

# **Terveystalo Group Q1 2024 Results**

Ville Iho, President & CEO

Juuso Pajunen, CFO

# Welcome

## AGENDA TODAY



### **Ville Iho, President & CEO**

- Q1 2024 Financial & operational highlights



### **Juuso Pajunen, CFO**

- Q1 2024 Financial performance analysis
- Outlook & Guidance

# Q1 2024 in plan

- **The strong performance of Healthcare Services drove topline and margin growth**
- **The independent profitability measures of the Portfolio Businesses are delivering results**
- **The challenging market is reflected in the Sweden segment performance; the full impact of the profit improvement program to be realized in 2025**
- **Continued high quality and customer satisfaction**

# Q1 2024 highlights

Revenue (MEUR)

**350.2**

+2.7% y-o-y

EPS (EUR)

**0.19**

+112% y-o-y

Adj. EBITA (MEUR)

**47.2**

+29.5%-p y-o-y

Adj. EBITA margin

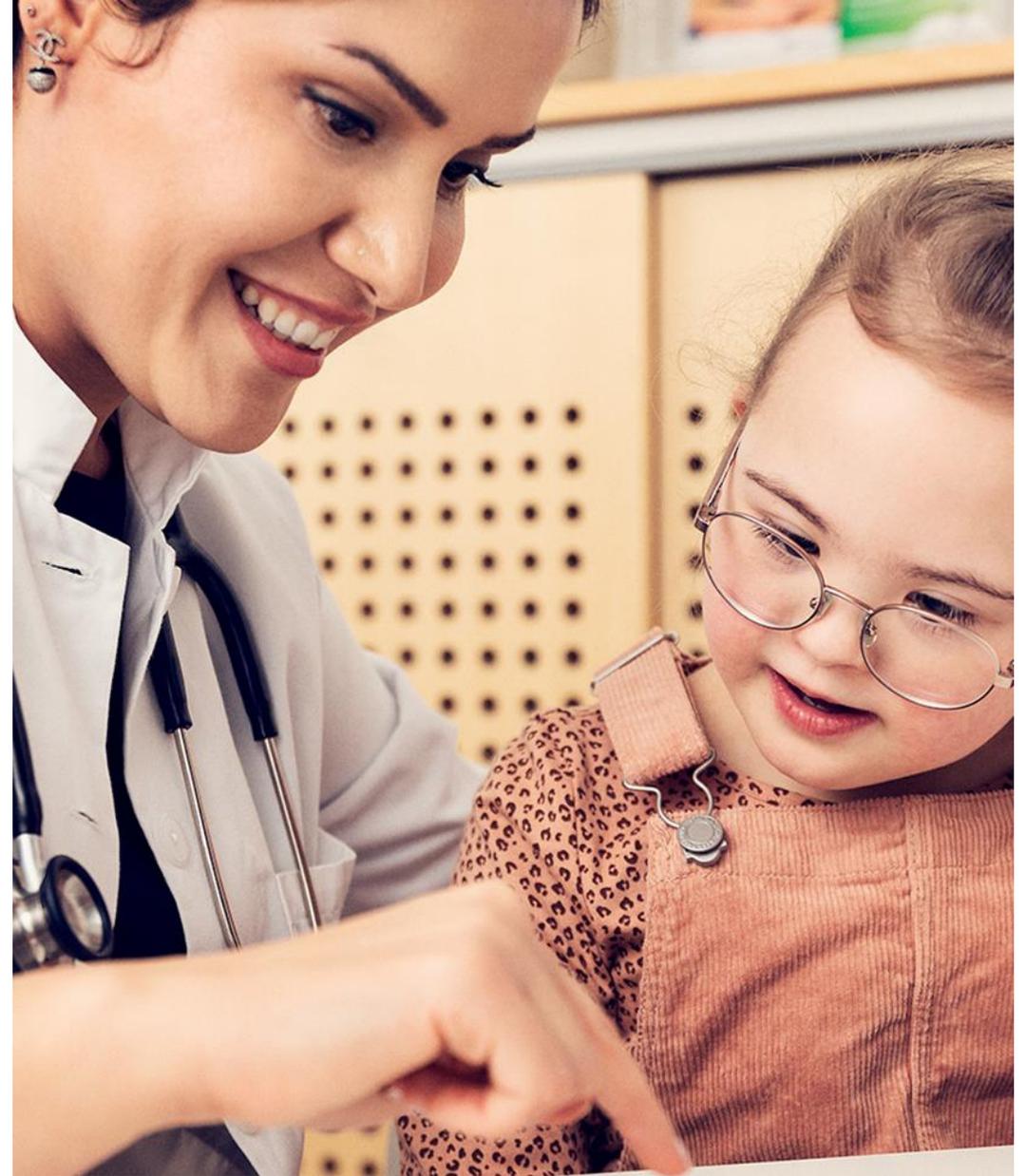
**13.5%**

NPS, appointments

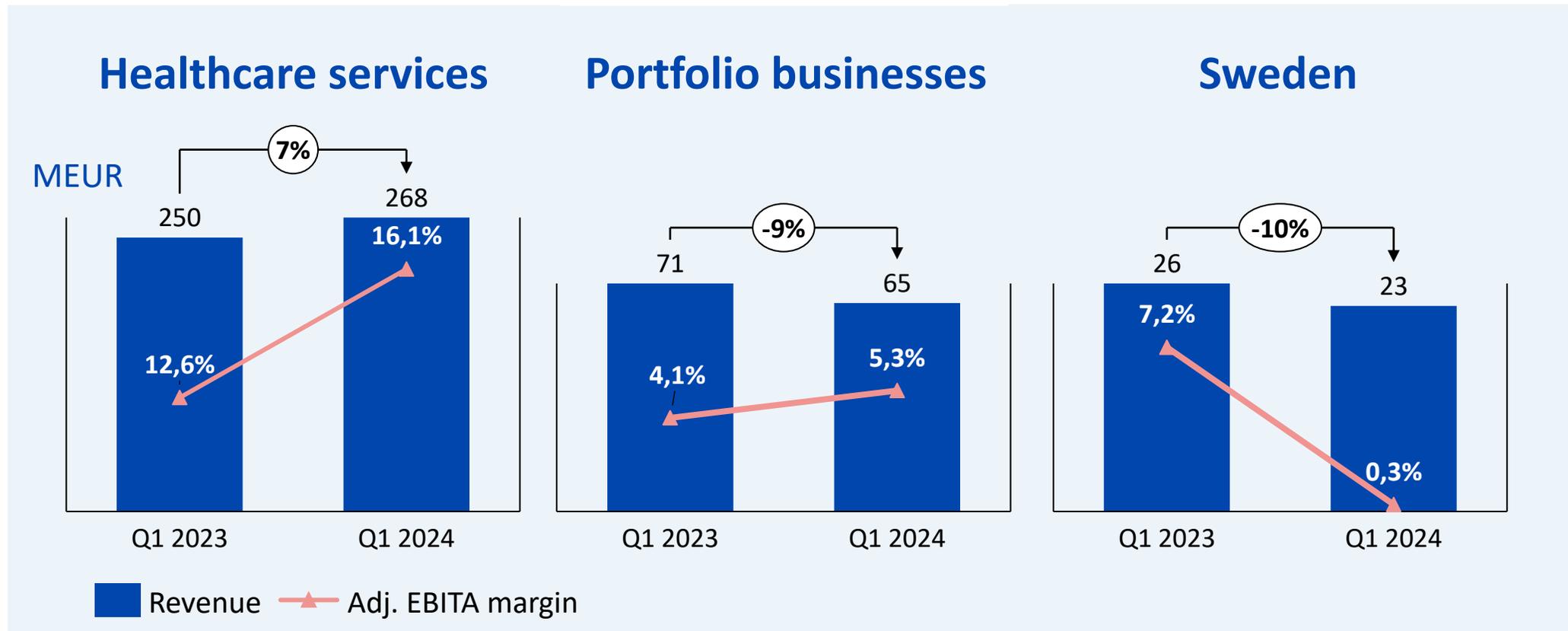
**86.4**

Operating cash flow (MEUR)

