



# **Terveystalo Group Interim Report January–September 2024**

Strong earnings growth driven by improved operational efficiency

**Terveystalo**

## July–September 2024 in brief

- **Revenue increased by 5.4 percent year-on-year to EUR 295.8 (280.5) million.**

Q3 had one more working day vs. the comparison period.

The Healthcare Services segment revenue increased by 10.8 percent and was EUR 232.0 (209.3) million. Portfolio Businesses revenue decreased by 9.9 percent and was EUR 54.5 (60.5) million. The revenue from Sweden decreased by 9.7 percent and amounted to EUR 14.2 (15.8) million.

- **Adjusted<sup>1)</sup> earnings before interest, taxes, amortization, and impairment losses (EBITA) increased by 62.2 percent year-on-year to EUR 34.3 (21.1) million, representing 11.6 (7.5) percent of revenue.**

Profitability strengthened in Healthcare Services and Portfolio businesses. Improved operational efficiency, a more favourable sales mix, a more balanced margin mix, and successful commercial measures, as a result of the profit improvement program, led to both absolute and margin-level adjusted EBITA growth. In Sweden, however, profitability declined compared to the previous period, primarily due to reduced revenue from terminated contracts and lower demand.

- Items affecting comparability<sup>1)</sup> with a negative effect on EBITA were EUR 1.8 (2.7) million.
- The result for the period was EUR 14.7 (3.3) million.
- Earnings per share (EPS) quadrupled year-on-year and amounted to EUR 0.12 (0.03).
- Cash flow from operating activities was EUR 41.3 (35.6) million.
- NPS (Net Promoter Score) for appointments was 86.8 (85.8). NPS for hospitals was 96.0 (96.8).

## January–September 2024 in brief

- **Revenue increased by 4.5 percent year-on-year to EUR 986.1 (944.0) million.**

The Healthcare Services segment revenue increased by 9.7 percent and was EUR 761.5 (693.8) million. Portfolio Businesses revenue decreased by 9.0 percent and was EUR 181.8 (199.9) million. The revenue from Sweden decreased by 9.9 percent and amounted to EUR 59.4 (65.9) million.

- **Adjusted<sup>1)</sup> earnings before interest, taxes, amortization, and impairment losses (EBITA) increased by 44.0 percent year-on-year to EUR 124.0 (86.1) million, representing 12.6 (9.1) percent of revenue.**

Profitability strengthened in Healthcare Services and Portfolio businesses. Improved operational efficiency, a more favourable sales mix, a more balanced margin mix, and successful commercial measures, as a result of the profit improvement program, led to both absolute and margin-level adjusted EBITA growth. In Sweden, however, profitability declined compared to the previous period, primarily due to reduced revenue from terminated contracts and lower demand. In Q4 2023, Sweden launched a profit improvement program aimed at boosting profitability by 2025. The program is on track, with cost adjustments to match weakened demand, including reduced personnel costs in Q3. The focus now shifts to enhancing operational efficiency and commercial measures.

- Items affecting comparability<sup>1)</sup> with a negative effect on EBITA were EUR 16.4 (15.7) million.
- The result for the period was EUR 52.7 (21.9) million.
- Earnings per share (EPS) increased by 140.4 percent year-on-year and amounted to EUR 0.42 (0.17).
- Net debt/adjusted EBITDA was 2.3 (3.1).
- Cash flow from operating activities was EUR 134.9 (97.4) million.

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, 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 1.9 million during the third quarter and EUR 11.3 million during January–September.

## President and CEO Ville Iho: Strong earnings growth continued, building a solid foundation for future value creation

Terveystalo continued its strong development in the third quarter of 2024. Our revenue increased by approximately 5 percent to EUR 296 million, and our profitability improved significantly from the comparison period. Our profit improvement measures have also proven effective during seasonally lower demand. Adjusted EBITA increased by more than 62 percent to EUR 34 million, corresponding to 11.6 percent of revenue. Our earnings per share quadrupled year-on-year, reaching EUR 0.12.

The Healthcare services segment's excellent performance continued for the sixth quarter in a row. The segment's revenue grew by almost 11 percent year-on-year, reaching EUR 232 million in the third quarter. Strong supply, improved sales mix, successful commercial operations, and an early and strong flu season each contributed to revenue growth. Revenue grew in all customer groups. Growth and improved operational efficiency increased the segment's adjusted EBITA by 67 percent to EUR 34 million, representing approximately 15 percent of revenue. The foundations of our core business are solid and will continue to strengthen as we focus on profitable growth, operational efficiency, medical quality, and value-creating services for our customers.

Despite a 10% drop in revenue, Portfolio businesses saw a significant improvement in profitability. Adjusted EBITA rose by 70% year-on-year to about EUR 3 million, making up 6% of the segment's EUR 54 million revenue. Loss-making outsourcing deals have for the most part ended, and Staffing Services now selects customers more carefully to boost profitability. However, demand for oral health services remains subdued and sales in the restructured public market continue to progress slowly. Only digital services have seen new tenders.

Revenue from the Swedish business decreased by approximately 10 percent year-on-year due to expired contracts and weakened demand and was EUR 14 million. The turnaround in profitability is being built systematically. The cost structure has been adjusted to meet demand, and in the next phase, we will focus on increasing operational efficiency and commercial activities. We expect a turnaround in profitability from the beginning of 2025 and the full run-rate effect to materialize during 2025.

Over the past 24 months, we have built a solid structure and foundation for future value creation. We have adjusted our guidance range for 2024 adjusted EBITA margin to 12-12.5% and we anticipate meeting our financial target for profitability one year earlier than planned. At the same time, our medical quality and customer satisfaction are consistently high, thanks to the dedication and hard work of our employees and professionals. We aim to further develop integrated healthcare and provide more fluent, caring, and effective services for our customers. We will discuss the next stage of our strategy at our December Capital Markets Day.

Meaningful matters,  
Ville Iho

### Guidance for 2024

Terveystalo expects its full-year 2024 revenue to grow (2023: EUR 1,286 million) and adjusted EBITA to be 12.0–12.5 percent of revenue (2023: 9.8 percent).

The estimates are based on the third 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 estimates include the increase in the VAT rate that has entered into force, the salary increases based on the collective labour agreement for nurses, as well as a one-off payments impacting all personnel costs in the fourth quarter. The estimates do not include material acquisitions or divestments.

### Guidance on 17 July 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.

## 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

EUR mill. unless stated otherwise	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Revenue	295.8	280.5	5.4	986.1	944.0	4.5	1,286.4
Adjusted EBITA * 1)	34.3	21.1	62.2	124.0	86.1	44.0	125.6
Adjusted EBITA, % * 1)	11.6	7.5 -		12.6	9.1 -		9.8
EBITA 1)	32.5	18.4	76.4	107.5	70.4	52.8	104.4
EBITA, % 1)	11.0	6.6 -		10.9	7.5 -		8.1
Operating profit (EBIT)	25.0	10.2	144.0	85.2	44.3	92.6	-14.7
Operating profit (EBIT), %	8.4	3.6 -		8.6	4.7 -		-1.1
Return on equity (ROE) (LTM), % 1)	-	-	-	-2.2	5.1 -		-7.6
Equity ratio, % 1)	-	-	-	37.8	39.0 -		36.5
Earnings per share, EUR	0.12	0.03	>200,0	0.42	0.17	140.4	-0.33
Weighted average number of shares outstanding, in thousands	126,605	126,556 -		126,605	126,554 -		126,555
Net debt 1)	-	-	-	545.4	597.2	-8.7	598.1
Gearing, % 1)	-	-	-	103.0	103.5 -		116.0
Net debt/Adjusted EBITDA (LTM) * 1)	-	-	-	2.3	3.1 -		3.0
Adjusted EBITDA (LTM), excluding IFRS 16 * 1)	-	-	-	182.3	133.1	37.0	142.8
Net debt, excluding IFRS 16 1)	-	-	-	350.0	391.5	-10.6	379.0
Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 * 1)	-	-	-	1.9	2.9 -		2.7
Average personnel (FTEs)	-	-	-	5,889	6,471	-9.0	6,426
Private practitioners (end of period)	-	-	-	6,037	6,126	-1.5	6,092

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

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

## Operating environment

### Target markets

Demand for healthcare services in Finland continued to be strong during the second quarter of 2024. The supply and booking rates were at a good level. The autumn flu season started about 1.5 weeks earlier than usual. This led to some increase in visits. Demand from corporate and insurance customers remained strong. The overall employment remains decent. However, significant changes could affect the demand for occupational health services in Finland. In particular, demand for out-of-pocket dental care services and massage services was dampened by weaker consumer confidence and purchasing power, although a slight pick-up in demand was seen during the quarter. Only smaller tenders for digital services were seen in the publicly funded market.

In Sweden, the demand for occupational health services was at a satisfactory level, while demand for organisation and leadership consultation and harmful use rehabilitation services continued to be weak. The termination of public sector contracts at the beginning of the year reduced revenue. Also, the rest of 2024 is expected to be challenging.

Terveystalo continued to invest in the recruitment of professionals and was successful in steadily increasing supply. To strengthen supply, development efforts have been increasingly shifted towards solutions that enhance the work and productivity of professionals.

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

### The impacts of inflation

Inflation has levelled off compared to the comparison period. Terveystalo has actively negotiated with its suppliers to limit the impact of inflation on costs. Electricity prices levelled off from the comparison period. One of the key areas of the profit improvement program has been to mitigate the impacts of inflation and reduce costs in selected product and service categories.

During the spring, a new two-year collective agreement was negotiated for the private healthcare sector for the period 1 May 2024 - 30 April 2026, covering the largest group of employees at Terveystalo, nurses. In 2024, salaries were increased by 2.4 percent with a general and scale increase on 1 September 2024, plus there will be a one-off payment of 500 euros in the fourth quarter 2024 and a local instalment of 0.4 percent. In 2025, from 1 May 2025 to 30 April 2026 (12 months), salaries will be increased by a general and scaled increase, the amount and timing of which will be determined by the salary increase in certain benchmark sectors.

