

Terveystalo Group Half-Year 2024 Results

Ville Iho, President & CEO

Juuso Pajunen, CFO

Welcome

AGENDA TODAY



Ville Iho, President & CEO

- Q2 2024 Financial & operational highlights



Juuso Pajunen, CFO

- Q2 & H1 2024 Financial performance analysis
- Outlook & Guidance

Strongest second quarter ever

- **The strong performance of Healthcare Services drove topline and margin growth**
- **Marked improvement in Portfolio Businesses, performance measures are delivering results**
- **The turnaround in Swedish business is progressing according to plan and the full run-rate impact is to be realized in 2025**
- **Continued high quality and customer satisfaction**

Q2 2024 highlights

Revenue (MEUR)

340.1

+5.5% y-o-y

Adj. EBITA (MEUR)

42.5

+49.1% y-o-y

NPS, appointments

86.4

+0.7% y-o-y

EPS (EUR)

0.11

+90.8% y-o-y

Adj. EBITA margin

12.5%

+3.7%-p. y-o-y

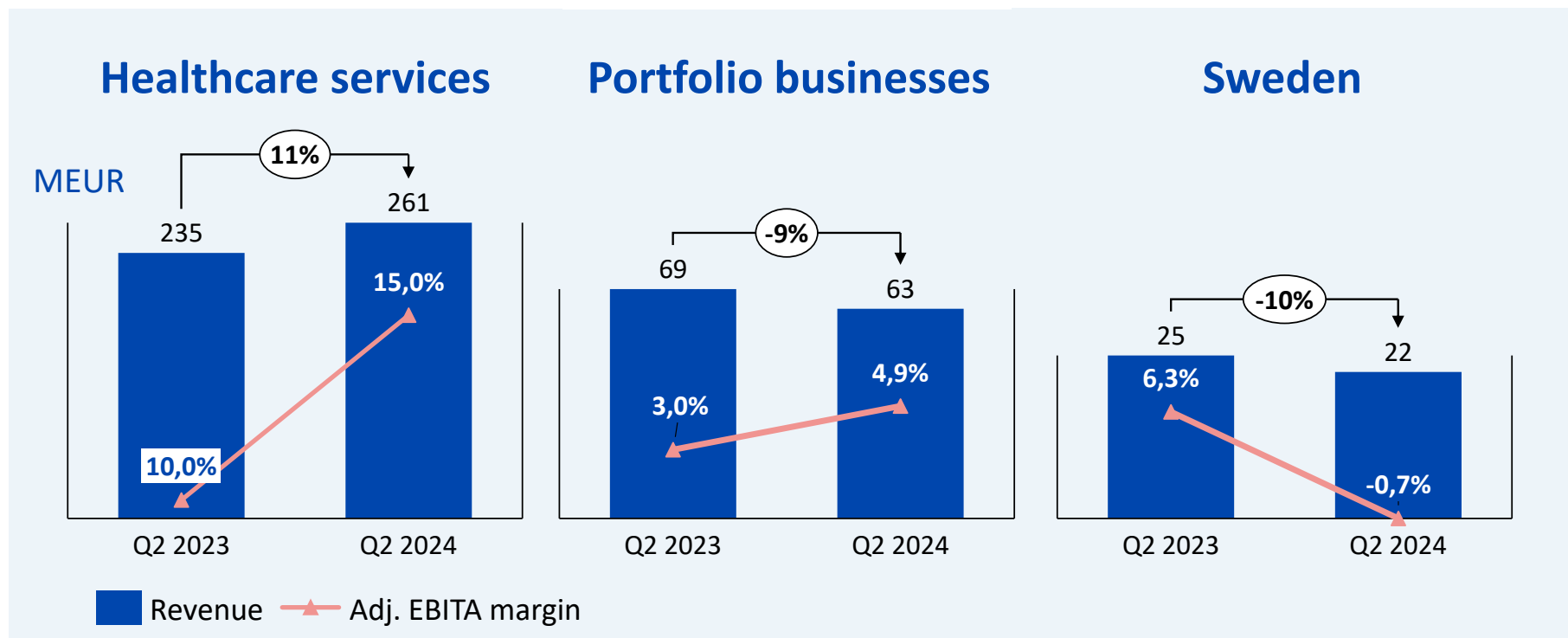
Operating cash flow (MEUR)