**49.2**



# Marked improvement in Healthcare services drove the Group performance



# Effective care in Occupational health

Clinical  
Quality  
Highlight  
Mental health



Effective prevention and care paths for mental health issues



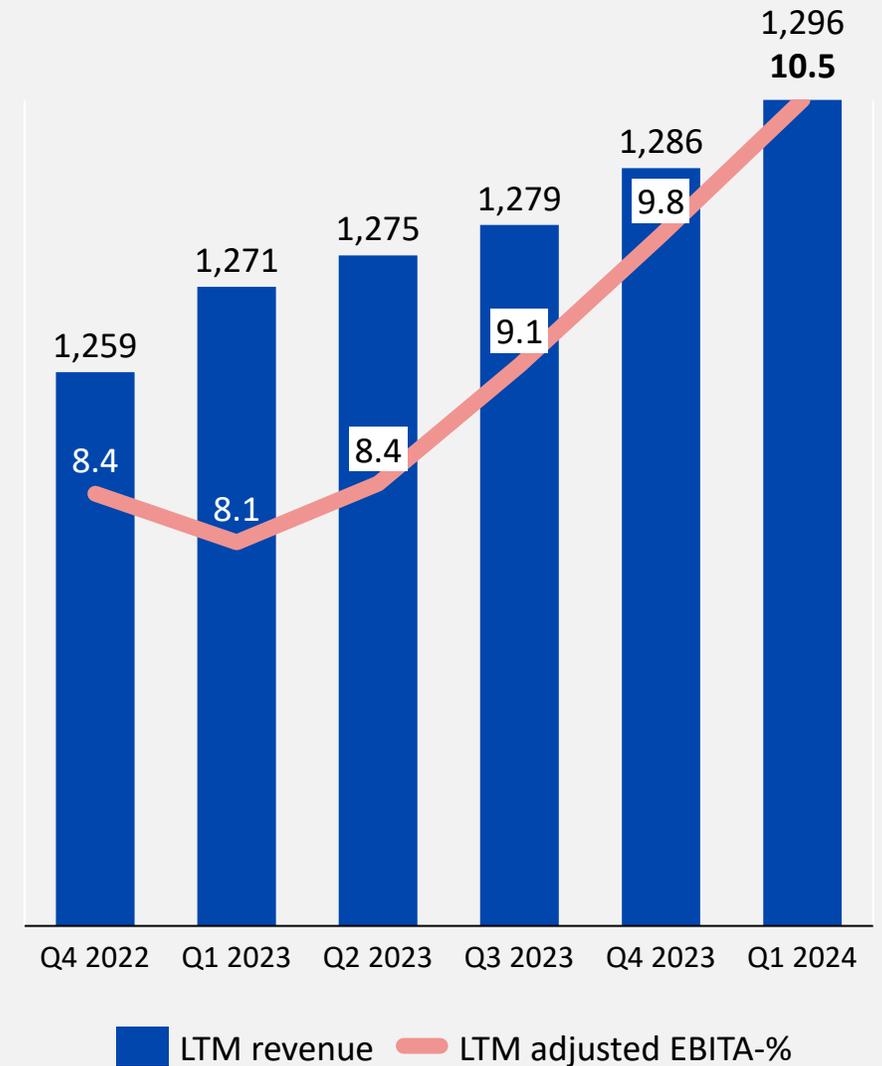
Less human suffering and a clear reduction in long, mental health-related sickness absences