In other professions, wage inflation is also present. Most of the physicians who work in Terveystalo are private practitioners (approximately 96 percent), who are not in employment with the company. At the beginning of 2024, Terveystalo introduced a new remuneration model for private practitioners in occupational health, which enables more effective inflation management.

In addition, Terveystalo has implemented commercial initiatives to mitigate the effect of inflation as a part of the profit improvement program.

From 1 September 2024, the general VAT rate in Finland went up from 24 percent to 25.5 percent. The increase in the VAT rate is estimated to increase Terveystalo's costs by approximately EUR 2 million annually.

## The treatment queues and regulatory environment in Finland

The contraction of non-urgent care during COVID-19 restrictions resulted in a significant treatment gap for other illnesses. According to Finnish Institute for Health and Welfare (THL), at the end of August 2024, more than 166 000 patients were waiting for non-urgent specialist care in the well-being services counties, which was 4000 more than in April 2024. In August, almost 18 percent, or more than 31 000 patients, had been waiting more than six months for access to treatment. The number grew by almost 4 000 patients during the summer 2024. Valvira (The National Supervisory Authority for Welfare and Health) has ordered 14 wellbeing services counties and the HUS Group to make access to non-urgent specialised care legally compliant by 31 March 2025 at the latest.

The government programme published in summer 2023 aims to increase cooperation between private and public healthcare to improve the effectiveness and cost-efficiency of the service system. The government has already followed up on its programme by increasing Kela reimbursements from 1 January 2024 (<https://www.kela.fi/sairaanhoito>). On 9 October 2024, the Government outlined that the Kela reimbursement system will be completely reformed in 2025 (Government to reform Kela reimbursements - The Ministry of Social Affairs and Health ([stm.fi/en](https://stm.fi/en))). The reimbursement of fertility treatments will be increased from 1 January 2025. Reimbursements for ophthalmologists, gynaecologists, dental care and mental health services will be reformed and increased from 1 April 2025. Reimbursement for physiotherapy and visits to oral hygienists will also be improved. A pilot on freedom of choice for over-65s will be launched in autumn 2025. A personal doctor model will be explored, and trials will be launched. In total, €500 million will be allocated to all the above reforms during the government term, of which €335 million will be provided by the state. By reallocating reimbursements, the government aims to promote access to services and freedom of choice. In addition, the government has submitted a proposal to Parliament to facilitate the procurement of specialised health care in wellbeing services counties from private providers. The government also intends to remove other legal barriers to the use of private providers in the wellbeing services counties. The measures are expected to support the growth in demand for private services and create new opportunities for the delivery of publicly funded and privately provided services.

## Impact of the global political situation and conflicts

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

## Financial development

### Revenue

In the third quarter of 2024, the Group's revenue increased by 5.4 percent year-on-year to EUR 295.8 (280.5) million.

EUR mill.	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Healthcare services	232.0	209.3	10.8	761.5	693.8	9.7	948.6
Portfolio business	54.5	60.5	-9.9	181.8	199.9	-9.0	267.2
Sweden	14.2	15.8	-9.7	59.4	65.9	-9.9	92.5
<b>Segments total</b>	<b>300.8</b>	<b>285.6</b>	<b>5.3</b>	<b>1,002.7</b>	<b>959.6</b>	<b>4.5</b>	<b>1,308.2</b>
Other	-5.0	-5.1	1.7	-16.5	-15.6	-5.9	-21.8
<b>Total</b>	<b>295.8</b>	<b>280.5</b>	<b>5.4</b>	<b>986.1</b>	<b>944.0</b>	<b>4.5</b>	<b>1,286.4</b>

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

The Healthcare Services segment revenue increased by 10.8 percent and was EUR 232.0 (209.3) million. The growth in revenue was driven by strong supply, an improved sales mix, successful commercial actions and an early start to the flu season. Revenue grew in all customer groups.

The Portfolio Businesses segment revenue decreased by 9.9 percent due to expired outsourcing contracts and was EUR 54.5 (60.5) million. Revenue decreased in all service groups.

The revenue from Sweden decreased by 9.7 percent due to lower demand and ended contracts and came to EUR 14.2 (15.8) million. Without the currency effect, the revenue decreased by 12.1 percent. Acquisitions increased revenue in Sweden by approximately EUR 0.4 million.

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

**In January–September 2024, the Group's revenue** increased by 4.5 percent year-on-year to EUR 986.1 (944.0) million.

The Healthcare Services segment revenue increased by 9.7 percent and was EUR 761.5 (693.8) million. The revenue increase was mainly driven by improved sales mix and successful commercial actions. Revenue grew in all customer and service groups.

The Portfolio Businesses segment revenue decreased by 9.0 percent due to expired outsourcing contracts and was EUR 181.8 (199.9) million. Revenue decreased in all service groups.

The revenue from Sweden decreased by 9.9 percent due to lower demand and ended contracts and came to EUR 59.4 (65.9) million. Without the currency effect, the revenue decreased by 10.1 percent. Acquisitions increased revenue in Sweden by approximately EUR 1.7 million.

There were 190 (189) working days in January–September.

## Financial performance and cash flow

**The Group's adjusted earnings for the third quarter of 2024** before interest, taxes, amortization, and impairment losses (EBITA) increased by 62.2 percent to EUR 34.3 (21.1) million, representing 11.6 (7.5) percent of revenue.

Adjusted EBITA							
EUR mill.	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Healthcare services	34.1	20.4	66.6	116.5	75.3	54.8	109.0
Portfolio business	3.1	1.8	70.3	9.6	6.8	42.1	8.7
Sweden	-3.0	-2.1	-43.0	-3.1	1.3	>-200,0	3.7
<b>Segments total</b>	<b>34.2</b>	<b>20.2</b>	<b>69.4</b>	<b>123.1</b>	<b>83.4</b>	<b>47.6</b>	<b>121.4</b>
Other	0.1	1.0	-92.0	0.9	2.7	-67.2	4.2
<b>Total</b>	<b>34.3</b>	<b>21.1</b>	<b>62.2</b>	<b>124.0</b>	<b>86.1</b>	<b>44.0</b>	<b>125.6</b>

The profitability improved in Healthcare Services and Portfolio Businesses. Profitability was strengthened by successful commercial actions; better sales mix and the improved operational efficiency. In Sweden, profitability weakened clearly from the comparison period, mainly due to decreased revenue caused by lower demand and ended contracts.

Material expenses and service purchasing increased by 4.9 percent year-on-year and amounted to EUR -122.2 (-116.4) million. Employee benefit expenses decreased by 6.4 percent year-on-year and amounted to EUR -93.5 (-99.9) million. Personnel costs decreased due to the actions of the profit improvement program, lower sick leaves and terminated outsourcing contracts. Personnel costs, on the other hand, increased due to new recruitments, as well as salary increases. Other operating expenses increased by 7.9 percent to EUR -30.3 (-28.1) million.

The Group's adjusted EBITDA increased by 31.8 percent year-on-year to EUR 52.3 (39.7) million. Adjusted EBIT amounted to EUR 27.0 (13.0) million. Operating profit (EBIT) came to EUR 25.0 (10.2) million.

Net financing costs were at the comparison year's level and amounted to EUR -6.6 (-6.6) million. The result before tax was EUR 18.4 (3.6) million. Income taxes were EUR -3.6 (-0.4) million. The result for the third quarter amounted to EUR 14.7 (3.3) million, and earnings per share were EUR 0.12 (0.03).

Cash flow from operating activities in the third quarter increased to EUR 41.3 (35.6) million, driven mainly by improved profitability development, the impact of which was partially offset by an increase in working capital.

Cash flow from investing activities was at comparison year's level and amounted to EUR -10.6 (-10.8) million.

Cash flow from financing activities amounted to EUR -7.4 (-1.6) million. The change from the comparison period was mainly due changes in short-term financing needs.

**The Group's adjusted earnings for January–September 2024** before interest, taxes, amortization, and impairment losses (EBITA) increased by 44.0 percent to EUR 124.0 (86.1) million, representing 12.6 (9.1) percent of revenue.

The profitability improved in Healthcare Services and Portfolio Businesses. Profitability was strengthened by successful commercial actions; better sales mix and the improved operational efficiency. In Sweden, profitability weakened clearly from the comparison period, mainly due to decreased revenue caused by lower demand and ended contracts.

Material expenses and service purchasing increased by 3.0 percent year-on-year and amounted to EUR -405.5 (-393.7) million. Employee benefit expenses decreased by 4.5 percent year-on-year and amounted to EUR -315.1 (-329.9) million. Personnel costs decreased due to the actions of the profit improvement program, lower sick leaves and terminated outsourcing contracts. Personnel costs, on the other hand, increased due to new recruitments, as well as salary increases. Other operating expenses increased by 9.5 percent to EUR -106.2 (-96.9) million. Of the other expenses, around EUR 6 million was related to renovation and maintenance liabilities in a single location.

The Group's adjusted EBITDA increased by 25.8 percent year-on-year to EUR 178.7 (142.1) million. Adjusted EBIT amounted to EUR 102.1 (61.9) million. Operating profit (EBIT) came to EUR 85.2 (44.3) million.

Net financing costs increased to EUR -19.8 (-16.7) million mainly due to higher interest rates. The result before tax was EUR 65.4 (27.6) million. Income taxes were EUR -12.8 (-5.7) million. The result for the reporting period amounted to EUR 52.7 (21.9) million, and earnings per share were EUR 0.42 (0.17).

Cash flow from operating activities increased to EUR 134.9 (97.4) million, driven mainly by improved profitability development.

Cash flow from investing activities decreased to EUR -33.5 (-32.7) million. The change from the comparison period mainly consisted of an increase in investments in acquisitions, as well as decrease in investments in intangible assets.

Cash flow from financing activities amounted to EUR -85.6 (-69.3) million. The difference to the comparison period was mainly due to loan repayments in the reporting period, partial refinancing in the comparison period, fluctuations in short-term financing needs, interest rates and the timing of interest payments.