44.4

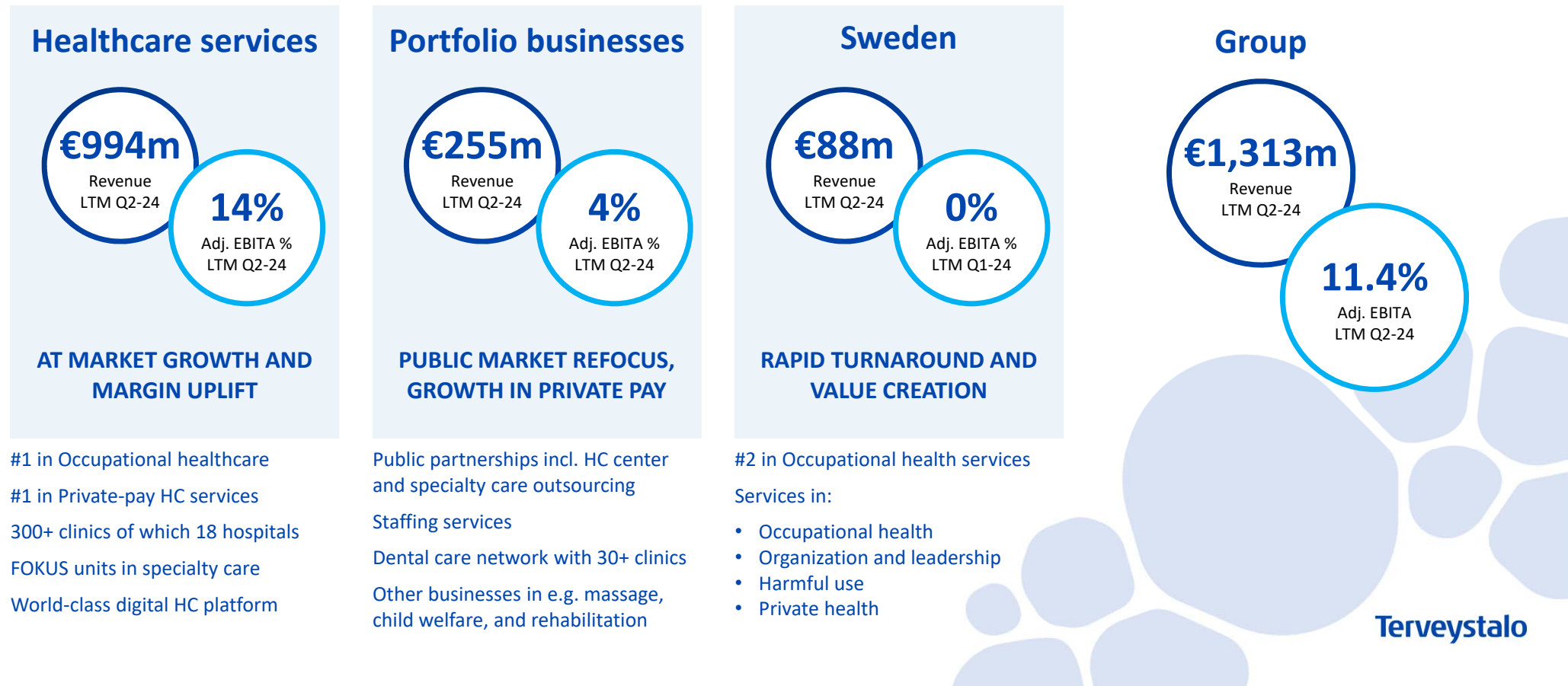
+71.4% y-o-y



Marked improvement in Healthcare services drove the Group performance



Sequenced turn-around of our business portfolio offers multiple paths to value creation



