2	138.4	-13.2	250.0
Other	25.0	23.9	4.6	51.5	48.5	6.2	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 second-largest customer group. Consumer customers include private individuals and families. Services for consumers are paid for either by the customers themselves or by their insurance companies.

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

Healthcare Services, number of visits

Visits	4–6/ 2023	4–6/ 2022	Change, %	1–6/ 2023	1–6/ 2022	Change, %	2022
Appointments	1,465,334	1,505,002	-2.6	3,052,191	3,174,903	-3.9	6,351,339
Physical appointments	1,148,286	1,122,987	2.3	2,400,002	2,353,195	2.0	4,723,915
Remote appointments	317,048	382,015	-17.0	652,189	821,708	-20.6	1,627,424
Diagnostics	319,202	362,501	-11.9	677,350	793,727	-14.7	1,460,908
Other	9,961	10,716	-7.0	21,205	21,248	-0.2	41,278
Total	1,794,497	1,878,220	-4.5	3,750,746	3,989,878	-6.0	7,853,525

In the Healthcare Services, adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) increased by 8.2% and amounted to EUR 23.5 (21.7) million, representing 10.0 (9.7) % of revenue **in the second quarter**. Profitability was supported by successful pricing increases 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 according to the plan. The measures implemented by the end of the reporting period are estimated to have an annual run-rate impact of around EUR 40 million on profitability.

In January-June 2023, adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) decreased by 3.5% and amounted to EUR 54.9 (56.8) million, representing 11.3 (12.3) % of revenue. The drop in COVID-testing volumes and higher fixed costs had a negative impact on profitability.

Portfolio Businesses

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

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

Key figures

	4-6/ 2023	4-6/ 2022	Change, %	1-6/ 2023	1-6/ 2022	Change, %	2022
Revenue, MEUR	68.6	74.3	-7.7	139.4	148.1	-5.9	290.7
EBITA, MEUR	2.2	1.3	69.1	4.9	2.7	84.9	2.0
EBITA, %	3.2	1.7	1.4 %-p.	3.5	1.8	1.7 %-p.	0.7
Adjusted EBITA, MEUR	2.0	1.6	25.9	4.9	3.5	43.2	3.5
Adjusted EBITA, % of revenue	3.0	2.2	0.8 %-p.	3.5	2.3	1.2 %-p.	1.2

Portfolio Businesses, revenue by services

Revenue, MEUR	4-6/ 2023	4-6/ 2022	Change, %	1-6/ 2023	1-6/ 2022	Change, %	2022
Outsourcing services	23.1	30.0	-23.0	47.8	61.2	-21.9	118.7
Staffing services	21.5	21.0	2.3	43.7	42.5	2.7	84.1
Dental care	14.5	13.5	7.2	29.5	26.4	11.7	52.2
Other	9.5	9.8	-3.3	18.3	17.9	2.4	35.6
Total	68.6	74.3	-7.7	139.4	148.1	-5.9	290.7

In the Portfolio Businesses, revenue decreased by 7.7% and amounted to EUR 68.6 (74.3) million **in the second quarter**. Revenue from outsourcing services decreased by 23.0% due to terminated outsourcing contracts and amounted to EUR 23.1 (30.0) million. Revenue from staffing services increased by 2.3% and amounted to EUR 21.5 (21.0) 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 7.2% and amounted to EUR 14.5 (13.5) million. Stronger demand compared to the comparison period and the investments made in the marketing of dental care services supported the revenue growth. Revenue from other services decreased by 3.3% and amounted to EUR 9.5 (9.8) million.

In January-June 2023, revenue decreased by 5.9% and amounted to EUR 139.4 (148.1) million. Revenue from outsourcing services

decreased by 21.9% due to terminated outsourcing contracts and amounted to EUR 47.8 (61.2) million. Revenue from staffing services increased by 2.7% and amounted to EUR 43.7 (42.5) million. Higher demand for specialist care services had a positive impact on revenue. Revenue from nurse staffing decreased due to a decrease in COVID-related services year-on-year. Revenue from dental care increased by 11.7% and amounted to EUR 29.5 (26.4) million. Stronger demand compared to the comparison period and the investments made in the marketing of dental care services supported the revenue growth. Revenue from other services increased by 2.4% and amounted to EUR 18.3 (17.9) million.

Adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) increased by 25.9% and amounted to EUR 2.0 (1.6) million, representing 3.0 (2.2) % of revenue **in the second quarter**. Termination of low-margin outsourcing contracts, price increases, cost cutting, as well as increased demand improved profitability year-on-year.

In January-June 2023, adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) increased by 43.2% and amounted to EUR 4.9 (3.5) million, representing 3.5 (2.3) % 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. Without the currency effect, the revenue grew by 6.8%. Strong demand continued.
- Adjusted EBITA almost doubled year-on-year. Increased operational efficiency strengthened profitability.