### ***Profit improvement programs***

During the fourth quarter of 2022, Terveystalo launched a profit improvement program, which aimed for an inflation-adjusted, annualised (run-rate) EBITA improvement of at least EUR 50 million by the end of 2024. The overall target of the program was exceeded at the end of 2023, when the measures implemented were estimated to have an annual run-rate impact of over EUR 60 million on profitability. The adjusted EBITA impact of the program during 2023 was EUR 37 million. In 2024, measures are focused on achieving the 12 percent profitability target (adjusted EBITA-%) during 2025.



During the fourth quarter of 2023, a profit improvement program was launched in Sweden targeting a structural change in the profitability in 2025. The cost structure has been adjusted to match the weakened demand, which started to be reflected, among other things, in lower personnel costs in the third quarter. The program will now focus on improving operational efficiency and commercial measures.

The total costs related to the programs in 2022–2024 are estimated to be EUR 35-40 million. The costs are related to restructuring and advisory fees. Advisory fees are tied to the results achieved by the programs. The costs of the programs are treated as items affecting comparability. The costs of the programs were approximately EUR 11.3 million during January–September. In 2023, the costs amounted to EUR 21.7 million.

## Financial position

Terveystalo's liquidity position is good. Cash and cash equivalents at the end of the reporting period amounted to EUR 53.4 (35.4) million. The total assets of the Group amounted to EUR 1,403.9 (1,482.1) million.

Equity attributable to owners of the parent company totalled EUR 529.6 (576.9) million.

Gearing (including lease liabilities) was 103.0 (103.5) percent and net debt amounted to EUR 545.4 (597.2) million. Net debt, excluding IFRS 16 (lease liabilities) amounted to EUR 350.0 (391.5) million. The average maturity of Terveystalo's financial loans was 2.4 (2.5) years, and the weighted average interest rate for the quarter was 4.4 (4.9) percent at the end of the third quarter of 2024. During the reporting period, the company fulfilled the covenant requirement included in its financing agreements reflecting relative indebtedness.

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 98.0 (93.6) million.

Return on equity (LTM) for the reporting period was -2.2 (5.1) percent. The equity ratio was 37.8 (39.0) percent.

## Seasonal variation and the impact of the number of business days

Terveystalo's revenue from corporate and private customers has typically been lower during the vacation seasons, particularly in the summer months. The number of business days influences the revenue and earnings development, particularly when comparing quarterly performance. There was 66 (65) working days in July–September 2024. In 2024, there are 252 working days. 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.

Number of working days by quarter	2022	2023	2024
Q1	63	64	63
Q2	61	60	61
Q3	66	65	66
Q4	63	62	62
<b>Full year</b>	<b>253</b>	<b>251</b>	<b>252</b>

## Investments and acquisitions

Net investments\* in January–September 2024, including M&A, amounted to EUR 33.2 (32.2) million. The Group's net capital expenditure, excluding M&A, amounted to EUR 24.1 (28.4) million. The investments consisted mainly of investments in the digital application and service development, IT system projects, medical equipment, and network. The relative share of tangible investments in gross investments increased year-on-year as the total investment level decreased.

Terveystalo sold the entire share capital of Sivupersoon Oy, a company providing sign language interpreting services, to the company's management with an agreement dated on in February. Terveystalo acquired the share capital of SRK Group Oy at the end of March. Feelgood acquired the share capital in Clarahälsan AB in July. In September Terveystalo acquired the share capital of Cityläkarna Mariehamn Ab in Åland.

*\* Net investments do not include increases in right-of-use assets related to leases for business premises. Net investments include the acquisition of non-controlling interests.*

## Personnel

The number of Terveystalo's employed staff on 30 September 2024 in Finland was 8,352 (9,027), in Sweden 727 (774), and in total 9,079 (9,801). In FTEs, the average number of personnel in Finland was 5,180 (5,642), in Sweden 709 (832) and in total 5,889 (6,471). The number of private practitioners in Finland was 5,989 (6,021), in Sweden 48 (105) and in total 6,037 (6,126). The decrease in the number of employees in Finland was affected by the measures of the profit improvement program and the termination of outsourcing contracts. In Sweden the number of employed staff and private practitioners was reduced due to ended customer contracts.

Personnel	1-9/2024	1-9/2023	Change, %	2023
<b>Average personnel, (FTEs)</b>				
Finland	5,180	5,642	-8.2	5,597
Sweden	709	832	-14.8	829
<b>Total</b>	<b>5,889</b>	<b>6,471</b>	-9.0	<b>6,426</b>
<b>Employed staff (at the end of period)</b>				
Finland	8,352	9,027	-7.5	8,950
Sweden	727	774	-6.1	874
<b>Total</b>	<b>9,079</b>	<b>9,801</b>	-7.4	<b>9,824</b>
<b>Private practitioners (at the end of period)</b>				
Finland	5,989	6,021	-0.5	5,987
Sweden	48	105	-54.3	105
<b>Total</b>	<b>6,037</b>	<b>6,126</b>	-1.5	<b>6,092</b>

## Reporting segments

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 due to strong supply, an improved sales mix, successful commercial actions and an early start to the flu season.
- Profitability clearly increased from the comparison period due to successful commercial actions, improved operational efficiency and improved sales mix.

## Key figures

	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Revenue, MEUR	232.0	209.3	10.8	761.5	693.8	9.7	948.6
EBITA, MEUR	33.9	20.3	66.7	109.9	74.7	47.2	107.1
EBITA, % of revenue	14.6 %	9.7 %	4.9%-p.	14.4 %	10.8 %	3.6%-p.	11.3 %
Adjusted EBITA, MEUR	34.1	20.4	66.6	116.5	75.3	54.8	109.0
Adjusted EBITA, % of revenue	14.7 %	9.8 %	4.9%-p.	15.3 %	10.9 %	4.4%-p.	11.5 %

**The revenue from Healthcare Services in the third quarter** increased by 10.8 percent and was 232.0 (209.3) million euros. Revenue increased in all customer groups. There was one working day more in the reporting period than in the comparison period.

The revenue from corporate customers increased by 14.9 percent to EUR 140.3 (122.2) million. Revenue from preventive occupational health services<sup>1)</sup> increased year-on-year. Revenue from healthcare appointments also increased year-on-year. The revenue from consumers increased by 5.8 percent to EUR 71.9 (68.0) million. Revenue increased due to higher sales from services produced for insurance companies and successful commercial actions. The revenue from public sector customers increased by 3.1 percent to EUR 19.8 (19.2) million.

The revenue from appointment services increased by 12.7 percent to EUR 153.3 (136.1) million mainly due to improved customer mix and successful commercial actions in all customer groups. The number of physical appointments increased by 1.9 percent, and the number of remote appointments by 7.0 percent from the comparison period. An early start to the flu season increased the volumes. Revenue from diagnostics services (laboratory and imaging) increased by 11.2 percent and was 58.6 (52.7) million euros. The revenue from other services decreased by 2.0 percent and was 20.2 (20.6).

## Healthcare Services, revenue by customer groups, and services

Healthcare services, revenue							
EUR mill.	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
<b>By customer</b>							
Corporate	140.3	122.2	14.9	463.9	407.5	13.9	564.0
Consumer	71.9	68.0	5.8	231.3	221.2	4.6	296.1
Public sector	19.8	19.2	3.1	66.3	65.1	1.7	88.5
<b>Total</b>	<b>232.0</b>	<b>209.3</b>	<b>10.8</b>	<b>761.5</b>	<b>693.8</b>	<b>9.7</b>	<b>948.6</b>
<b>By service</b>							
Appointments	153.3	136.1	12.7	499.4	448.9	11.3	618.3
Diagnostics	58.6	52.7	11.2	187.9	172.9	8.7	229.6
Other	20.2	20.6	-2.0	74.1	72.1	2.9	100.7
<b>Total</b>	<b>232.0</b>	<b>209.3</b>	<b>10.8</b>	<b>761.5</b>	<b>693.8</b>	<b>9.7</b>	<b>948.6</b>

**Corporate customers** constitute Terveystalo's largest customer group. Terveystalo's corporate customers consist of the company's occupational health customers, excluding municipal occupational healthcare customers, which are included in the public sector customer group. The company provides statutory occupational health services and other occupational health and well-being services for corporate customers of all sizes.

**Consumer customers** are Terveystalo's third-largest customer group. Consumer customers include private individuals and families. Services for consumers are paid for either by the customers themselves or by their insurance companies.

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

## Healthcare Services, number of visits

Visits	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
<b>Appointments</b>	1,364,075	1,324,035	3.0	4,398,009	4,380,987	0.4	6,069,111
Physical appointments	1,046,309	1,027,131	1.9	3,434,286	3,431,042	0.1	4,750,619
Remote appointments	317,766	296,904	7.0	963,723	949,945	1.5	1,318,492
<b>Diagnostics</b>	296,465	288,758	2.7	957,924	967,224	-1.0	1,285,980
<b>Other</b>	13,624	11,122	22.5	46,147	32,431	42.3	48,984
<b>Total</b>	<b>1,674,164</b>	<b>1,623,914</b>	<b>3.1</b>	<b>5,402,080</b>	<b>5,380,642</b>	<b>0.4</b>	<b>7,404,075</b>

The revenue from Healthcare Services in January–September 2024 increased by 9.7 percent and was 761.5 (693.8) million euros. Revenue increased in all customer and service groups. There was one working day more than in the comparison period.

The revenue from corporate customers increased by 13.9 percent to EUR 463.9 (407.5) million. Revenue from preventive occupational health services<sup>1)</sup> increased year-on-year. Revenue from healthcare appointments also increased year-on-year. The revenue from consumers increased by 4.6 percent to EUR 231.3 (221.2) million. Revenue increased due to higher sales from services produced for insurance companies and successful commercial actions. The revenue from public sector customers increased by 1.7 percent to EUR 66.3 (65.1) million.

The revenue from appointment services increased by 11.3 percent to EUR 499.4 (448.9) million mainly due to improved customer mix and successful commercial actions in all customer groups. The number of physical appointments increased by 0.1 percent, and the number of remote appointments by 1.5 percent from the comparison period. Revenue from diagnostics services (laboratory and imaging) increased by 8.7 percent and was 187.9 (172.9) million euros. The revenue from other services increased by 2.9 percent and was 74.1 (72.1) driven by surgical operations.