Save the Date – Capital Markets Day

To be held in Helsinki & online 4 December 2024

Financial performance

Juuso Pajunen, CFO

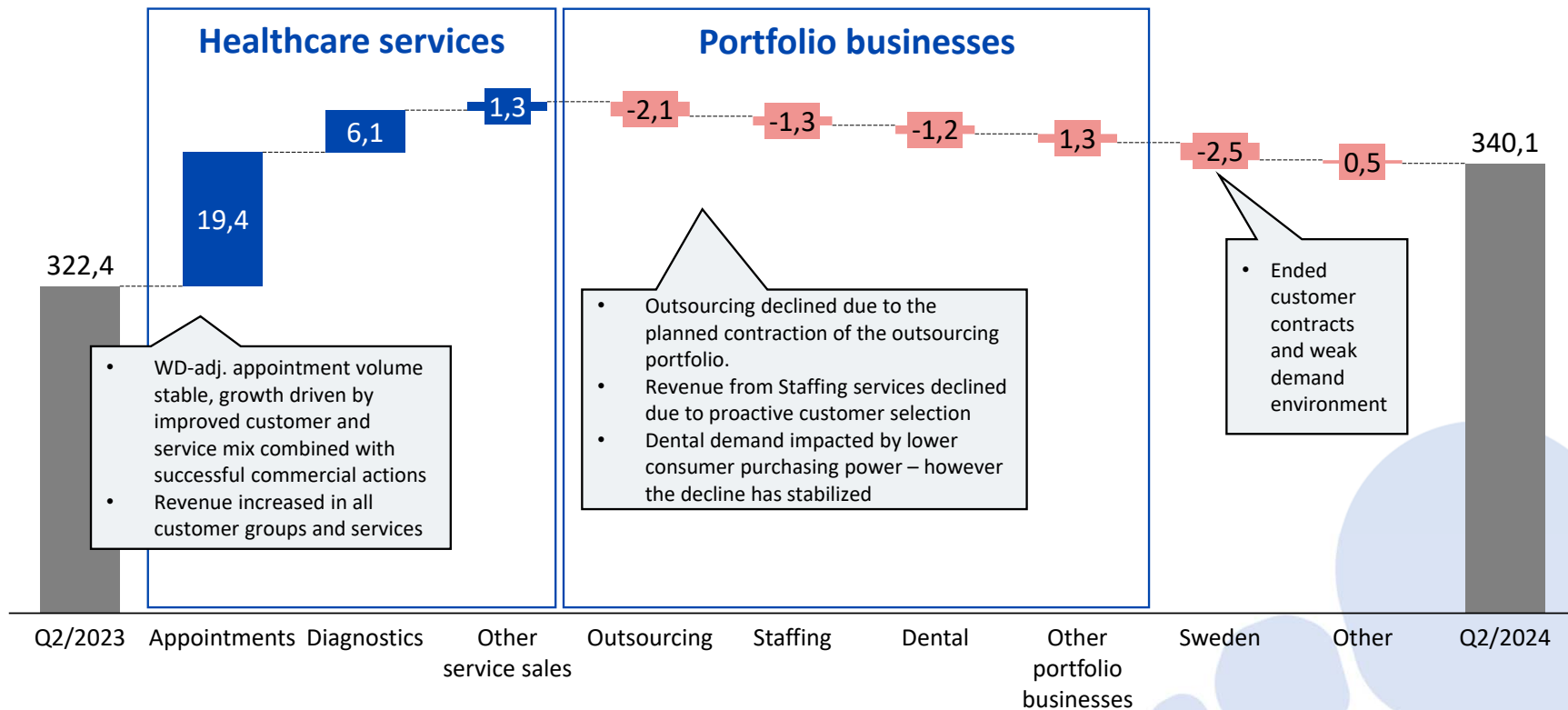
Continued margin recovery in Q2

Performance improvement continued for fifth quarter in a row – Adj.EBITA +49%, EPS +91%, Net Debt / Adj. EBITDA at 2.5

Strong performance in Finnish segments, Sweden profit improvement program progressing as planned but not yet visible in figures

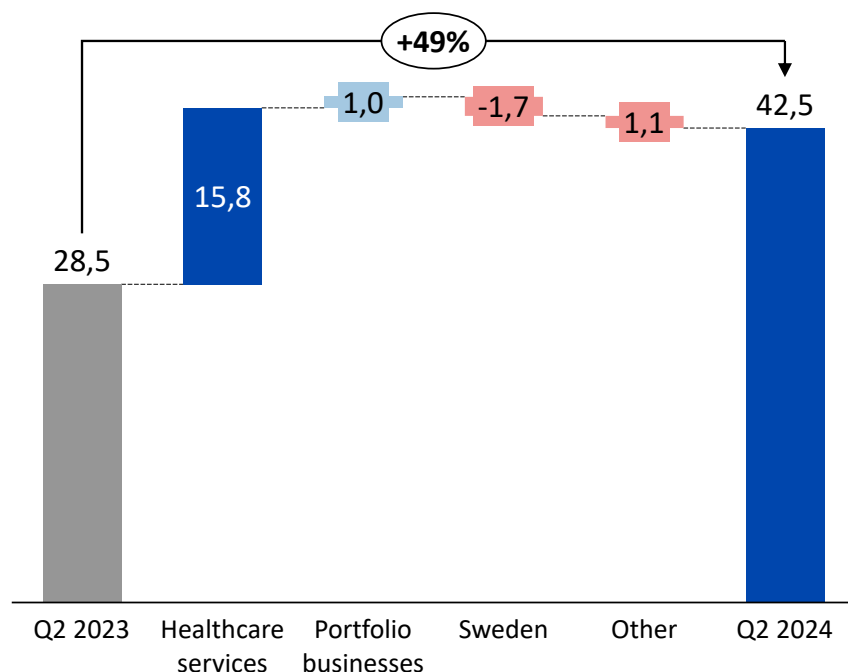
Guidance updated – Adj. EBITA expected between 11.5% and 12.5%