Cost savings and return on investment for the employer

# Our focus going forward

We continue our determined journey towards a 12% EBITA margin in 2025



# Financial performance

Juuso Pajunen, CFO

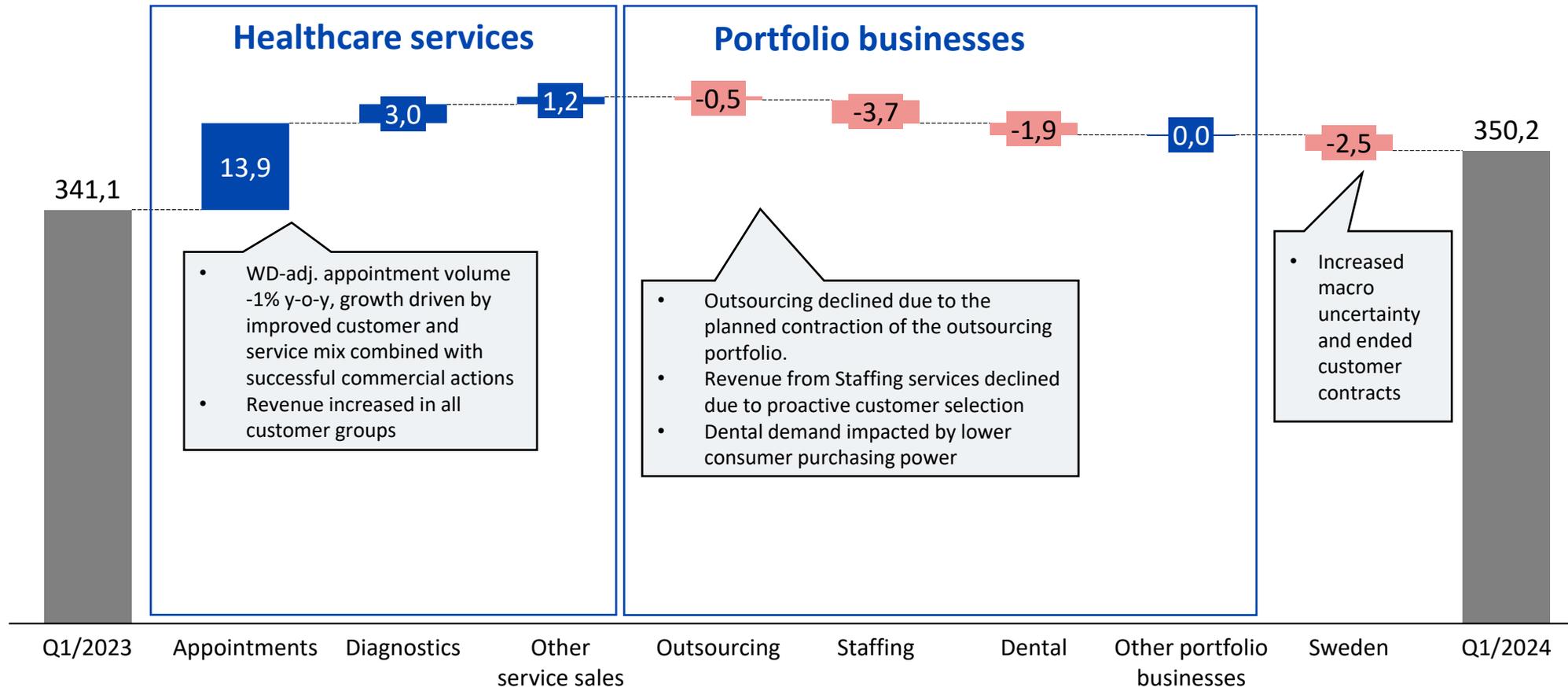
# Continued margin recovery in Q1

**Adj. EBITA +30% , EPS +112%, Net Debt / EBITDA down to 2.7x – efficiency improvements and solid cashflow visible throughout**