Key figures

	4-6/ 2023	4-6/ 2022	Change, %	1-6/ 2023	1-6/ 2022	Change, %	2022
Revenue, MEUR	24.6	25.2	-2.4	50.1	47.4	5.7	92.8
EBITA, MEUR	1.5	0.5	189.9	3.3	1.1	194.0	1.9
EBITA, %	6.2	2.1	4.1 %-p.	6.5	2.3	4.2 %-p.	2.1
Adjusted EBITA, MEUR	1.6	0.8	90.4	3.4	1.6	115.0	2.6
Adjusted EBITA, % of revenue	6.3	3.2	3.1 %-p.	6.8	3.3	3.4 %-p.	2.8

In the Sweden segment, revenue decreased by 2.4% and amounted to EUR 24.6 (25.2) million **in the second quarter**. The weakening of the Swedish krona from the comparison period had a negative impact on revenue. Without the currency effect, the revenue grew by 6.8%. Demand continued strong, particularly in consultation for organizational management and harmful use. Revenue increased mainly because of acquisitions. Acquisitions increased revenue in Sweden by approximately EUR 0.9 million.

In January-June 2023, revenue increased by 5.7% and amounted to EUR 50.1 (47.4) 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 14.3%. Demand continued strong, particularly in consultation for organizational management and harmful use. Revenue increased mainly because of acquisitions. Acquisitions increased revenue in Sweden by approximately EUR 3.9 million.

Adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) increased by 90.4% and amounted to EUR 1.6 (0.8) million, representing 6.3 (3.2) % of revenue in the second quarter. Profitability was strengthened by increased operational efficiency.

In January-June 2023, adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) increased by 115.0% and amounted to EUR 3.4 (1.6) million, representing 6.8 (3.3) % of revenue. Profitability was strengthened by increased operational efficiency.

Shares, shareholders, and Board authorizations

Terveystalo Plc has one share series (TTALO), which is listed on Nasdaq Helsinki Ltd. At the end of the second quarter of 2023, Terveystalo's market value was EUR 1,049 (1,309) million and the closing price was EUR 8.26 (10.22). During January-June 2023, the highest price of Terveystalo's share was EUR 8.53 (11.94), the lowest price was EUR 6.43 (10.00), and the average price was EUR 7.50 (10.92). A total of 23.2 (9.4) 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 (128,036,531). The total number of shareholders was 32,654 (27,392) at the end of the second 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 the first half of 2023, Terveystalo Plc did not receive any notifications pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act.

Changes in the management team

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

Henri Mäenalanen was appointed as the Chief Operating Officer of Terveystalo Healthcare Services as of 12 April 2023 as Siina Saksi moved to a new position outside the Company.

Events after the end of the reporting period

There were no material events after the end of the reporting period.

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.

Financial reporting in 2023

Terveystalo will publish its Interim Report for January - September 2023 on 27 October 2023. The financial reports will be published at approximately 9:00 a.m. EEST. Financial reports are published in Finnish and English.

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

Result briefing

Terveystalo will arrange a webcast and a conference call in English on its result on Tuesday 18 July 2023 starting at 10:30 EEST. You can watch the webcast online at: <https://terveystalo.videosync.fi/2023-q2-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=10010303>

Helsinki, 17 July 2023

Terveystalo Plc

Board of Directors

For further information, please contact:

CFO Juuso Pajunen

Tel. +358 40 584 9722

Kati Kaksonen, Vice President, Investor Relations, Sustainability & Communications

Tel. +358 10 345 2034

kati.kaksonen@terveystalo.com

Distribution:

Nasdaq Helsinki Oy

Principal media

www.terveystalo.com

Terveystalo in brief

Terveystalo is the largest private healthcare service provider in Finland in terms of revenue and network. Terveystalo is also a leading occupational health provider in the Nordic region. We offer a wide variety of primary health care, specialized care, and well-being services for corporate and private customers and the public sector. Terveystalo's digital services are available 24/7, regardless of time and place. Health and well-being services are also provided by over 370 clinics across Finland. In Sweden, we offer occupational health services at 155 clinics. Terveystalo is listed on the Helsinki Stock Exchange.

In 2022, Terveystalo had approximately 1.3 million individual customers in Finland and the number of customer appointments was approximately 8.5 million, with more than a quarter of these being conducted via remote channels. Terveystalo employs over 16,800 healthcare and well-being professionals. www.terveystalo.com