Q2: Strong supply, improved sales mix, and successful commercial actions drove revenue growth



Q2: Strong profit development in Healthcare services and Portfolio businesses

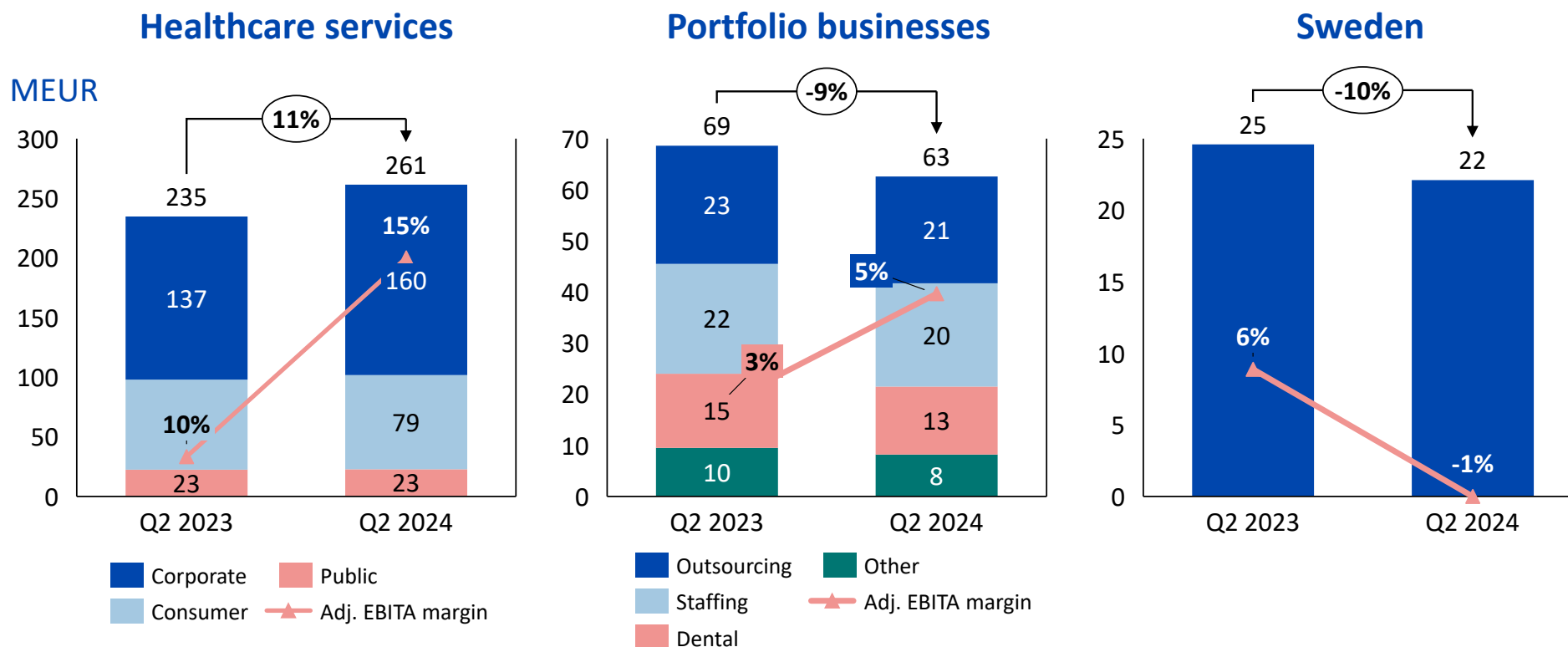
Adj. EBITA(MEUR)