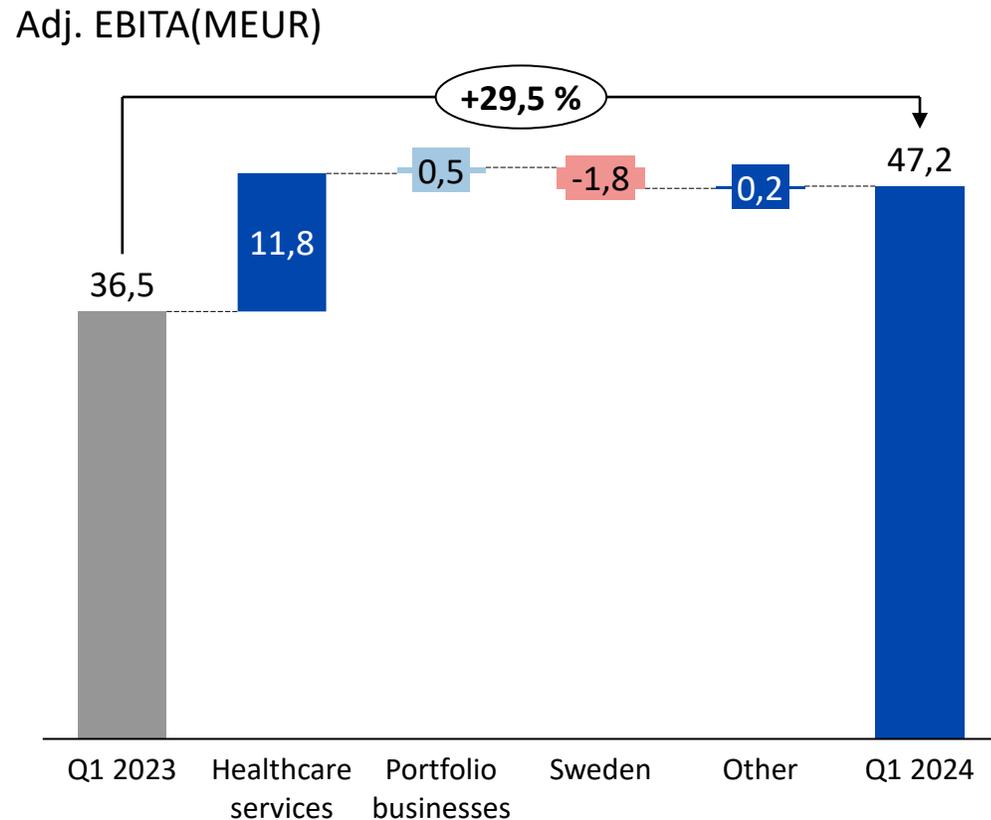
**Adj. EBITA% at 13.5% supported especially by Healthcare services' 7% topline growth, driven by a stronger sales mix and successful commercial actions**