Consolidated statement of comprehensive income

EUR mill.	Note	4-6/2023	4-6/2022	Change, %	1-6/2023	1-6/2022	Change, %	2022
Revenue	4	322.4	318.2	1.3	663.4	647.9	2.4	1,259.1
Other operating income		1.0	0.7	48.4	2.3	1.1	99.8	2.7
Materials and services	5	-134.9	-131.7	2.4	-277.3	-264.5	4.8	-525.7
Employee benefit expenses	6	-113.5	-118.5	-4.2	-230.0	-234.2	-1.8	-455.0
Depreciation, amortisation and impairment losses	10, 11	-28.7	-26.2	9.8	-55.5	-50.9	9.1	-134.9
Other operating expenses	7	-31.2	-27.9	11.8	-68.8	-53.7	28.2	-112.3
Operating result		15.0	14.6	2.8	34.0	45.8	-25.7	33.9
Financial income		0.4	1.9	-81.4	0.6	4.0	-85.0	7.5
Financial expenses		-5.5	-2.4	132.0	-10.7	-4.3	146.9	-10.4
Net finance income and expenses		-5.1	-0.4	>200.0	-10.1	-0.3	>200.0	-2.9
Share of result in associated companies		0.0	0.0	-100.0	0.0	-0.1	-100.0	-0.1
Result before taxes		9.8	14.1	-30.2	23.9	45.4	-47.2	30.9
Income tax expense	8	-2.3	-3.0	-21.9	-5.3	-9.0	-40.6	-6.5
Net income		7.5	11.1	-32.4	18.6	36.4	-48.8	24.4
Net income attributable to:								
Owners of the parent company		7.5	11.1	-32.3	18.6	36.4	-48.8	24.4
Non-controlling interests		0.0	0.0	144.6	0.0	0.0	121.2	-0.0
Other comprehensive income								
Items that may be reclassified to profit or loss		-2.9	-2.5	16.9	-3.8	-3.0	28.6	-5.3
Items that will not be reclassified to profit or loss		-	0.1	-	-	0.2	-	0.2
Other comprehensive income for the period, net of tax		-2.9	-2.4	23.1	-3.8	-2.8	36.8	-5.1
Total comprehensive income		4.6	8.7	-47.5	14.8	33.6	-56.0	19.3
Total comprehensive income attributable to:								
Owners of the parent company		4.6	8.7	-47.5	14.8	33.6	-56.0	19.3
Non-controlling interest		0.0	0.0	144.6	0.0	0.0	121.2	-0.0
Earnings per share for profit attributable to the shareholders of the parent company, in euro								
Basic earnings per share		0.06	0.09	-32.3	0.15	0.29	-48.8	0.19
Diluted earnings per share		0.06	0.09	-32.6	0.15	0.29	-49.0	0.19

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

Consolidated statement of financial position

EUR mill.	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS				
Non-current assets				
Property, plant and equipment	10	82.1	75.9	82.0
Right-of-use assets	12	195.7	168.6	173.9
Goodwill	11	875.1	874.8	879.5
Intangible assets	11	136.5	177.4	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	5.2	7.7
Other non-current assets		0.8	0.8	0.8
Total non-current assets		1,296.7	1,303.2	1,289.8
Current assets				
Inventories		6.8	7.3	6.6
Trade and other receivables		151.9	140.1	138.4
Current tax receivables		2.2	1.1	4.5
Cash and cash equivalents		12.0	42.3	40.2
Total current assets		173.0	190.7	189.7
TOTAL ASSETS		1,469.7	1,493.9	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		94.5	128.0	114.9
Equity attributable to equity holders of the Company total		571.6	605.1	592.0
Non-controlling interest		-	0.0	0.0
TOTAL EQUITY		571.6	605.1	592.0
Non-current liabilities				
Non-current financial liabilities	13	380.6	264.4	383.1
Non-current lease liabilities		153.2	126.3	133.2
Deferred tax liabilities		27.1	28.0	29.5
Other liabilities		14.8	13.6	16.2
Provisions		3.7	7.4	8.3
Total non-current liabilities		579.4	439.7	570.3
Current liabilities				
Current financial liabilities	13	31.3	161.0	44.2
Current lease liabilities		48.6	48.0	46.5
Current tax liabilities		0.4	0.5	0.0
Dividend liabilities		17.7	17.7	0.0
Trade and other payables		218.3	219.8	223.2
Provisions		2.3	2.1	3.2
Total current liabilities		318.6	449.1	317.1
TOTAL LIABILITIES		898.1	888.8	887.4
TOTAL EQUITY AND LIABILITIES		1,469.7	1,493.9	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	-	-	-	18.6	18.6	0.0	18.6
Other comprehensive income	-	-	-	-3.8	-3.8	-	-3.8
Transactions with owners							
Dividend	-	-	-	-35.4	-35.4	-	-35.4
Share-based payments	-	-	0.1	0.1	0.2	-	0.2
Transactions with non-controlling interest							
Transactions with non-controlling interest	-	-	-	-	-	0.0	0.0
Equity 30 Jun 2023	0.1	492.8	-15.7	94.5	571.6	-	571.6

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	-	-	-	36.4	36.4	0.0	36.4
Other comprehensive income	-	-	-	-2.8	-2.8	-	-2.8
Transactions with owners							
Equity repayment	-	-	-	-35.4	-35.4	-	-35.4
Share-based payments	-	-	2.2	-4.1	-1.9	-	-1.9
Transactions with non-controlling interests							
Transactions with non-controlling interest	-	-	-	-	-	0.0	0.0
Equity 30 Jun 2022	0.1	492.8	-15.8	128.0	605.1	0.0	605.1