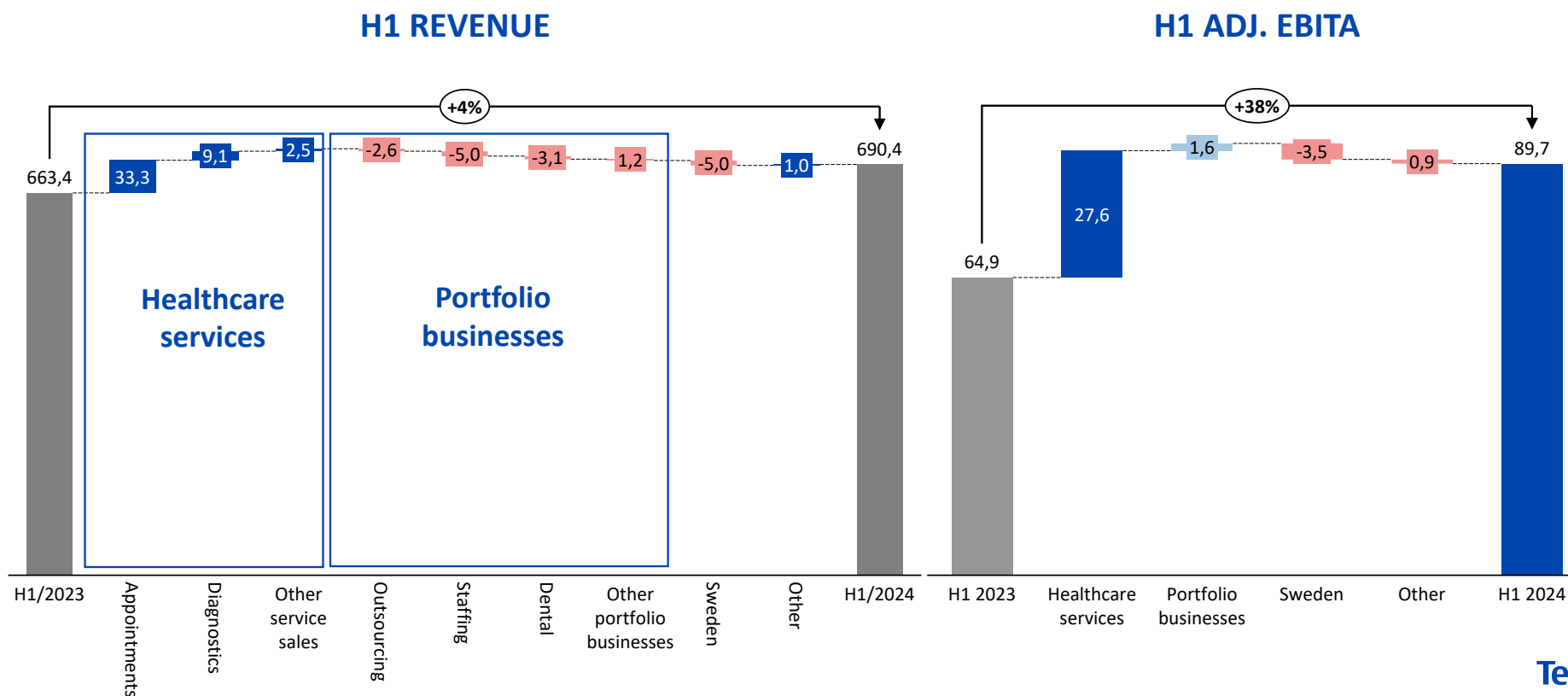
- In **Healthcare services**, EBITA was impacted by:
 - Continued operational efficiency also in low-demand months
 - Strong sales mix
 - Successful commercial actions
 - Continued cost control
- **Portfolio businesses** saw positive development in Staffing and Outsourcing
 - Successful commercial actions
 - Improved operational efficiency and adaptation to demand in consumer-driven business
 - Termination and ending of low-margin contracts
- In **Sweden**, EBITA decreased due to a decrease in revenue and cost inflation.
 - The profit improvement program progressing as planned.

ADJUSTMENTS ARE MATERIAL ITEMS OUTSIDE THE ORDINARY COURSE OF BUSINESS, ASSOCIATED WITH ACQUISITION-RELATED EXPENSES, RESTRUCTURING-RELATED EXPENSES, GAINS AND LOSSES ON THE SALE OF ASSETS, IMPAIRMENT LOSSES, STRATEGIC PROJECTS, AND OTHER ITEMS AFFECTING COMPARABILITY. ADJUSTMENTS RELATED TO THE PROFIT IMPROVEMENT PROGRAMS WERE APPROXIMATELY EUR 4.9 MILLION DURING THE SECOND QUARTER AND EUR 9.4 MILLION DURING JANUARY-JUNE.