**We progress towards our EBITA margin target of 12% in 2025 – EBITA% guidance range narrowed**

# Q1: Improved sales mix and successful commercial actions driving the revenue growth

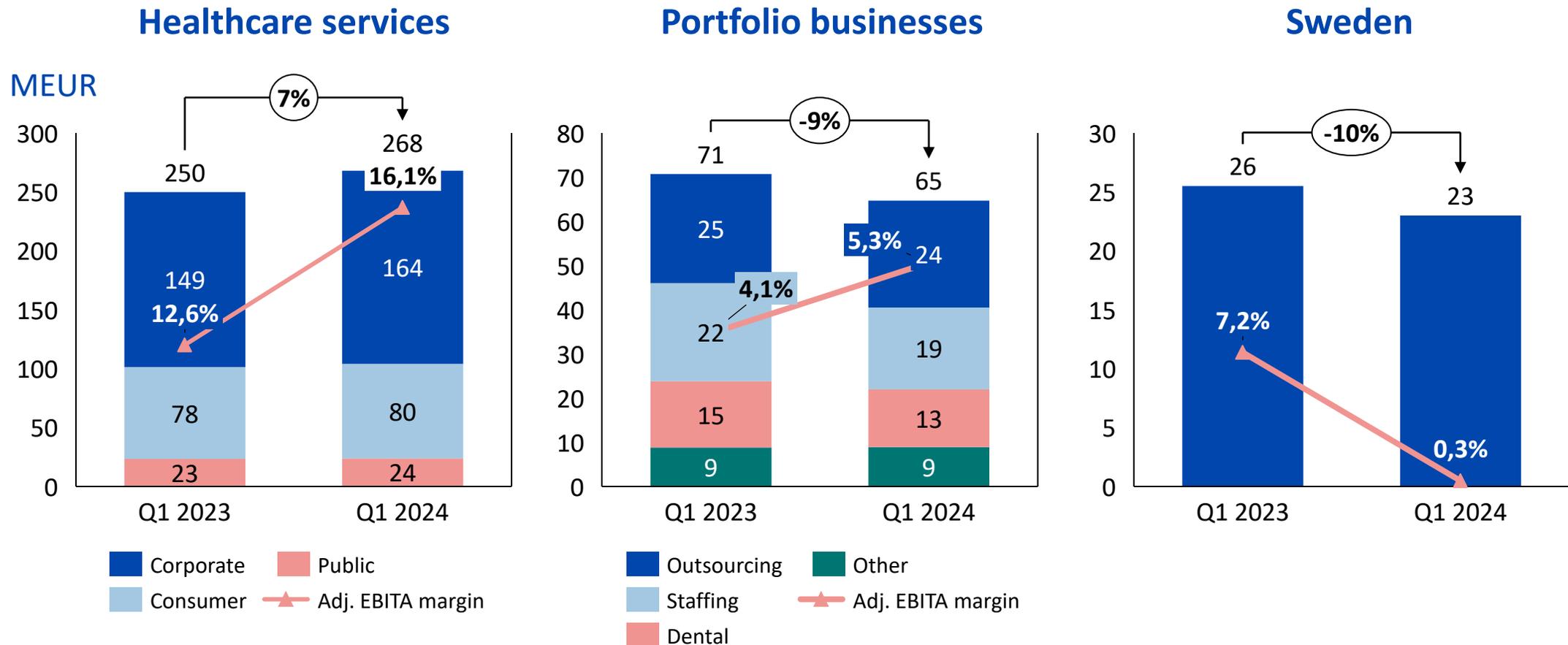


# Q1: Strong profit development in Healthcare services and Portfolio businesses



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

# Q1: Sales mix improved in Finland, headwinds in Sweden



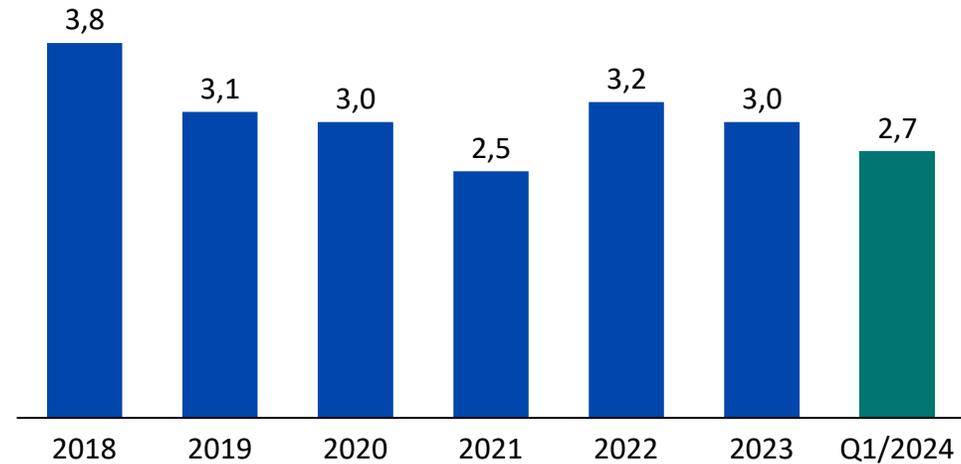
ADJUSTMENTS ARE MATERIAL ITEMS OUTSIDE THE ORDINARY COURSE OF BUSINESS, ASSOCIATED WITH ACQUISITION-RELATED EXPENSES, RESTRUCTURING-RELATED EXPENSES, GAINS AND LOSSES ON THE SALE OF ASSETS, IMPAIRMENT LOSSES, STRATEGIC PROJECTS, AND OTHER ITEMS AFFECTING COMPARABILITY. ADJUSTMENTS RELATED TO THE PROFIT IMPROVEMENT PROGRAMS WERE APPROXIMATELY EUR 4.5 MILLION DURING THE FIRST QUARTER.