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.	4-6/2023	4-6/2022	1-6/2023	1-6/2022	2022
Cash flows from operating activities					
Profit before taxes	9.8	14.1	23.9	45.4	30.9
Adjustments for					
Depreciation, amortisation and impairment losses	28.7	26.2	55.5	50.9	134.9
Change in provisions	-1.5	-0.1	-2.2	-1.6	0.5
Other transactions	-4.6	-0.5	-5.9	-3.2	-4.1
Gains and losses on sale of property, plant and equipment	0.1	-0.1	-0.0	-0.1	-0.3
Net finance expenses	5.1	0.4	10.1	0.4	2.9
Changes in working capital					
Trade and other receivables	-0.8	7.7	-18.3	-4.4	1.6
Inventories	-0.2	-0.7	-0.2	-0.8	-0.2
Trade and other payables	-8.3	-7.5	1.6	-4.0	0.4
Interest received	0.3	0.1	0.5	0.1	0.3
Income taxes paid	-2.8	-4.8	-3.1	-22.9	-26.0
Net cash from operating activities	25.9	34.8	61.8	59.6	140.9
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired	-1.8	-4.7	-2.7	-27.8	-34.9
Acquisition of property, plant and equipment	-6.2	-6.5	-11.8	-13.3	-30.2
Acquisition of intangible assets	-4.6	-8.5	-8.1	-14.9	-29.0
Acquisition of business operations, net of cash acquired	-0.0	-	-0.0	-	-0.7
Sale of business operation, net of cash disposed of	0.3	-	0.3	-	-
Proceeds from the disposal of associates	-	-	-	-	0.1
Proceeds from sale of property, plant and equipment	0.2	0.2	0.4	0.3	0.7
Dividends received	0.0	0.0	0.0	0.0	0.0
Net cash from investing activities	-12.2	-19.5	-21.9	-55.6	-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	99.6	24.9	99.6	24.9	169.5
Repayment of non-current borrowings	-100.0	-15.0	-100.0	-15.0	-40.0
Proceeds from current borrowings	0.1	13.0	10.0	39.5	41.0
Repayment of current borrowings	-22.0	-	-22.0	-0.2	-116.7
Payment of lease liabilities	-12.4	-12.5	-25.5	-24.4	-49.3
Payment of hire purchase liabilities	-1.2	-1.3	-2.4	-2.8	-5.3
Interests and other financial expenses paid	-6.9	-2.8	-9.6	-4.0	-8.4
Dividends paid	-1.1	-17.7	-17.7	-17.7	-35.4
Net cash from financing activities	-43.9	-11.5	-67.8	0.3	-44.6
Net change in cash and cash equivalents	-30.2	3.8	-27.8	4.3	2.3
Cash and cash equivalents at the beginning of the period	42.4	38.6	40.2	38.1	38.1
Translation differences	-0.2	0.0	-0.3	0.0	-0.3
Cash and cash equivalents at the end of the period	12.0	42.3	12.0	42.3	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

There were no material events after the ending of the reporting period.

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 IFRS adjustments and eliminations between reporting segments. Other segment's revenue includes eliminations between reporting segments.

Disaggregation of revenue

EUR mill.	4-6/2023	4-6/2022	Change, %	1-6/2023	1-6/2022	Change, %	2022
Healthcare services	234.7	224.1	4.7	484.5	463.1	4.6	897.8
Portfolio business	68.6	74.3	-7.7	139.4	148.1	-5.9	290.7
Sweden	24.6	25.2	-2.4	50.1	47.4	5.7	92.8
Other	-5.5	-5.4	1.8	-10.5	-10.7	-1.8	-22.2
Total	322.4	318.2	1.3	663.4	647.9	2.4	1,259.1

Healthcare services, revenue							
EUR mill.	4-6/2023	4-6/2022	Change, %	1-6/2023	1-6/2022	Change, %	2022
By customer							
Corporate	136.7	129.2	5.8	285.3	270.7	5.4	522.9
Consumer	75.5	71.1	6.1	153.2	142.1	7.9	278.4
Public sector	22.5	23.8	-5.3	46.0	50.3	-8.6	96.4
By service							
Appointments	152.3	137.7	10.6	312.8	276.2	13.3	556.3
Diagnostics	57.4	62.5	-8.1	120.2	138.4	-13.2	250.0
Other	25.0	23.9	4.6	51.5	48.5	6.2	91.5

Portfolio businesses, revenue							
EUR mill.	4-6/2023	4-6/2022	Change, %	1-6/2023	1-6/2022	Change, %	2022
Outsourcing services	23.1	30.0	-23.0	47.8	61.2	-21.9	118.7
Staffing services	21.5	21.0	2.3	43.7	42.5	2.7	84.1
Dental care	14.5	13.5	7.2	29.5	26.4	11.7	52.2
Other	9.5	9.8	-3.3	18.3	17.9	2.4	35.6

Timing of satisfying performance obligations

EUR mill.	4-6/2023	4-6/2022	Change, %	1-6/2023	1-6/2022	Change, %	2022
At a point in time	298.7	286.6	4.2	614.5	584.4	5.1	1,134.4
Over time	23.7	31.6	-25.1	49.0	63.5	-22.8	124.6
Total	322.4	318.2	1.3	663.4	647.9	2.4	1,259.1

Other segment information

Adjusted EBITA							
EUR mill.	4-6/2023	4-6/2022	Change, %	1-6/2023	1-6/2022	Change, %	2022
Healthcare services	23.5	21.7	8.2	54.9	56.8	-3.5	99.2
Portfolio business	2.0	1.6	25.9	4.9	3.5	43.2	3.5
Sweden	1.6	0.8	90.4	3.4	1.6	115.0	2.6
Other	1.4	0.0	>200.0	1.8	1.2	47.9	-0.1
Total	28.5	24.1	18.1	64.9	63.1	3.0	105.2