<sup>1)</sup> 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.

**In the Healthcare Services in the third quarter**, adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) increased by 66.6 percent and amounted to EUR 34.1 (20.4) million, representing 14.7 (9.8) percent of revenue. Profitability was supported by successful commercial actions, improved operational efficiency and improved sales mix.

**In the Healthcare Services January–September 2024**, adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) increased by 54.8 percent and amounted to EUR 116.5 (75.3) million, representing 15.3 (10.9) percent of revenue. Profitability was supported by successful commercial actions, improved operational efficiency and improved sales mix.

## 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.*

- Revenue decreased year-on-year due to proactive customer selection in staffing services, weakened demand for dental care and a continuation of the planned reduction in the outsourcing portfolio.
- Profitability improved year-on-year due to the termination of low-margin outsourcing contracts, successful commercial actions and improved operational efficiency. The improvement was partially offset by cost inflation.

## Key figures

	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Revenue, MEUR	54.5	60.5	-9.9	181.8	199.9	-9.0	267.2
EBITA, MEUR	3.1	1.8	73.7	9.1	6.7	35.8	8.3
EBITA, % of revenue	5.7 %	2.9 %	2.8%-p.	5.0 %	3.3 %	1.7%-p.	3.1 %
Adjusted EBITA, MEUR	3.1	1.8	70.3	9.6	6.8	42.1	8.7
Adjusted EBITA, % of revenue	5.7 %	3.0 %	2.7%-p.	5.3 %	3.4 %	1.9%-p.	3.3 %

**In the Portfolio Businesses in the third quarter**, revenue decreased by 9.9 percent and amounted to EUR 54.5 (60.5) million. Revenue from outsourcing services decreased by 6.6 percent due to the planned reduction of the outsourcing portfolio and amounted to EUR 19.0 (20.3) million. Revenue from staffing services decreased by 12.3 percent mainly due to proactive customer selection and amounted to EUR 17.2 (19.7) million. Revenue from dental care decreased by 5.7 percent due to lower demand and amounted to EUR 10.9 (11.6) million. Revenue from other services decreased by 17.7 percent and amounted to EUR 7.3 (8.9) million.

**In the Portfolio Businesses in January–September 2024**, revenue decreased by 9.0 percent and amounted to EUR 181.8 (199.9) million. Revenue from outsourcing services decreased by 5.9 percent and amounted to EUR 64.1 (68.1) million. The planned reduction of the outsourcing portfolio continued, but additional invoicing increased the revenue. Revenue from staffing services decreased by 11.7 percent mainly due to proactive customer selection and amounted to EUR 55.9 (63.3) million. Revenue from dental care decreased by 9.3 percent due to lower demand and amounted to EUR 37.3 (41.1) million. Revenue from other services decreased by 10.4 percent and amounted to EUR 24.4 (27.3) million.



Portfolio businesses, revenue							
EUR mill.	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Outsourcing services	19.0	20.3	-6.6	64.1	68.1	-5.9	91.1
Staffing services	17.2	19.7	-12.3	55.9	63.3	-11.7	84.7
Dental care	10.9	11.6	-5.7	37.3	41.1	-9.3	54.5
Other	7.3	8.9	-17.7	24.4	27.3	-10.4	36.9
<b>Total</b>	<b>54.5</b>	<b>60.5</b>	<b>-9.9</b>	<b>181.8</b>	<b>199.9</b>	<b>-9.0</b>	<b>267.2</b>

**In the Portfolio Businesses in the third quarter**, adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) increased by 70.3 percent and amounted to EUR 3.1 (1.8) million, representing 5.7 (3.0) percent of revenue. Termination of low-margin outsourcing contracts, successful commercial actions and improved operational efficiency improved profitability year-on-year. The improvement was partially offset by cost inflation.

**In the Portfolio Businesses in January–September 2024**, adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) increased by 42.1 percent and amounted to EUR 9.6 (6.8) million, representing 5.3 (3.4) percent of revenue. Termination of low-margin outsourcing contracts, successful commercial actions and improved operational efficiency improved profitability year-on-year. The improvement was partially offset by cost inflation.

## 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 expired contracts and weaker demand.
- In the third quarter, adjusted EBITA decreased year-on-year mainly due to the lower revenue and cost inflation. During the fourth quarter of 2023, a profit improvement program was launched in Sweden targeting a structural change in the profitability in 2025. The program has progressed as planned. The cost structure has been adjusted to match the weakened demand, which started to be reflected, among other things, in lower personnel costs in the third quarter. The program will now focus on improving operational efficiency and commercial measures.

## Key figures

	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Revenue, MEUR	14.2	15.8	-9.7	59.4	65.9	-9.9	92.5
EBITA, MEUR	-4.3	-2.4	-78.3	-6.7	0.9	>-200,0	2.1
EBITA, % of revenue	-30.1 %	-15.3 %	-14.8%-p.	-11.3 %	1.3 %	-12.6%-p.	2.3 %
Adjusted EBITA, MEUR	-3.0	-2.1	-43.0	-3.1	1.3	>-200,0	3.7
Adjusted EBITA, % of revenue	-21.0 %	-13.3 %	-7.7%-p.	-5.2 %	2.0 %	-7.2%-p.	4.0 %

**In the Sweden segment in the third quarter**, revenue decreased by 9.7 percent and amounted to EUR 14.2 (15.8) million. Without the currency effect, the revenue decreased by 12.1 percent. Lower demand for organizational leadership consultation and the harmful use rehabilitation services and ended contracts had a negative year-on-year impact on revenue. Acquisitions increased revenue in Sweden by approximately EUR 0.4 million.

**In the Sweden segment in January–September 2024**, revenue decreased by 9.9 percent and amounted to EUR 59.4 (65.9) million. Without the currency effect, the revenue decreased by 10.1 percent. The increased economic uncertainty affected the demand for organizational leadership consultation and the harmful use rehabilitation services, which are sensitive to macroeconomic changes. Ended contracts also had a negative year-on-year impact on revenue. Acquisitions increased revenue in Sweden by approximately EUR 1.7 million.

**In the Sweden segment in the third quarter**, adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) decreased to EUR -3.0 (-2.1) million, representing -21.0 (-13.3) percent of revenue. Profitability was weakened by the decline in revenue, as well as cost inflation.

**In the Sweden segment in January–September 2024**, adjusted earnings before interest, taxes, amortization, and impairment losses (EBITA) decreased to EUR -3.1 (1.3) million, representing -5.2 (2.0) percent of revenue. Profitability was weakened by the decline in revenue, as well as cost inflation. In the business area, a profit improvement program was launched in the fourth quarter of 2023 to achieve a structural change in profitability in 2025. The program has progressed as planned. The cost structure has been adjusted to match the weakened demand, which started to be reflected, among other things, in lower personnel costs in the third quarter. The program will now focus on improving operational efficiency and commercial measures.

## Shares and shareholders

Terveystalo Plc has one share series (TTALO), which is listed on Nasdaq Helsinki Ltd. At the end of the third quarter of 2024, Terveystalo's market value was EUR 1,237 (960) million and the closing price was EUR 9.74 (7.56). During January–September 2024, the highest price of Terveystalo's share was EUR 10.3 (8.53), the lowest price was EUR 7.09 (6.43), and the average price was EUR 8.62 (7.56). A total of 8.7 (16.1) million shares were traded. At the end of the reporting period, the number of Terveystalo shares registered in the Trade Register was 127,036,531 (127,036,531). The total number of shareholders was 33,105 (33,108) at the end of the third quarter of 2024. Terveystalo and its subsidiaries hold 431,705 (480,230) own shares for reward purposes, corresponding to 0.3 (0.4)% of all outstanding shares.

## Notifications of major shareholdings

On 28 June Terveystalo Plc received a notification under Chapter 9, Section 5 of the Securities Market Act, according to which the holding of Rettig Investment AB in Terveystalo Plc's shares and votes had risen above 15 per cent on 27 June 2024. The holding of Rettig Investment AB has increased to 16.65 per cent and 21,153,191 shares of the total of Terveystalo's shares and votes. This notification relates to an internal restructuring within the group, in which Rettig Group AB, the previous direct holder of the shareholding notified herein, had on 27 June 2024 merged with and into Rettig Investment AB. Therefore, Rettig Investment AB owns directly 21 153 191 shares in Terveystalo Plc, which have transferred to the ownership of Rettig Investment AB from Rettig Group AB as a result of the merger.

## Changes in the management team

Petri Bono, who served as Terveystalo's Chief Medical Officer and member of the Executive Team since 2019, left the company on 14 August 2024 to take up a new position outside the company.

## Events after the end of the reporting period

In accordance with the 2024 Annual General Meeting's decision, a dividend of EUR 0.30 per share has been paid based on the balance sheet adopted for the fiscal year ending 31 December 2023. The first dividend instalment was paid to shareholders on 8 April 2024 and the second dividend instalment after the end of the reporting period on 16 October 2024.

Petteri Lankinen, born in 1981, DMSc, eMBA, has been appointed as Terveystalo's Chief Medical Officer and member of the Executive Team. He will take up his position on 25 January 2025 at the latest. Lankinen will report to CEO Ville Iho.

## 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.

- 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 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.
- 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 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.
- 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.
- Ongoing profit improvement programs may fall short of their targets and / or the improvements may not be sustainable.
- 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 and Annual General Meeting in 2025

In 2025, Terveystalo will publish financial information as follows:

Financial statements release 2024	14 February 2025
Annual Report 2024	Week 11
Interim Report, 1 January 1 – 31 March, 2025	25 April 2025
Half-yearly Report, 1 January – 30 June, 2025	17 July 2025
Interim Report, 1 January – 30 September, 2025	23 October 2025

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

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

Terveystalo Plc's Annual General Meeting (AGM) is planned to be held on Tuesday 8 April 2025. The meeting will be convened by the company's Board of Directors separately at a later date.

## Capital Markets Day 2024

Terveystalo will organise a Capital Markets Day for investors and analysts in Helsinki on Wednesday 4 December 2024. The event can be attended face-to-face at the premises or remotely via webcast. The actual invitation and a more detailed program for Terveystalo's Capital Markets Day will be distributed closer to the event.