Q2: Sales mix improved in Finland, headwinds in Sweden

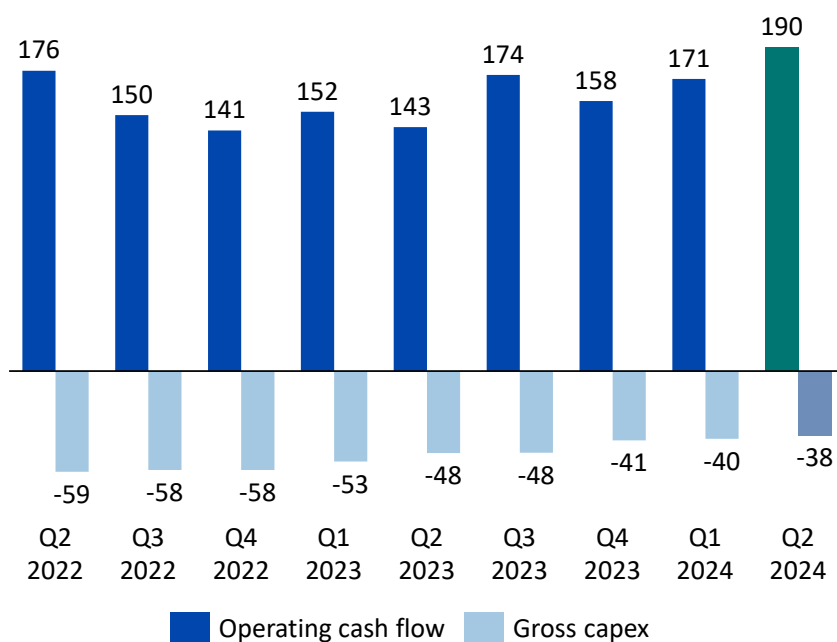


H1: Topline growth, strong profit development in Healthcare services

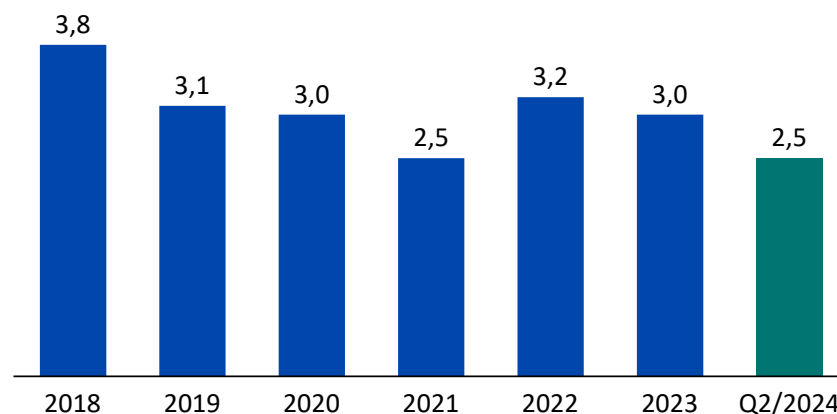


Record strong LTM EBITA converted to strong cash flow

OPERATING CASH FLOW (LTM), MEUR
GROSS CAPEX (LTM), MEUR



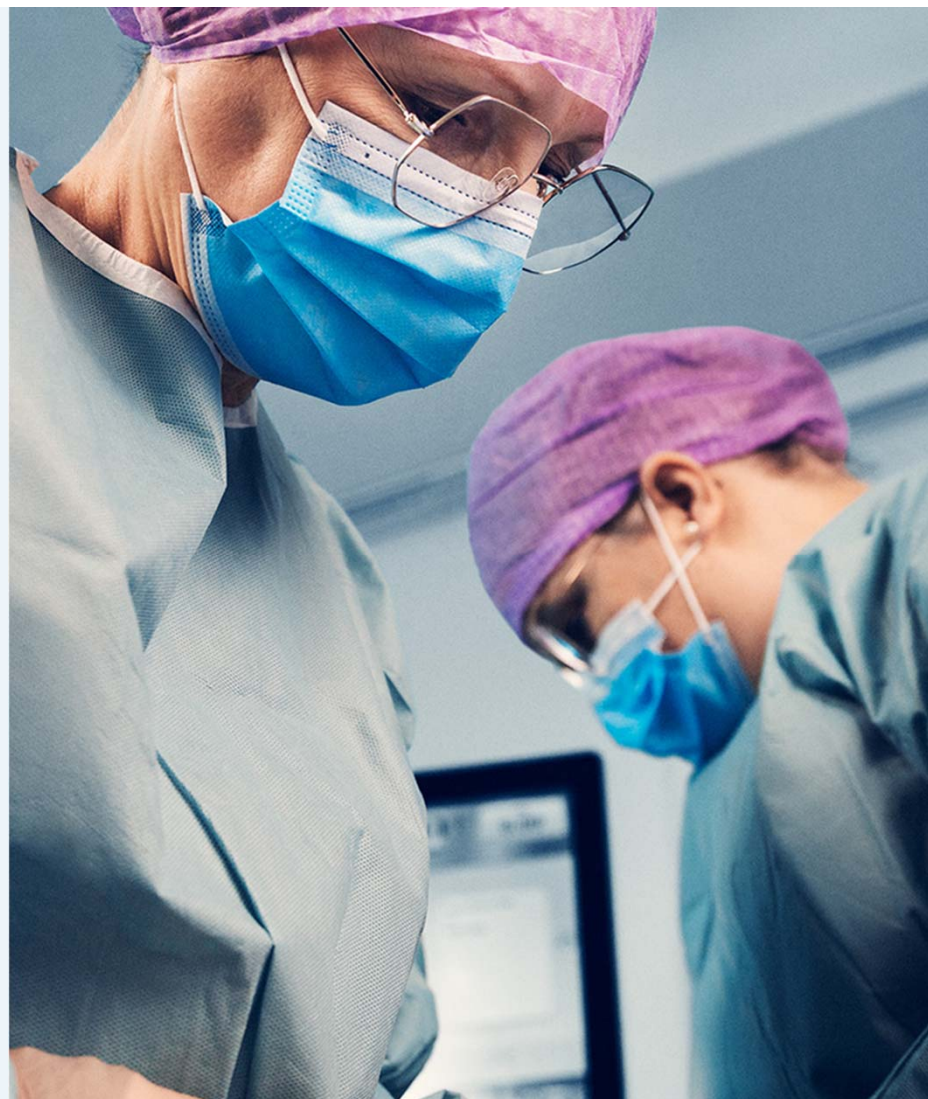
NET DEBT/ADJUSTED EBITDA (LTM)



- Net debt amounted to EUR 569.8 (601.7) million
- Net debt, excluding IFRS 16 (lease liabilities) amounted to EUR 365.2 (399.9) million

We have raised our guidance for 2024

- Terveystalo expects its full-year 2024 revenue to grow (2023: EUR 1,286 million) and adjusted EBITA to be 11.5–12.5 percent of revenue (2023: 9.8 percent).
- The estimates are based on the second quarter of 2024 projections for inflation, consumer demand and employment, and normal morbidity.
- The performance improvement program has significantly exceeded its initial target and the measures are having an impact faster than previously estimated.
- The estimates include an annual decrease of approximately EUR 10 million in revenue in the Portfolio Businesses segment's outsourcing business.
- The Sweden segment's revenue is expected to decline due to macro weakness and the exchange rate is expected to remain stable.
- The increase in the VAT rate in Finland does not significantly impact the 2024 result.
- The estimates do not include material acquisitions or divestments.