# We maintained strong cash flow, solid balance sheet and credit profile

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



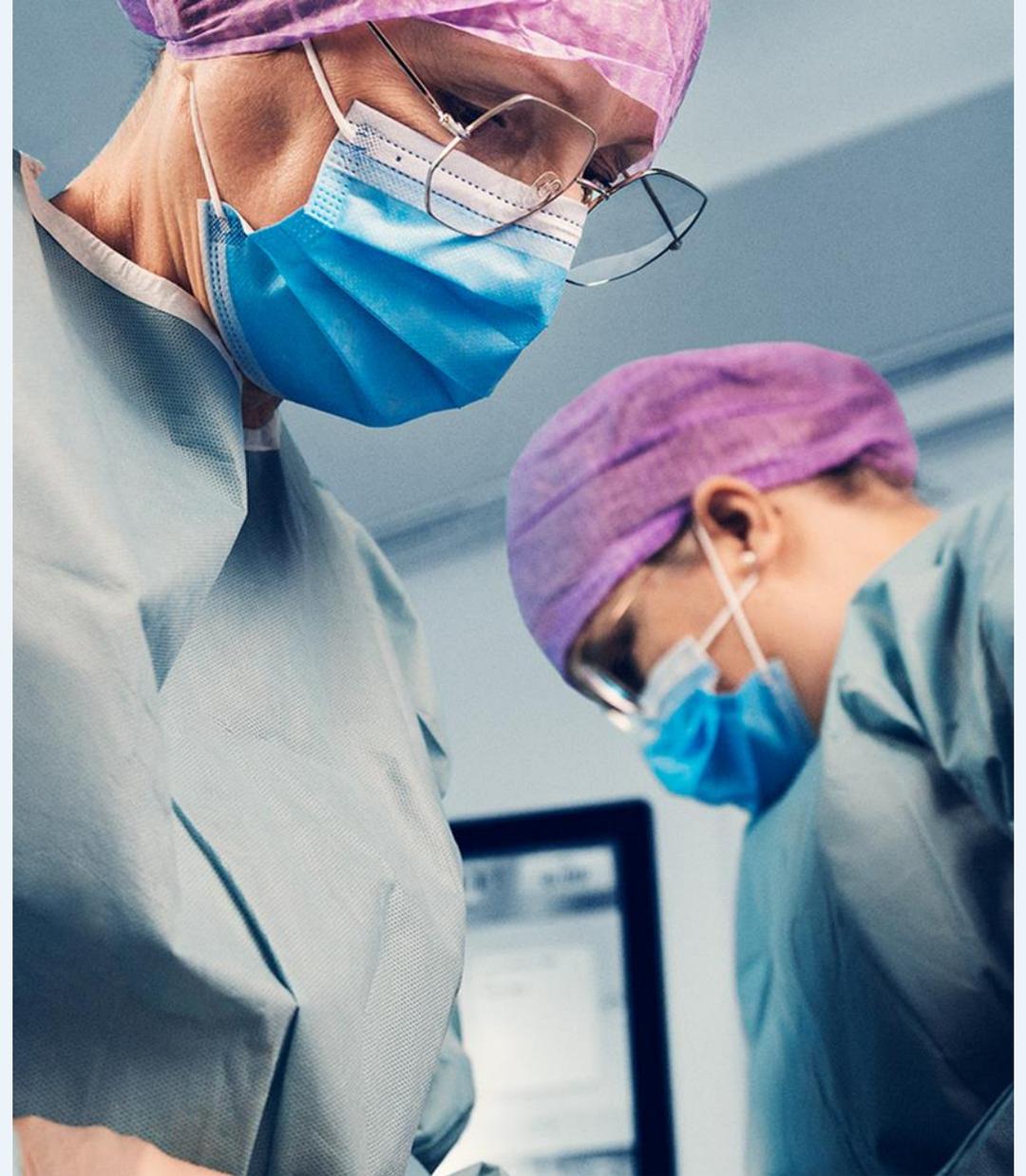
NET DEBT/ADJUSTED EBITDA (LTM)



- Net debt amounted to EUR 564.9 (584.0) million
- Net debt, excluding IFRS 16 (lease liabilities) amounted to EUR 353.9 (393.5) million

# Narrowing the range of our guidance for 2024

- Terveystalo estimates its **revenue for 2024 to grow** (2023: EUR 1,286 million) and its **adjusted EBITA margin to be between 10.5% and 11.5%** (9.8% in 2023).
- The estimates are based on the first quarter of 2024 projections for inflation, consumer demand and employment, normal morbidity, and a predictable labour market in Finland.
- The estimates include the impact of the successful completion of the profit improvement program and 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 possible increase in the VAT rate in Finland is not expected to have a material impact on the 2024 result.
- The estimates do not include material acquisitions or divestments.



