Terveystalo

Calculation of financial ratios and alternative performance measures

Financial ratios

Earnings per share, (EUR) $=$ $\dfrac{\text{Profit for the period attributable to owners of the parent company}}{\text{Average number of shares during the period}}$

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.

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

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

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

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

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

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.

Adjusted EBITDA* $=$ Earnings Before Interest, Taxes, Depreciation, Amortisation, Impairment losses and adjustments

Adjusted EBITDA, %* $=$ $\dfrac{\text{Earnings Before Interest, Taxes, Depreciation, Amortisation, Impairment losses and adjustments}}{\text{Revenue}}$ x 100%

Adjusted EBITA* $=$ Earnings Before Interest, Taxes, Amortisation, Impairment losses and adjustments

Adjusted EBITA, %*	=	$\dfrac{\text{Earnings Before Interest, Taxes, Amortisation, Impairment losses and adjustments}}{\text{Revenue}}$	x 100%

Adjusted operating profit (EBIT)* = Earnings Before Interest, Taxes and Share of profits in associated companies, and adjustments

Adjusted operating profit (EBIT), %*	=	$\dfrac{\text{Earnings Before Interest, Taxes and Share of profits in associated companies, and adjustments}}{\text{Revenue}}$	x 100%

EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortisation and Impairment losses

EBITDA, %	=	$\dfrac{\text{Earnings Before Interest, Taxes, Depreciation and Amortisation and Impairment losses}}{\text{Revenue}}$	x 100%

EBITA = Earnings Before Interest, Taxes, Amortisation and Impairment losses

EBITA, %	=	$\dfrac{\text{Earnings Before Interest, Taxes, Amortisation and Impairment losses}}{\text{Revenue}}$	x 100%

Operating profit (EBIT) = Earnings Before Interest, Taxes and Share of profits in associated companies

Operating profit (EBIT), %	=	$\dfrac{\text{Earnings Before Interest, Taxes and Share of profits in associated companies}}{\text{Revenue}}$	x 100%

Adjusted EBITDA, excluding IFRS 16 * = Earnings Before Interest, Taxes, Depreciation, Amortisation, 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.