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MEANINGFUL MATTERS

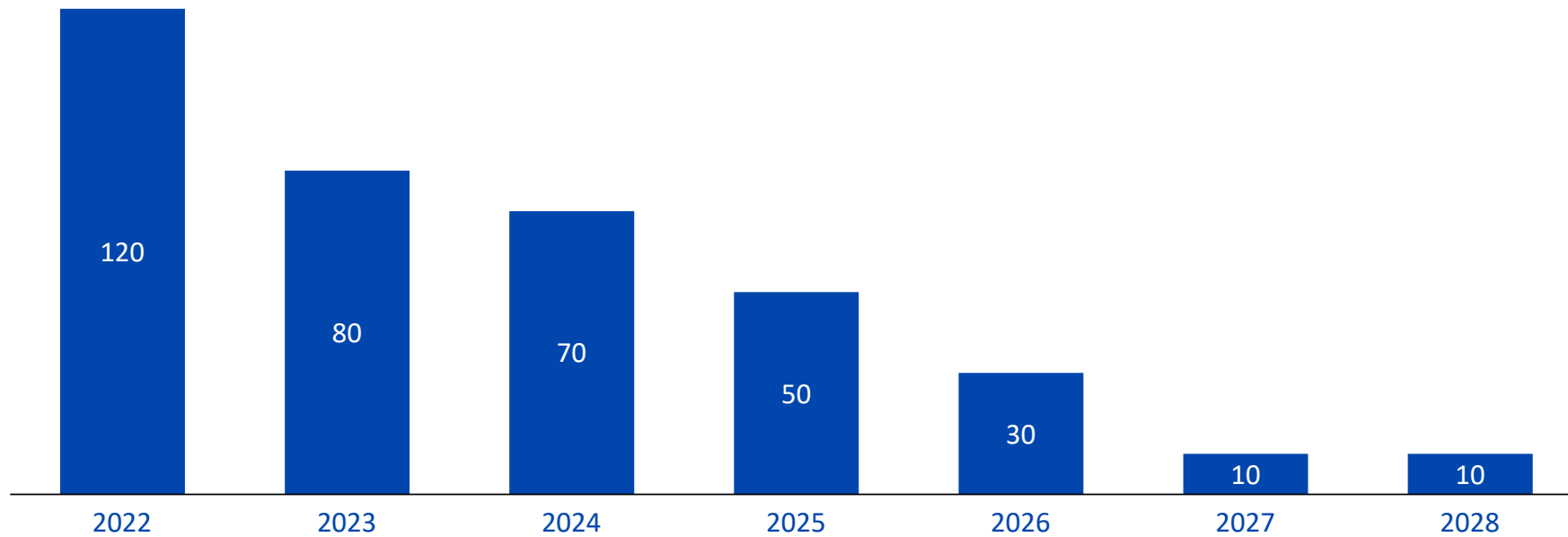
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Appendix

The outsourcing contract portfolio shrinks as old contracts expire or are terminated

CONTRACT VALUE, OUTSOURCING CONTRACTS, M€¹



Key figures

EUR mill. unless stated otherwise	4-6/2024	4-6/2023	Change, %	1-6/2024	1-6/2023	Change, %	2023
Revenue	340.1	322.4	5.5	690.4	663.4	4.1	1,286.4
Adjusted EBITA * 1)	42.5	28.5	49.1	89.7	64.9	38.1	125.6
Adjusted EBITA, % * 1)	12.5	8.8 -		13.0	9.8 -		9.8
EBITA 1)	32.1	25.0	28.5	75.1	52.0	44.4	104.4
EBITA, % 1)	9.4	7.7 -		10.9	7.8 -		8.1
Operating profit (EBIT)	24.6	15.0	64.2	60.3	34.0	77.1	-14.7
Operating profit (EBIT), %	7.2	4.6 -		8.7	5.1 -		-1.1
Return on equity (ROE) (LTM), % 1)	-	-		-4.5	1.1 -		-7.6
Equity ratio, % 1)	-	-		36.9	39.0 -		36.5
Earnings per share, EUR	0.11	0.06	90.8	0.30	0.15	103.4	-0.33
Weighted average number of shares outstanding, in thousands	126,605	126,556 -		126,605	126,554 -		126,555
Net debt 1)	-	-		569.8	601.7	-5.3	598.1
Gearing, % 1)	-	-		110.8	105.3 -		116.0
Net debt/Adjusted EBITDA (LTM) * 1)	-	-		2.5	3.3 -		3.0
Adjusted EBITDA (LTM), excluding IFRS 16 * 1)	-	-		169.3	124.5	36.0	142.8
Net debt, excluding IFRS 16 1)	-	-		365.2	399.9	-8.7	379.0
Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 * 1)	-	-		2.2	3.2 -		2.7
Average personnel (FTEs)	-	-		5,956	6,563	-9.2	6,426
Private practitioners (end of period)	-	-		6,020	6,145	-2.0	6,092
Sustainability							
PEI-index ²⁾				3.0	2.9	3.4	2.9
Net Promoter Score (NPS), appointments				86.6	85.8	0.9	84.8
Net Promoter Score (NPS), hospitals				95.3	95.9	-6.3	94.5
Employee Net Promoter Score (eNPS) ³⁾				10	23	-56.5	18

*) ADJUSTMENTS ARE MATERIAL ITEMS OUTSIDE THE ORDINARY COURSE OF BUSINESS, ASSOCIATED WITH ACQUISITION-RELATED EXPENSES, RESTRUCTURING-RELATED EXPENSES, GAIN/LOSS 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) 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.

3) INCLUDES ONLY FINLAND, AS IN SWEDEN ENPS IS MEASURED ONLY ONCE A YEAR.