EBITA							
EUR mill.	4-6/2023	4-6/2022	Change, %	1-6/2023	1-6/2022	Change, %	2022
Healthcare services	23.2	21.1	9.9	54.3	53.8	1.0	93.8
Portfolio business	2.2	1.3	69.1	4.9	2.7	84.9	2.0
Sweden	1.5	0.5	189.9	3.3	1.1	194.0	1.9
Other	-1.9	-0.4	>200.0	-10.5	3.2	>-200.0	-1.8
Total	25.0	22.5	11.2	52.0	60.7	-14.4	95.9

5. Materials and services

EUR mill.	4-6/2023	4-6/2022	Change, %	1-6/2023	1-6/2022	Change, %	2022
Purchase of materials	-10.7	-10.9	-1.9	-21.6	-22.3	-2.9	-44.1
Change in inventories	0.2	0.7	-73.6	0.2	0.9	-73.5	0.2
External services	-124.4	-121.5	2.4	-255.9	-243.1	5.2	-481.8
Total	-134.9	-131.7	2.4	-277.3	-264.5	4.8	-525.7

6. Employee benefit expenses

EUR mill.	4-6/2023	4-6/2022	Change, %	1-6/2023	1-6/2022	Change, %	2022
Wages and salaries	-94.9	-98.9	-4.0	-192.8	-195.5	-1.3	-379.5
Share-based payments	-0.2	-0.3	-39.7	-0.3	-1.0	-71.4	-2.0
Other personnel expenses	-18.4	-19.3	-4.5	-36.9	-37.7	-2.2	-73.5
Total	-113.5	-118.5	-4.2	-230.0	-234.2	-1.8	-455.0

7. Other operating expenses

EUR mill.	4-6/2023	4-6/2022	Change, %	1-6/2023	1-6/2022	Change, %	2022
Leases and premises	-5.7	-4.8	16.9	-12.3	-9.7	26.6	-22.9
ICT expenses	-10.0	-9.9	0.9	-20.0	-19.5	2.8	-39.7
Marketing and communication expenses	-2.7	-2.4	14.0	-5.1	-4.6	11.1	-8.5
Other operating expenses	-12.8	-10.8	19.2	-31.5	-19.9	57.9	-41.1
Total	-31.2	-27.9	11.8	-68.8	-53.7	28.2	-112.3

8. Income taxes

Income taxes in the statement of income

EUR mill.	4-6/2023	4-6/2022	Change, %	1-6/2023	1-6/2022	Change, %	2022
Current tax for the reporting year	-2.2	-3.5	-36.0	-5.9	-9.2	-35.7	-8.3
Income taxes for prior periods	-0.0	-0.0	-163.4	-0.0	-0.0	-146.7	0.0
Change in deferred taxes	-0.1	0.5	-120.2	0.6	0.2	180.7	1.8
Total income taxes	-2.3	-3.0	-21.9	-5.3	-9.0	-40.6	-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 first six months of the year 2023 has been EUR 0.1 million and the expected total cost of the program is EUR 1.6 million. 59 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 first six 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

1-6/2023	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
Additions	-	6.5	0.3	4.6	11.4
Disposals	-	-0.3	-0.1	-	-0.4
Translation differences	-0.0	-0.2	-0.0	-0.0	-0.2
Transfers between items	-	0.5	2.1	-2.6	-
Acquisition cost 30 Jun 2023	2.3	171.6	66.7	6.2	246.8
Accumulated depreciation and impairment losses 1 Jan 2023	-1.2	-117.1	-35.8	-	-154.0
Depreciation	-0.0	-7.6	-3.2	-	-10.8
Translation differences	0.0	0.1	0.0	-	0.1
Accumulated depreciation and impairment losses 30 Jun 2023	-1.2	-124.6	-39.0	-	-164.8
Carrying amount 1 Jan 2023	1.2	47.9	28.7	4.2	82.0
Carrying amount 30 Jun 2023	1.2	47.0	27.8	6.2	82.1

1-6/2022	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	0.2	0.0	0.6
Additions	-	8.1	1.2	4.5	13.9
Disposals	-	-0.2	-	-	-0.2
Translation differences	-0.0	-0.2	-0.0	-	-0.2
Transfers between items	-	0.8	2.4	-3.2	0.1
Acquisition cost 30 Jun 2022	2.3	153.0	58.8	4.3	218.5
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	-7.1	-3.0	-	-10.2
Accumulated depreciation and impairment losses 30 Jun 2022	-1.1	-108.9	-32.6	-	-142.7
Carrying amount 1 Jan 2022	1.0	42.6	25.4	2.9	72.0
Carrying amount 30 Jun 2022	1.2	44.2	26.3	4.3	75.9

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	0.4	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

1-6/2023	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	0.3	-	-	-	0.3
Additions	-	-	-	8.1	8.1
Translation differences	-2.5	-0.3	-0.2	-0.6	-3.7
Acquisition cost 30 Jun 2023	945.3	167.4	88.6	147.7	1,349.0
Accumulated amortisations and impairment losses 1 Jan 2023	-68.0	-117.5	-38.5	-95.6	-319.6
Amortisation	-	-5.1	-2.3	-8.6	-16.0
Impairment losses*	-2.2	-	-	-	-2.2
Translation differences	-	0.1	0.0	0.2	0.3
Accumulated amortisations and impairment losses 30 Jun 2023	-70.2	-122.5	-40.8	-104.0	-337.4
Carrying amount 1 Jan 2023	879.5	50.3	50.2	44.6	1,024.7
Carrying amount 30 Jun 2023	875.1	45.0	47.7	43.8	1,011.6