## Result briefing

Terveystalo will arrange a webcast and a conference call in English on its result on Friday 25 October 2024 starting at 10:30 EEST. You can watch the webcast online at: <https://terveystalo.videosync.fi/q3-2024>

You can access the teleconference by registering at the link below.

<https://palvelu.flik.fi/teleconference/?id=50048572>

After the registration, you will be provided phone numbers and a conference ID to access the conference.

Helsinki, 24 October 2024

Terveystalo Plc

**Board of Directors**

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## **Terveystalo in brief**

Terveystalo is the largest private healthcare service provider in Finland in terms of revenue and network. Terveystalo is also a leading occupational health provider in the Nordic region. We offer a wide variety of primary health care, specialized care, and well-being services for corporate and private customers and the public sector. Terveystalo's digital services are available 24/7, regardless of time and place. Health and well-being services are also provided by over 377 clinics across Finland. In Sweden, we offer occupational health services at 152 clinics. Terveystalo is listed on the Helsinki Stock Exchange.

In 2023, Terveystalo had approximately 1.2 million individual customers in Finland and the number of customer appointments was approximately 7.6 million. Terveystalo employs over 15,500 healthcare and well-being professionals. [www.terveystalo.com](http://www.terveystalo.com)



## Consolidated statement of comprehensive income

EUR mill.	Note	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
<b>Revenue</b>	4	<b>295.8</b>	<b>280.5</b>	<b>5.4</b>	<b>986.1</b>	<b>944.0</b>	<b>4.5</b>	<b>1,286.4</b>
Other operating income		0.7	0.8	-11.7	2.9	3.1	-6.8	4.2
Materials and services	5	-122.2	-116.4	4.9	-405.5	-393.7	3.0	-536.2
Employee benefit expenses	6	-93.5	-99.9	-6.4	-315.1	-329.9	-4.5	-447.0
Depreciation, amortisation and impairment losses	10, 11	-25.5	-26.7	-4.4	-77.0	-82.2	-6.3	-193.8
Other operating expenses	7	-30.3	-28.1	7.9	-106.2	-96.9	9.5	-128.2
<b>Operating result</b>		<b>25.0</b>	<b>10.2</b>	<b>144.0</b>	<b>85.2</b>	<b>44.3</b>	<b>92.6</b>	<b>-14.7</b>
Financial income		1.0	0.2	>200.0	3.0	0.8	>200.0	1.2
Financial expenses		-7.5	-6.8	10.2	-22.8	-17.5	30.3	-25.4
<b>Net finance income and expenses</b>		<b>-6.6</b>	<b>-6.6</b>	<b>-0.5</b>	<b>-19.8</b>	<b>-16.7</b>	<b>18.6</b>	<b>-24.2</b>
Share of result in associated companies		-	-	-	-	-	-	0.0
<b>Result before taxes</b>		<b>18.4</b>	<b>3.6</b>	<b>&gt;200.0</b>	<b>65.4</b>	<b>27.6</b>	<b>137.3</b>	<b>-38.9</b>
Income tax expense	8	-3.6	-0.4	>200.0	-12.8	-5.7	124.6	-3.3
<b>Net income</b>		<b>14.7</b>	<b>3.3</b>	<b>&gt;200.0</b>	<b>52.7</b>	<b>21.9</b>	<b>140.6</b>	<b>-42.2</b>
<b>Net income attributable to:</b>								
Owners of the parent company		14.7	3.3	>200.0	52.7	21.9	140.5	-42.2
Non-controlling interests		-	0.0	>-200.0	-	0.0	>-200.0	-
<b>Other comprehensive income</b>								
Items that may be reclassified to profit or loss		0.3	-1.4	-119.0	-1.2	-2.3	-48.3	0.1
Items that will not be reclassified to profit or loss		-	-	-	-	-	-	-0.1
<b>Other comprehensive income for the period, net of tax</b>		<b>0.3</b>	<b>-1.4</b>	<b>-119.0</b>	<b>-1.2</b>	<b>-2.3</b>	<b>-48.3</b>	<b>0.0</b>
<b>Total comprehensive income</b>		<b>15.0</b>	<b>1.9</b>	<b>&gt;200.0</b>	<b>51.4</b>	<b>19.6</b>	<b>163.1</b>	<b>-42.2</b>
<b>Total comprehensive income attributable to:</b>								
Owners of the parent company		15.0	1.9	>200.0	51.4	19.6	163.1	-42.2
Non-controlling interest		-	0.0	>-200.0	-	0.0	>-200.0	-
<b>Earnings per share for profit attributable to the shareholders of the parent company, in euro</b>								
Basic earnings per share		0.12	0.03	>200.0	0.42	0.17	140.4	-0.33
Diluted earnings per share		0.12	0.03	>200.0	0.41	0.17	140.5	-0.33

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

## Consolidated statement of financial position

EUR mill.	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	10	84.6	82.5	84.2
Right-of-use assets	12	186.8	199.6	212.1
Goodwill	11	829.8	876.4	823.5
Intangible assets	11	86.9	132.3	100.0
Deferred tax assets		7.8	6.0	6.0
Other non-current assets		1.3	1.3	1.1
<b>Total non-current assets</b>		<b>1,197.3</b>	<b>1,298.1</b>	<b>1,226.8</b>
<b>Current assets</b>				
Inventories		7.4	7.0	7.1
Trade and other receivables		145.2	138.3	143.1
Current tax receivables		0.6	3.4	4.8
Cash and cash equivalents		53.4	35.4	37.7
<b>Total current assets</b>		<b>206.6</b>	<b>184.1</b>	<b>192.6</b>
<b>TOTAL ASSETS</b>		<b>1,403.9</b>	<b>1,482.1</b>	<b>1,419.5</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital		0.1	0.1	0.1
Invested non-restricted equity reserve		492.8	492.8	492.8
Treasury shares		-15.2	-15.7	-15.7
Translation differences		-6.3	-7.2	-5.2
Retained earnings		58.2	107.0	43.5
<b>Equity attributable to equity holders of the Company total</b>		<b>529.6</b>	<b>576.9</b>	<b>515.4</b>
<b>TOTAL EQUITY</b>		<b>529.6</b>	<b>576.9</b>	<b>515.4</b>
<b>Non-current liabilities</b>				
Non-current financial liabilities	13	273.7	380.3	394.4
Non-current lease liabilities	12	147.9	158.3	172.6
Deferred tax liabilities		18.6	26.1	20.2
Other liabilities		15.2	13.4	13.7
Provisions		2.5	3.0	2.8
<b>Total non-current liabilities</b>		<b>458.0</b>	<b>581.0</b>	<b>603.7</b>
<b>Current liabilities</b>				
Current financial liabilities	13	129.7	46.7	22.3
Current lease liabilities	12	47.5	47.4	46.5
Current tax liabilities		8.1	0.0	3.6
Dividend liabilities		19.0	17.7	-
Trade and other payables		210.5	209.9	224.7
Provisions		1.6	2.3	3.3
<b>Total current liabilities</b>		<b>416.4</b>	<b>324.1</b>	<b>300.3</b>
<b>TOTAL LIABILITIES</b>		<b>874.4</b>	<b>905.2</b>	<b>904.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,403.9</b>	<b>1,482.1</b>	<b>1,419.5</b>

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	Translation differences	Total equity
<b>Equity 1 Jan 2024</b>	0.1	492.8	-15.7	43.5	-5.2	515.4
<b>Comprehensive income</b>						
Profit for the period	-	-	-	52.7	-	52.7
Other comprehensive income	-	-	-	-0.2	-1.0	-1.2
<b>Transactions with owners</b>						
Dividend	-	-	-	-38.0	-	-38.0
Share-based payments	-	-	0.4	0.3	-	0.7
<b>Equity 30 Sep 2024</b>	<b>0.1</b>	<b>492.8</b>	<b>-15.2</b>	<b>58.2</b>	<b>-6.3</b>	<b>529.6</b>

Equity attributable to owners of the parent company								
EUR mill.	Share capital	Invested non-restricted equity reserve	Treasury shares	Retained earnings	Translation differences	Total	Non-controlling interests	Total equity
<b>Equity 1 Jan 2023</b>	0.1	492.8	-15.8	120.2	-5.3	592.0	0.0	592.0
<b>Comprehensive income</b>								
Profit for the period	-	-	-	21.9	-	21.9	0.0	21.9
Other comprehensive income	-	-	-	-0.4	-1.9	-2.3	-	-2.3
<b>Transactions with owners</b>								
Equity repayment	-	-	-	-35.4	-	-35.4	-	-35.4
Share-based payments	-	-	0.1	0.7	-	0.8	-	0.8
<b>Transactions with non-controlling interests</b>								
Transactions with non-controlling interest	-	-	-	-	-	-	-0.0	-0.0
<b>Equity 30 Sep 2023</b>	<b>0.1</b>	<b>492.8</b>	<b>-15.7</b>	<b>107.0</b>	<b>-7.2</b>	<b>576.9</b>	<b>-</b>	<b>576.9</b>

Equity attributable to owners of the parent company								
EUR mill.	Share capital	Invested non-restricted equity reserve	Treasury shares	Retained earnings	Translation differences	Total	Non-controlling interest	Total equity
<b>Equity 1 Jan 2023</b>	0.1	492.8	-15.8	120.2	-5.3	592.0	0.0	592.0
<b>Comprehensive income</b>								
Profit for the period	-	-	-	-42.2	-	-42.2	-	-42.2
Other comprehensive income	-	-	-	-0.1	0.1	0.0	-	0.0
<b>Transactions with owners</b>								
Dividend	-	-	-	-35.4	-	-35.4	-	-35.4
Share-based payments	-	-	0.1	1.3	-	1.4	-	1.4
<b>Transactions with non-controlling interest</b>								
Transactions with non-controlling interest	-	-	-	-	-	-	-0.0	-0.0
<b>Other</b>								
Other Corrections*	-	-	-	-0.4	-	-	-	-0.4
<b>Equity 31 Dec 2023</b>	<b>0.1</b>	<b>492.8</b>	<b>-15.7</b>	<b>43.5</b>	<b>-5.2</b>	<b>515.4</b>	<b>-</b>	<b>515.4</b>

\*Correction to previous financial years figures.