# Terveystalo

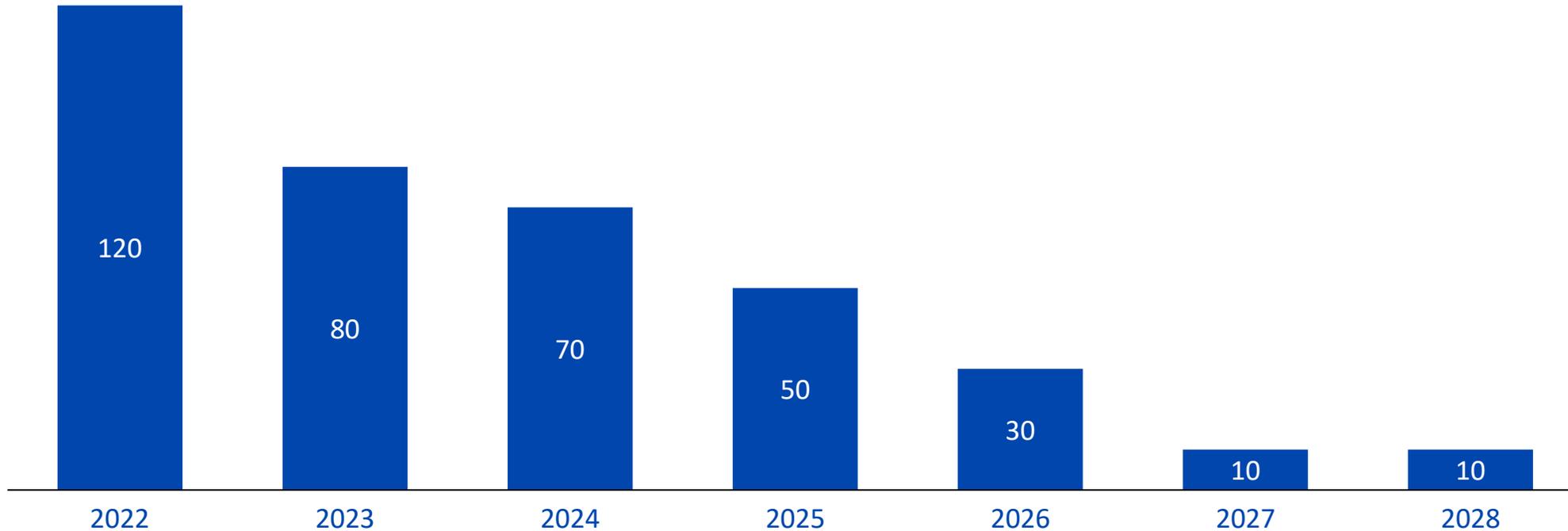
MEANINGFUL MATTERS

[terveystalo.com](https://terveystalo.com)

# Appendix

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

CONTRACT VALUE, OUTSOURCING CONTRACTS, M€<sup>1</sup>



# Key figures

EUR mill. unless stated otherwise	1-3/2024	1-3/2023	Change, %	2023
Revenue	350.2	341.1	2.7	1 286.4
Adjusted EBITA * 1)	47.2	36.5	29.5	125.6
Adjusted EBITA, % * 1)	13.5	10.7	-	9.8
EBITA 1)	43.0	27.0	59.0	104.4
EBITA, % 1)	12.3	7.9	-	8.1
Operating profit (EBIT)	35.7	19.1	87.2	-14.7
Operating profit (EBIT), %	10.2	5.6	-	-1.1
Return on equity (ROE) (LTM), % 1)	-5.9	1.8	-	-7.6
Equity ratio, % 1)	34.7	37.9	-	36.5
Earnings per share, EUR	0.19	0.09	112.0	-0.3
Weighted average number of shares outstanding, in thousands	126,605	126,551	-	126,555
Net debt 1)	564.9	584.0	-3.3	598.1
Gearing, % 1)	113.3	103.0	-	116.0
Net debt/Adjusted EBITDA (LTM) * 1)	2.7	3.3	-	3.0
Adjusted EBITDA (LTM), excluding IFRS 16 * 1)	156.3	122.1	28.0	142.8
Net debt, excluding IFRS 16 1)	353.9	393.5	-10.0	379.0
Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 * 1)	2.3	3.2	-	2.7
Average personnel (FTEs)	6 020	6 507	-7.5	6 426
Private practitioners (end of period)	6 039	6 087	-0.8	6 092
<b>Sustainability</b>				
PEI-index <sup>2)</sup>	3.0	2.9	3.4	2.9
Net Promoter Score (NPS), appointments	86.4	84.5	2.2	84.8

\*) 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.