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

1-6/2022	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	28.2	2.0	-	0.2	30.3
Additions	-	-	-	15.2	15.2
Translation differences	-2.0	-0.4	-0.1	-0.7	-3.2
Reclassifications	-	-	-	-0.1	-0.1
Acquisition cost 30 Jun 2022	942.8	168.1	88.7	125.7	1,325.3
Accumulated amortizations and impairment losses 1 Jan 2022	-68.0	-107.4	-33.7	-50.0	-259.1
Amortization and impairment losses for the reporting period	-	-5.0	-2.4	-6.7	-14.1
Accumulated amortizations and impairment losses 30 Jun 2022	-68.0	-112.3	-36.1	-56.7	-273.2
Carrying amount 1 Jan 2022	848.6	59.1	55.1	61.0	1,023.8
Carrying amount 30 Jun 2022	874.8	55.7	52.6	69.0	1,052.2

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

1-6/2023			
EUR mill.	Premises	Other right-of-use assets	Total
Acquisition cost 1 Jan 2023	331.7	41.5	373.1
Additions	53.3	-	53.3
Disposals	-3.8	-	-3.8
Translation differences	-1.4	-	-1.4
Acquisition cost 30 Jun 2023	379.8	41.5	421.3
Accumulated depreciation and impairment losses 1 Jan 2023	-167.5	-31.8	-199.3
Depreciation for the reporting period	-25.2	-1.5	-26.8
Translation differences	0.4	0.0	0.5
Accumulated depreciation and impairment losses 30 Jun 2023	-192.2	-33.3	-225.6
Carrying amount 1 Jan 2023	164.2	9.7	173.9
Carrying amount 30 Jun 2023	187.6	8.1	195.7

1-6/2022			
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	21.6	0.4	22.0
Disposals	-2.9	-0.3	-3.2
Translation differences	-0.6	0.0	-0.6
Acquisition cost 30 Jun 2022	300.5	41.1	341.6
Accumulated depreciation and impairment losses 1 Jan 2022	-119.0	-28.3	-147.3
Depreciation for the reporting period	-24.0	-1.8	-25.8
Accumulated depreciation and impairment losses 30 Jun 2022	-142.9	-30.1	-173.1
Carrying amount 1 Jan 2022	159.7	12.7	172.5
Carrying amount 30 Jun 2022	157.6	11.0	168.6

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 Jun 2023			
EUR mill.	Premises	Other	Total
Non-current lease liabilities	145.7	7.5	153.2
Current lease liabilities	45.9	2.7	48.6
Total lease liabilities	191.6	10.2	201.8

30 Jun 2022			
EUR mill.	Premises	Other	Total
Non-current lease liabilities	116.2	10.1	126.3
Current lease liabilities	44.9	3.1	48.0
Total lease liabilities	161.1	13.2	174.3

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

EUR mill. 30 Jun 2023	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	0.0	-	0.0	0.0	Level 2
Unquoted equity investments	0.8	-	0.8	0.8	Level 3
Current					
Trade receivables	-	128.9	128.9	128.9	
Cash and cash equivalents	-	12.0	12.0	12.0	
Interest rate derivatives	6.8	-	6.8	6.8	Level 2
Total	7.6	140.9	148.6	148.6	
Financial liabilities					
Non-current					
Loans from financial institutions	-	279.3	279.3	279.3	Level 2
Bonds	-	99.0	99.0	99.0	Level 1
Hire purchase liabilities	-	2.3	2.3	2.3	Level 2
Contingent considerations	4.6	-	4.6	4.6	Level 3
Current					
Loans from financial institutions	-	28.0	28.0	28.0	Level 2
Hire purchase liabilities	-	3.3	3.3	3.3	Level 2
Trade payables	-	57.1	57.1	57.1	
Contingent considerations	3.0	-	3.0	3.0	Level 3
Interest rate derivatives	0.2	-	0.2	0.2	Level 2
Total	7.7	469.0	476.8	476.8	

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 1.0 million (2022: EUR 0.2 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.

	Financial assets and liabilities at fair value	Financial assets and liabilities at amortised cost	Carrying amount	Fair value	Fair value hierarchy
EUR mill. 31 Dec 2022					
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 review period ended 30 June 2023, the Group has not made corporate acquisitions or acquisitions of business operations.

In 2023, effect to goodwill arising from corporate acquisitions made in year 2022 was EUR 0.3 million. The cash flow effect was EUR -2.7 million due to adjustments to purchase prices and additional purchase price paid.