## Consolidated statement of cash flows

EUR mill.	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
<b>Cash flows from operating activities</b>					
Profit before taxes	18.4	3.6	65.4	27.6	-38.9
<b>Adjustments for</b>					
Depreciation, amortisation and impairment losses	25.5	26.7	77.0	82.2	193.8
Change in provisions	-1.4	-0.7	-2.0	-2.9	-2.1
Other transactions	-0.7	0.2	-2.7	-5.8	-6.7
Gains and losses on sale of property, plant and equipment	-0.1	0.1	-0.2	-0.1	-0.2
Net finance expenses	6.6	6.6	19.8	16.7	24.2
<b>Changes in working capital</b>					
Trade and other receivables	9.3	14.1	-3.5	-4.2	-8.7
Inventories	-0.4	-0.2	-0.3	-0.4	-0.5
Trade and other payables	-12.5	-12.4	-10.8	-10.9	2.5
Interest received	0.4	0.3	0.9	0.8	1.0
Income taxes paid	-3.8	-2.5	-8.8	-5.7	-6.6
<b>Net cash from operating activities</b>	<b>41.3</b>	<b>35.6</b>	<b>134.9</b>	<b>97.4</b>	<b>157.8</b>
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment	-6.1	-6.0	-17.5	-17.8	-24.6
Acquisition of intangible assets	-2.5	-3.6	-8.4	-11.7	-16.4
Proceeds from sale of property, plant and equipment	0.2	0.2	0.5	0.6	0.8
Acquisition of subsidiaries, net of cash acquired	-2.2	-1.3	-8.4	-4.0	-4.0
Proceeds from the disposal of subsidiaries, net of cash disposed of	-	-	0.3	-	-
Acquisition of business operation, net of cash acquired	-	-	-0.0	-0.0	-0.3
Sale of business operation, net of cash disposed of	-	-	-	0.3	0.3
Dividends received	-	0.0	0.0	0.0	0.0
<b>Net cash from investing activities</b>	<b>-10.6</b>	<b>-10.8</b>	<b>-33.5</b>	<b>-32.7</b>	<b>-44.2</b>
<b>Cash flows from financing activities</b>					
Acquisition of non-controlling interest	-	-	-	-0.1	-0.1
Proceeds from non-current borrowings	-	-	-	99.6	224.6
Repayment of non-current borrowings	-	-	-20.0	-100.0	-210.0
Proceeds from current borrowings	9.9	15.8	9.9	25.9	26.8
Repayment of current borrowings	-	-	-0.0	-22.0	-47.1
Payment of lease liabilities	-11.8	-12.7	-36.1	-38.2	-50.9
Payment of hire purchase liabilities	-2.3	-1.0	-3.7	-3.4	-4.3
Interests and other financial expenses paid	-4.3	-3.7	-20.7	-13.3	-19.9
Interests and other financial income received	1.0	-	3.9	-	0.2
Dividends paid	-	-	-19.0	-17.7	-35.4
<b>Net cash from financing activities</b>	<b>-7.4</b>	<b>-1.6</b>	<b>-85.6</b>	<b>-69.3</b>	<b>-116.0</b>
<b>Net change in cash and cash equivalents</b>	<b>23.3</b>	<b>23.2</b>	<b>15.7</b>	<b>-4.6</b>	<b>-2.4</b>
Cash and cash equivalents at the beginning of the period	30.1	12.0	37.7	40.2	40.2
Translation differences	-0.0	0.1	-0.0	-0.1	-0.1
Cash and cash equivalents at the end of the period	53.4	35.4	53.4	35.4	37.7

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 2023. The accounting principles adopted are consistent with those of the annual financial statements for 2023. All presented figures have been rounded. Financial ratios have been calculated using exact figures.

### **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 the same as those that applied to the consolidated financial statements for 2023.

### **3. Events after the reporting period**

In accordance with the 2024 Annual General Meeting's decision, a dividend of EUR 0.30 per share has been paid based on the balance sheet adopted for the fiscal year ending 31 December 2023. The first dividend instalment was paid to shareholders on 8 April 2024 and the second dividend instalment after the end of the reporting period on 16 October 2024.

Petteri Lankinen, born in 1981, DMSc, eMBA, has been appointed as Terveystalo's Chief Medical Officer and member of the Executive Team. He will take up his position on 25 January 2025 at the latest. Lankinen will report to CEO Ville Iho.

#### 4. Revenue and segment information

Terveystalo Group comprises of three operating segments that are reportable segments: Healthcare Services, Portfolio Businesses, and Sweden. Monitoring of profitability is primarily based on operating segments. In addition, Terveystalo provides disclosure on revenue for Healthcare Services on customer and service level and for Portfolio Businesses on service level.

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.

In addition to operating segments, Terveystalo provides information for Other section. Other reported figures mainly consist of parent company expenses, unallocated Group level adjustments and provisions. Other section's revenue includes eliminations between reporting segments.

##### Disaggregation of revenue

EUR mill.	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Healthcare services	232.0	209.3	10.8	761.5	693.8	9.7	948.6
Portfolio business	54.5	60.5	-9.9	181.8	199.9	-9.0	267.2
Sweden	14.2	15.8	-9.7	59.4	65.9	-9.9	92.5
<b>Segments total</b>	<b>300.8</b>	<b>285.6</b>	<b>5.3</b>	<b>1,002.7</b>	<b>959.6</b>	<b>4.5</b>	<b>1,308.2</b>
Other	-5.0	-5.1	1.7	-16.5	-15.6	-5.9	-21.8
<b>Total</b>	<b>295.8</b>	<b>280.5</b>	<b>5.4</b>	<b>986.1</b>	<b>944.0</b>	<b>4.5</b>	<b>1,286.4</b>

Healthcare services, revenue							
EUR mill.	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
<b>By customer</b>							
Corporate	140.3	122.2	14.9	463.9	407.5	13.9	564.0
Consumer	71.9	68.0	5.8	231.3	221.2	4.6	296.1
Public sector	19.8	19.2	3.1	66.3	65.1	1.7	88.5
<b>Total</b>	<b>232.0</b>	<b>209.3</b>	<b>10.8</b>	<b>761.5</b>	<b>693.8</b>	<b>9.7</b>	<b>948.6</b>
<b>By service</b>							
Appointments	153.3	136.1	12.7	499.4	448.9	11.3	618.3
Diagnostics	58.6	52.7	11.2	187.9	172.9	8.7	229.6
Other	20.2	20.6	-2.0	74.1	72.1	2.9	100.7
<b>Total</b>	<b>232.0</b>	<b>209.3</b>	<b>10.8</b>	<b>761.5</b>	<b>693.8</b>	<b>9.7</b>	<b>948.6</b>

Portfolio businesses, revenue							
EUR mill.	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Outsourcing services	19.0	20.3	-6.6	64.1	68.1	-5.9	91.1
Staffing services	17.2	19.7	-12.3	55.9	63.3	-11.7	84.7
Dental care	10.9	11.6	-5.7	37.3	41.1	-9.3	54.5
Other	7.3	8.9	-17.7	24.4	27.3	-10.4	36.9
<b>Total</b>	<b>54.5</b>	<b>60.5</b>	<b>-9.9</b>	<b>181.8</b>	<b>199.9</b>	<b>-9.0</b>	<b>267.2</b>

## Timing of satisfying performance obligations

EUR mill.	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
At a point in time	276.3	259.6	6.4	920.5	874.1	5.3	1,192.9
Over time	19.4	20.9	-7.1	65.6	69.9	-6.1	93.5
<b>Total</b>	<b>295.8</b>	<b>280.5</b>	<b>5.4</b>	<b>986.1</b>	<b>944.0</b>	<b>4.5</b>	<b>1,286.4</b>

## Other segment information

### Adjusted EBITA

EUR mill.	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Healthcare services	34.1	20.4	66.6	116.5	75.3	54.8	109.0
Portfolio business	3.1	1.8	70.3	9.6	6.8	42.1	8.7
Sweden	-3.0	-2.1	-43.0	-3.1	1.3	>-200,0	3.7
<b>Segments total</b>	<b>34.2</b>	<b>20.2</b>	<b>69.4</b>	<b>123.1</b>	<b>83.4</b>	<b>47.6</b>	<b>121.4</b>
Other	0.1	1.0	-92.0	0.9	2.7	-67.2	4.2
<b>Total</b>	<b>34.3</b>	<b>21.1</b>	<b>62.2</b>	<b>124.0</b>	<b>86.1</b>	<b>44.0</b>	<b>125.6</b>

### EBITA

EUR mill.	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Healthcare services	33.9	20.3	66.7	109.9	74.7	47.2	107.1
Portfolio business	3.1	1.8	73.7	9.1	6.7	35.8	8.3
Sweden	-4.3	-2.4	-78.3	-6.7	0.9	>-200,0	2.1
<b>Segments total</b>	<b>32.7</b>	<b>19.7</b>	<b>65.9</b>	<b>112.3</b>	<b>82.2</b>	<b>36.5</b>	<b>117.5</b>
Other	-0.2	-1.3	81.1	-4.8	-11.9	59.8	-13.1
<b>Total</b>	<b>32.5</b>	<b>18.4</b>	<b>76.4</b>	<b>107.5</b>	<b>70.4</b>	<b>52.8</b>	<b>104.4</b>

## Reconciliation of the total of the reportable segment's adjusted EBITA to the Group's profit before taxes

EUR mill.	7-9/2024	7-9/2023	1-9/2024	1-9/2023	2023
Profit before taxes	18.4	3.6	65.4	27.6	-38.9
Net finance expenses	6.6	6.6	19.8	16.7	24.2
Amortisation and impairment losses	7.5	8.2	22.3	26.1	119.1
Adjustments	1.8	2.7	16.4	15.7	21.2
Other	-0.1	-1.0	-0.9	-2.7	-4.2
<b>Adjusted EBITA</b>	<b>34.2</b>	<b>20.2</b>	<b>123.1</b>	<b>83.4</b>	<b>121.4</b>

## 5. Materials and services

EUR mill.	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Purchase of materials	-8.9	-6.8	31.6	-30.6	-28.4	7.7	-40.8
Change in inventories	0.4	0.2	111.7	0.3	0.4	-29.1	0.5
External services	-113.6	-109.9	3.4	-375.2	-365.7	2.6	-495.9
<b>Total</b>	<b>-122.2</b>	<b>-116.4</b>	<b>4.9</b>	<b>-405.5</b>	<b>-393.7</b>	<b>3.0</b>	<b>-536.2</b>

## 6. Employee benefit expenses

EUR mill.	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Wages and salaries	-75.8	-80.2	-5.5	-257.2	-267.3	-3.8	-374.3
Share-based payments	-0.3	-0.5	-36.4	-1.1	-0.8	37.3	-1.4
Other personnel expenses	-17.4	-19.1	-9.2	-56.8	-61.8	-8.0	-71.3
<b>Total</b>	<b>-93.5</b>	<b>-99.9</b>	<b>-6.4</b>	<b>-315.1</b>	<b>-329.9</b>	<b>-4.5</b>	<b>-447.0</b>

## 7. Other operating expenses

EUR mill.	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Leases and premises	-6.1	-5.5	10.5	-19.7	-17.8	10.9	-23.5
ICT expenses	-10.4	-9.6	8.9	-31.2	-29.6	5.5	-40.4
Marketing and communication expenses	-2.7	-2.0	33.4	-8.4	-7.1	18.4	-8.7
Other operating expenses*	-11.1	-11.0	1.1	-46.8	-42.5	10.3	-55.6
<b>Total</b>	<b>-30.3</b>	<b>-28.1</b>	<b>7.9</b>	<b>-106.2</b>	<b>-96.9</b>	<b>9.5</b>	<b>-128.2</b>

\* During nine months ended 30 September 2024, including a one-off item of EUR 5.6 million related to renovation and maintenance liabilities in a single location.

## 8. Income taxes

### Income taxes in the statement of income

EUR mill.	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Current tax for the reporting year	-5.9	-1.4	>200.0	-16.0	-7.3	119.1	-10.8
Income taxes for prior periods	-0.0	-0.0	-48.4	-0.0	-0.1	-53.5	-0.1
Change in deferred taxes	2.3	1.1	115.5	3.2	1.7	94.9	7.6
<b>Total income taxes</b>	<b>-3.6</b>	<b>-0.4</b>	<b>&gt;200.0</b>	<b>-12.8</b>	<b>-5.7</b>	<b>124.6</b>	<b>-3.3</b>

## 9. Share-based payments

During the second quarter of 2024, 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 fulfilment of a three-year service condition, performance conditions tied to total shareholder return and to financial targets that are set separately. The reward is granted as a gross number of Terveystalo shares, including a cash portion for taxes and tax-related expenses arising from the reward to the employee. The reward is settled as net shares. The program's impact to the result for the nine months of the year 2024 has been EUR 0.3 million and the expected total cost of the program is EUR 1.8 million. 70 persons are included in the arrangement.

During the second quarter of 2024, 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 fulfilment of a service condition. The reward is granted as a gross number of Terveystalo shares, including a cash portion for taxes and tax-related expenses arising from the reward to the employee. The reward is settled as net shares. The program's impact to the result for the nine months of the year 2024 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 2024, long-term performance share plan 2021 vesting period 2021-2023 as well as restricted share plan vesting period 2021-2023 ended and in consequence, the shares earned were granted according to realization of the plan's conditional performance measures. In total 48 525 shares were granted. Rewards were conditional on the fulfilment of a three-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 0.2 million.

In addition to above mentioned incentive plan, Terveystalo has performance share plan 2021 vesting periods 2022-2024 and 2023-2025 as well as restricted share plan vesting periods 2022-2024 and 2023-2025 ongoing during the review period. Descriptions of these plans are included in financial statements 2023.



## 10. Property, plant and equipment

1-9/2024	Land and water, buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
EUR mill.					
<b>Acquisition cost 1 Jan 2024</b>	<b>2.3</b>	<b>179.7</b>	<b>76.6</b>	<b>1.1</b>	<b>259.7</b>
Business combination	-	0.5	0.0	-	0.5
Additions	-	11.6	0.8	4.9	17.3
Disposals	-	-0.3	-	-	-0.3
Translation differences	-0.0	-0.1	-0.0	-0.0	-0.1
Transfers between items	-	0.2	1.9	-2.1	-
<b>Acquisition cost 30 Sep 2024</b>	<b>2.3</b>	<b>191.6</b>	<b>79.3</b>	<b>3.9</b>	<b>277.1</b>
<b>Accumulated depreciation and impairment losses 1 Jan 2024</b>	<b>-1.2</b>	<b>-132.1</b>	<b>-42.2</b>	<b>-</b>	<b>-175.5</b>
Depreciation	-0.1	-11.4	-5.2	-	-16.7
Impairment losses	-0.1	-0.0	-0.3	-	-0.4
Translation differences	0.0	0.0	-0.0	-	0.0
<b>Accumulated depreciation and impairment losses 30 Sep 2024</b>	<b>-1.4</b>	<b>-143.4</b>	<b>-47.7</b>	<b>-</b>	<b>-192.5</b>
<b>Carrying amount 1 Jan 2024</b>	<b>1.2</b>	<b>47.5</b>	<b>34.5</b>	<b>1.1</b>	<b>84.2</b>
<b>Carrying amount 30 Sep 2024</b>	<b>0.9</b>	<b>48.1</b>	<b>31.6</b>	<b>3.9</b>	<b>84.6</b>

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

2023	Land and water, buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
EUR mill.					
<b>Acquisition cost 1 Jan 2023</b>	<b>2.3</b>	<b>165.1</b>	<b>64.4</b>	<b>4.2</b>	<b>236.0</b>
Business combination	-	0.0	-	-	0.0
Additions	-	13.8	1.7	8.8	24.3
Disposals	-	-0.5	-0.1	-	-0.6
Translation differences	0.0	0.0	0.0	0.0	0.0
Transfers between items	-	1.2	10.6	-11.8	-
<b>Acquisition cost 31 Dec 2023</b>	<b>2.3</b>	<b>179.7</b>	<b>76.6</b>	<b>1.1</b>	<b>259.7</b>
<b>Accumulated depreciation and impairment losses 1 Jan 2023</b>	<b>-1.2</b>	<b>-117.1</b>	<b>-35.8</b>	<b>-</b>	<b>-154.0</b>
Depreciation	-0.0	-14.9	-6.4	-	-21.3
Impairment losses	-	-0.0	-0.0	-	-0.0
Translation differences	-0.0	-0.0	-0.0	-	-0.0
<b>Accumulated depreciation and impairment losses 31 Dec 2023</b>	<b>-1.2</b>	<b>-132.1</b>	<b>-42.2</b>	<b>-</b>	<b>-175.5</b>
<b>Carrying amount 1 Jan 2023</b>	<b>1.2</b>	<b>47.9</b>	<b>28.7</b>	<b>4.2</b>	<b>82.0</b>
<b>Carrying amount 31 Dec 2023</b>	<b>1.2</b>	<b>47.5</b>	<b>34.5</b>	<b>1.1</b>	<b>84.2</b>

## 11. Intangible assets

1-9/2024	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
EUR mill.					
<b>Acquisition cost 1 Jan 2024</b>	<b>948.8</b>	<b>167.8</b>	<b>88.7</b>	<b>156.6</b>	<b>1,361.9</b>
Business combination	8.3	-	-	0.1	8.4
Additions	-	-	-	8.3	8.3
Disposals*	-1.1	-0.1	-	-	-1.2
Translation differences	-0.8	-0.1	-0.1	-0.2	-1.2
<b>Acquisition cost 30 Sep 2024</b>	<b>955.1</b>	<b>167.6</b>	<b>88.7</b>	<b>164.8</b>	<b>1,376.3</b>
<b>Accumulated amortisations and impairment losses 1 Jan 2024</b>	<b>-125.3</b>	<b>-156.2</b>	<b>-43.2</b>	<b>-113.9</b>	<b>-438.6</b>
Amortisation	-	-1.8	-3.5	-15.1	-20.4
Impairment losses	-	-	-	-0.7	-0.7
Translation differences	-	0.0	0.0	0.1	0.1
<b>Accumulated amortisations and impairment losses 30 Sep 2024</b>	<b>-125.3</b>	<b>-158.0</b>	<b>-46.7</b>	<b>-129.6</b>	<b>-459.6</b>
<b>Carrying amount 1 Jan 2024</b>	<b>823.5</b>	<b>11.6</b>	<b>45.6</b>	<b>42.8</b>	<b>923.4</b>
<b>Carrying amount 30 Sep 2024</b>	<b>829.8</b>	<b>9.6</b>	<b>42.0</b>	<b>35.3</b>	<b>916.8</b>

\* Disposals to goodwill and customer relationships relate to the sale of entire share capital of Sivupersoon Oy, a company providing sign language interpreting services.