Business Combinations 2022

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Consideration transferred

EUR mill.	
Purchase price, payable in cash	37.8
Contingent consideration	5.1
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 Jun 2023	30 Jun 2022	31 Dec 2022
Business mortgages	7.1	11.6	11.4
Total	7.1	11.6	11.4
Securities for own debts			
Deposits	0.2	0.2	0.5
Guarantees	0.4	0.5	0.4
Total	0.6	0.7	0.9

16. Group's key financial ratios

EUR mill. unless stated otherwise	4-6/2023	4-6/2022	Change, %	1-6/2023	1-6/2022	Change, %	2022
Revenue	322.4	318.2	1.3	663.4	647.9	2.4	1,259.1
Adjusted EBITDA, * ¹⁾	47.1	42.4	11.2	102.4	99.0	3.4	178.0
Adjusted EBITDA, % * ¹⁾	14.6	13.3	-	15.4	15.3	-	14.1
EBITDA ^{1) 2)}	43.7	40.7	7.3	89.6	96.7	-7.4	168.8
EBITDA, % ¹⁾	13.6	12.8	-	13.5	14.9	-	13.4
Adjusted EBITA * ¹⁾	28.5	24.1	18.1	64.9	63.1	3.0	105.2
Adjusted EBITA, % * ¹⁾	8.8	7.6	-	9.8	9.7	-	8.4
EBITA ¹⁾	25.0	22.5	11.2	52.0	60.7	-14.4	95.9
EBITA, % ¹⁾	7.7	7.1	-	7.8	9.4	-	7.6
Adjusted operating profit (EBIT) * ¹⁾	20.5	16.2	26.2	49.0	48.1	1.8	73.4
Adjusted operating profit (EBIT), % * ¹⁾	6.3	5.1	-	7.4	7.4	-	5.8
Operating profit (EBIT)	15.0	14.6	2.8	34.0	45.8	-25.7	33.9
Operating profit (EBIT), %	4.6	4.6	-	5.1	7.1	-	2.7
Return on equity (ROE), % ¹⁾	-	-	-	1.1	12.6	-	4.1
Equity ratio, % ¹⁾	-	-	-	39.0	40.6	-	40.2
Earnings per share (€)	0.06	0.09	-32.3	0.15	0.29	-48.8	0.19
Weighted average number of shares outstanding, in thousands	126,556	126,548	-	126,554	126,472	-	126,508
Net debt ¹⁾	-	-	-	601.7	557.3	8.0	566.6
Gearing, % ¹⁾	-	-	-	105.3	92.1	-	95.7
Net debt/Adjusted EBITDA (LTM) * ¹⁾	-	-	-	3.3	2.7	-	3.2
Total assets	-	-	-	1,469.7	1,493.9	-1.6	1,479.4
Adjusted EBITDA (LTM), excluding IFRS 16 * ¹⁾	-	-	-	124.5	155.5	-19.9	122.2
Net debt, excluding IFRS 16 ¹⁾	-	-	-	399.9	383.0	4.4	386.8
Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 * ¹⁾	-	-	-	3.2	2.5	-	3.2
Average personnel (FTEs)	-	-	-	6,563	6,470	1.4	6,552
Personnel (end of period)	-	-	-	10,094	10,850	-7.0	10,933
Private practitioners (end of period)	-	-	-	6,145	5,813	5.7	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.	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Profit (loss) for the period	7.5	11.1	18.6	36.4	24.4
Income tax expense	2.3	3.0	5.3	9.0	6.5
Share of profits in associated companies	0.0	0.0	0.0	0.1	0.1
Net finance expenses	5.1	0.4	10.1	0.3	2.9
Depreciation, amortisation and impairment losses	28.7	26.2	55.5	50.9	134.9
Adjustments*	3.4	1.7	12.9	2.3	9.2
Adjusted EBITDA	47.1	42.4	102.4	99.0	178.0

Adjusted EBITDA, %	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Adjusted EBITDA	47.1	42.4	102.4	99.0	178.0
Revenue	322.4	318.2	663.4	647.9	1,259.1
Adjusted EBITDA, %	14.6	13.3	15.4	15.3	14.1

EBITDA, EUR mill.	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Profit (loss) for the period	7.5	11.1	18.6	36.4	24.4
Income tax expense	2.3	3.0	5.3	9.0	6.5
Share of profits in associated companies	0.0	0.0	0.0	0.1	0.1
Net finance expenses	5.1	0.4	10.1	0.3	2.9
Depreciation, amortisation and impairment losses	28.7	26.2	55.5	50.9	134.9
EBITDA	43.7	40.7	89.6	96.7	168.8

EBITDA, %	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
EBITDA	43.7	40.7	89.6	96.7	168.8
Revenue	322.4	318.2	663.4	647.9	1,259.1
EBITDA, %	13.6	12.8	13.5	14.9	13.4

Adjusted EBITA, EUR mill.	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Profit (loss) for the period	7.5	11.1	18.6	36.4	24.4
Income tax expense	2.3	3.0	5.3	9.0	6.5
Share of profits in associated companies	0.0	0.0	0.0	0.1	0.1
Net finance expenses	5.1	0.4	10.1	0.3	2.9
Amortisation and impairment losses	10.0	7.9	18.0	14.9	62.0
Adjustments*	3.5	1.7	13.0	2.3	9.2
Adjusted EBITA	28.5	24.1	64.9	63.1	105.2

Adjusted EBITA, %	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Adjusted EBITA	28.5	24.1	64.9	63.1	105.2
Revenue	322.4	318.2	663.4	647.9	1,259.1
Adjusted EBITA, %	8.8	7.6	9.8	9.7	8.4

EBITA, EUR mill.	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Profit (loss) for the period	7.5	11.1	18.6	36.4	24.4
Income tax expense	2.3	3.0	5.3	9.0	6.5
Share of profits in associated companies	0.0	0.0	0.0	0.1	0.1
Net finance expenses	5.1	0.4	10.1	0.3	2.9
Amortisation and impairment losses	10.0	7.9	18.0	14.9	62.0
EBITA	25.0	22.5	52.0	60.7	95.9

EBITA, %	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
EBITA	25.0	22.5	52.0	60.7	95.9
Revenue	322.4	318.2	663.4	647.9	1,259.1
EBITA, %	7.7	7.1	7.8	9.4	7.6

Adjusted operating profit (EBIT), EUR mill.	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Profit (loss) for the period	7.5	11.1	18.6	36.4	24.4
Income tax expense	2.3	3.0	5.3	9.0	6.5
Share of profits in associated companies	0.0	0.0	0.0	0.1	0.1
Net finance expenses	5.1	0.4	10.1	0.3	2.9
Adjustments*	5.5	1.7	14.9	2.3	39.5
Adjusted operating profit (EBIT)	20.5	16.2	49.0	48.1	73.4

Adjusted operating profit, (EBIT), %	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Adjusted operating profit (EBIT)	20.5	16.2	49.0	48.1	73.4
Revenue	322.4	318.2	663.4	647.9	1,259.1
Adjusted operating profit (EBIT), %	6.3	5.1	7.4	7.4	5.8

Operating profit (EBIT), EUR mill.	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Profit (loss) for the period	7.5	11.1	18.6	36.4	24.4
Income tax expense	2.3	3.0	5.3	9.0	6.5
Share of profits in associated companies	0.0	0.0	0.0	0.1	0.1
Net finance expenses	5.1	0.4	10.1	0.3	2.9
EBIT	15.0	14.6	34.0	45.8	33.9

Operating profit, (EBIT), %	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
EBIT	15.0	14.6	34.0	45.8	33.9
Revenue	322.4	318.2	663.4	647.9	1,259.1
EBIT, %	4.6	4.6	5.1	7.1	2.7

Return on equity, %	30 Jun 23	30 Jun 22	31 Dec 22
Profit/loss for the period (LTM)	6.7	76.7	24.4
Equity (including non-controlling interest) (average)	581.8	607.0	600.4
Return on equity, %	1.1	12.6	4.1

Equity ratio, %	30 Jun 23	30 Jun 22	31 Dec 22
Equity (including non-controlling interest)	571.6	605.1	592.0
Total assets	1,469.7	1,493.9	1,479.4
Advances received	4.2	5.2	7.1
Equity ratio, %	39.0	40.6	40.2

Gearing, %	30 Jun 23	30 Jun 22	31 Dec 22
Interest-bearing liabilities	613.8	599.7	607.0
Interest-bearing receivables and cash and cash equivalents	12.1	42.4	40.4
Equity	571.6	605.1	592.0
Gearing, %	105.3	92.1	95.7

Net debt/Adjusted EBITDA (LTM)	30 Jun 23	30 Jun 22	31 Dec 22
Interest-bearing liabilities	613.8	599.7	607.0
Interest-bearing receivables and cash and cash equivalents	12.1	42.4	40.4
Adjusted EBITDA (LTM)	181.4	206.7	178.0
Net debt/Adjusted EBITDA (LTM)	3.3	2.7	3.2

Adjusted EBITDA (LTM), excluding IFRS 16	30 Jun 23	30 Jun 22	31 Dec 22
Profit (loss) for the period	6.6	76.7	23.3
Income tax expense	2.9	19.2	7.6
Share of profits in associated companies	0.0	0.2	0.1
Net finance expenses	12.6	4.8	2.9
Depreciation, amortisation and impairment losses	139.5	100.2	134.9
Adjustments*	19.8	5.6	9.2
IFRS 16 lease expense adjustment	-56.9	-51.2	-55.8
Adjusted EBITDA (LTM), excluding IFRS 16	124.5	155.5	122.2

Net debt/Adjusted EBITDA (LTM), excluding IFRS 16	30 Jun 23	30 Jun 22	31 Dec 22
Interest-bearing liabilities	411.9	425.4	427.2
Interest-bearing receivables and cash and cash equivalents	12.1	42.4	40.4
Adjusted EBITDA (LTM)	124.5	155.5	122.2
Net debt/Adjusted EBITDA (LTM), excluding IFRS 16	3.2	2.5	3.2

Adjustments*, EUR mill.	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Acquisition-related expenses ⁽¹⁾	-0.3	1.2	-0.7	1.6	2.8
Restructuring-related expenses ⁽²⁾	0.2	0.4	0.6	0.6	1.5
Impairment losses	2.0	-	2.0	-	30.3
Strategic projects and other items affecting to comparability	3.7	0.1	13.1	0.2	5.0
Adjustments	5.5	1.7	14.9	2.3	39.5

Adjustments by segments *, EUR mill.	4-6/2023	4-6/2022	1-6/2023	1-6/2022	1-12/2022
Healthcare services	0.3	0.6	0.5	3.1	5.4
Portfolio businesses	-0.1	0.3	0.0	0.8	1.4
Sweden	0.0	0.3	0.1	0.5	0.7
Other	5.3	0.4	14.3	-2.0	1.7
Total	5.5	1.7	14.9	2.3	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.