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

2023	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
EUR mill.					
<b>Acquisition cost 1 Jan 2023</b>	<b>947.5</b>	<b>167.8</b>	<b>88.7</b>	<b>140.2</b>	<b>1,344.2</b>
Business combination	1.3	0.1	-	-	1.4
Additions	-	-	-	16.3	16.3
Disposals	-0.2	-	-	-0.0	-0.2
Translation differences	0.1	0.0	0.0	0.1	0.2
<b>Acquisition cost 31 Dec 2023</b>	<b>948.8</b>	<b>167.8</b>	<b>88.7</b>	<b>156.6</b>	<b>1,361.9</b>
<b>Accumulated amortizations and impairment losses 1 Jan 2023</b>	<b>-68.0</b>	<b>-117.5</b>	<b>-38.5</b>	<b>-95.6</b>	<b>-319.6</b>
Amortization	-	-9.4	-4.7	-18.2	-32.2
Impairment losses*	-57.3	-29.3	-	-0.0	-86.6
Translation differences	-	-0.0	-0.0	-0.1	-0.1
<b>Accumulated amortizations and impairment losses 31 Dec 2023</b>	<b>-125.3</b>	<b>-156.2</b>	<b>-43.2</b>	<b>-113.9</b>	<b>-438.6</b>
<b>Carrying amount 1 Jan 2023</b>	<b>879.5</b>	<b>50.3</b>	<b>50.2</b>	<b>44.6</b>	<b>1,024.7</b>
<b>Carrying amount 31 Dec 2023</b>	<b>823.5</b>	<b>11.6</b>	<b>45.6</b>	<b>42.8</b>	<b>923.4</b>

\* As a result of the impairment test, EUR 55.3 million write-offs related to goodwill and EUR 29.3 million write-offs to purchase price allocations relating to public outsourcing customer relationships within the Portfolio Businesses segment public payor CGU were made. The impaired goodwill was recognised mainly in the acquisition of Attendo Healthcare Services in 2018. Customer relationship write-offs relate solely to the legacy Outsourcing business, acquired in the Attendo transaction that is gradually being phased out. In addition, during the year 2023 an EUR 2.0 million impairment of goodwill made related to reorganisation of Portfolio businesses in connection to sale of business operations.

In addition to previously mentioned write-offs, a write-off from investment properties of EUR 0.2 million was during the financial year 2023.

## 12. Right of-use-assets and lease liabilities

### 12.1 Right-of-use assets

1-9/2024			
EUR mill.	Premises	Other right-of-use assets	Total
<b>Acquisition cost 1 Jan 2024</b>	<b>424.0</b>	<b>40.9</b>	<b>464.9</b>
Business combination	0.7	-	0.7
Additions	19.4	0.2	19.6
Disposals	-6.2	-0.0	-6.3
Translation differences	-0.4	-0.0	-0.5
<b>Acquisition cost 30 Sep 2024</b>	<b>437.4</b>	<b>41.0</b>	<b>478.4</b>
<b>Accumulated depreciation and impairment losses 1 Jan 2024</b>	<b>-217.9</b>	<b>-34.9</b>	<b>-252.8</b>
Depreciation for the reporting period	-36.3	-1.9	-38.2
Impairment losses	-0.4	-0.4	-0.8
Translation differences	0.2	0.0	0.2
<b>Accumulated depreciation and impairment losses 30 Sep 2024</b>	<b>-254.4</b>	<b>-37.2</b>	<b>-291.6</b>
<b>Carrying amount 1 Jan 2024</b>	<b>206.1</b>	<b>6.0</b>	<b>212.1</b>
<b>Carrying amount 30 Sep 2024</b>	<b>183.0</b>	<b>3.8</b>	<b>186.8</b>

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

2023			
EUR mill.	Premises	Other right-of-use assets	Total
<b>Acquisition cost 1 Jan 2023</b>	<b>331.7</b>	<b>41.5</b>	<b>373.1</b>
Business combination	0.3	-	0.3
Additions	108.2	0.6	108.9
Disposals	-16.5	-1.2	-17.7
Translation differences	0.2	0.0	0.3
<b>Acquisition cost 31 Dec 2023</b>	<b>424.0</b>	<b>40.9</b>	<b>464.9</b>
<b>Accumulated depreciation and impairment losses 1 Jan 2023</b>	<b>-167.5</b>	<b>-31.8</b>	<b>-199.3</b>
Depreciation for the reporting period	-50.2	-3.1	-53.3
Translation differences	-0.2	-0.0	-0.2
<b>Accumulated depreciation and impairment losses 31 Dec 2023</b>	<b>-217.9</b>	<b>-34.9</b>	<b>-252.8</b>
<b>Carrying amount 1 Jan 2023</b>	<b>164.2</b>	<b>9.7</b>	<b>173.9</b>
<b>Carrying amount 31 Dec 2023</b>	<b>206.1</b>	<b>6.0</b>	<b>212.1</b>

## 12.2. Lease liabilities

30 Sep 2024			
EUR mill.	Premises	Other	Total
Non-current lease liabilities	143.8	4.1	147.9
Current lease liabilities	45.3	2.3	47.5
<b>Total lease liabilities</b>	<b>189.1</b>	<b>6.4</b>	<b>195.4</b>

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

31 Dec 2023			
EUR mill.	Premises	Other	Total
Non-current lease liabilities	166.8	5.8	172.6
Current lease liabilities	44.0	2.5	46.5
<b>Total lease liabilities</b>	<b>210.8</b>	<b>8.3</b>	<b>219.1</b>

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

EUR mill. 30 Sep 2024	Financial assets and liabilities at fair value	Financial assets and liabilities at amortised cost	Carrying amount	Fair value	Fair value hierarchy
<b>Financial assets</b>					
<b>Non-current</b>					
Loan receivables	0.0	-	0.0	0.0	Level 2
Unquoted equity investments	0.8	-	0.8	0.8	Level 3
<b>Current</b>					
Trade receivables	-	122.2	122.2	122.2	
Cash and cash equivalents	-	53.4	53.4	53.4	
Interest rate derivatives	3.6	-	3.6	3.6	Level 2
<b>Total</b>	<b>4.4</b>	<b>175.6</b>	<b>180.0</b>	<b>180.0</b>	
<b>Financial liabilities</b>					
<b>Non-current</b>					
Loans from financial institutions	-	174.3	174.3	174.3	Level 2
Bonds	-	99.2	99.2	104.5	Level 1
Hire purchase liabilities	-	0.1	0.1	0.1	Level 2
Contingent considerations	2.5	-	2.5	2.5	Level 3
<b>Current</b>					
Loans from financial institutions	-	129.7	129.7	129.7	Level 2
Hire purchase liabilities	-	0.0	0.0	0.0	Level 2
Trade payables	-	53.0	53.0	53.0	
Contingent considerations	2.1	-	2.1	2.1	Level 3
Interest rate derivatives	0.2	-	0.2	0.2	Level 2
<b>Total</b>	<b>4.8</b>	<b>456.4</b>	<b>461.2</b>	<b>466.5</b>	

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 1.1 million (2023: EUR 1.4 million).

EUR mill. 31 Dec 2023					
	Financial assets and liabilities at fair value	Financial assets and liabilities at amortised cost	Carrying amount	Fair value	Fair value hierarchy
<b>Financial assets</b>					
<b>Non-current</b>					
Loan receivables	0.0	-	0.0	0.0	Level 2
Unquoted equity investments	0.8	-	0.8	0.8	Level 3
<b>Current</b>					
Trade receivables	-	127.6	127.6	127.6	
Cash and cash equivalents	-	37.7	37.7	37.7	
Interest rate derivatives	4.8	-	4.8	4.8	Level 2
<b>Total</b>	<b>5.6</b>	<b>165.3</b>	<b>170.8</b>	<b>170.8</b>	
<b>Financial liabilities</b>					
<b>Non-current</b>					
Loans from financial institutions	-	294.0	294.0	294.0	Level 2
Bonds	-	99.1	99.1	102.7	Level 1
Hire purchase liabilities	-	1.3	1.3	1.3	Level 2
Contingent considerations	3.3	-	3.3	3.3	Level 3
<b>Current</b>					
Loans from financial institutions	-	19.8	19.8	19.8	Level 2
Hire purchase liabilities	-	2.5	2.5	2.5	Level 2
Trade payables	-	49.5	49.5	49.5	
Contingent considerations	2.6	-	2.6	2.6	Level 3
Interest rate derivatives	0.1	-	0.1	0.1	Level 2
<b>Total</b>	<b>6.0</b>	<b>466.2</b>	<b>472.2</b>	<b>475.7</b>	



## 14. Business Combinations

### Business Combinations 2024

During the nine months ended 30 September 2024, the Group has made three corporate acquisitions.

On 31 March 2024 Terveystalo Healthcare Oy acquired 100 percent of the imaging services provider SRK Group Oy and an indirect 100 percent ownership in its subsidiaries Suomen Radiologikeskus Oy, iRad Oy and Kajaanin Radiologikeskus Oy.

On 1 July 2024 Feelgood Företagshälsövård AB acquired 100 percent of the Swedish occupational health provider Clarahälsan AB.

On 6 September 2024 Suomen Terveystalo Oy acquired 100 percent of the general and specialist medical services, psychology services and physiotherapy services provider Cityläkarna Mariehamn Ab.

The consideration transferred for the corporate acquisitions was EUR 8.9 million. As a result of the business combinations, a preliminary goodwill amounting to EUR 8.3 million was recognized. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. The recognized goodwill is not tax-deductible. Cashflow impact of the acquisitions made during 2024 was EUR 7.1 million.

The fair value of the acquired trade and other receivables amounted to EUR 1.5 million, for which the risk of impairment has been deemed as non-significant.

The Group has incurred acquisition related expenses of EUR 0.3 million related to transfer tax, consulting, valuation or equivalent services. The expenses have been included in other operating expenses.

The contributed revenue recognized from the acquisitions during the nine months ended 30 September 2024 was EUR 3.6 million and profit was EUR 0.1 million.

If the acquisitions had occurred on 1 January 2024, management estimates that the Group's consolidated revenue during the nine months ended 30 September 2024 would have been EUR 991.2 million and the consolidated result for the period would have been EUR 53.0 million.

In 2024, cashflow impact arising from business combinations made in previous financial years was EUR -1.3 million due to additional purchase prices paid.

### Business Combinations 2023

During the year 2023, the Group has made one corporate acquisition and one business acquisition.

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

On 2 October 2023 Feelgood Sjukvård AB acquired the occupational health business of Quality Care AB.

The consideration transferred for the corporate acquisition was EUR 1.0 million. As a result of the business combination, a preliminary goodwill amounting to EUR 1.0 million was recognized. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. EUR 0.7 million of the recognized goodwill is deductible in taxation. Cashflow impact of the acquisition made during 2023 was EUR 0.3 million.

In these business combinations, the Group has acquired customer relationships. The fair value of customer contracts and related customer relationships included in other intangible assets has been determined on the basis of the estimated duration of customer relationships and the discounted net cash flows from existing customer contracts.

The fair value of the acquired trade and other receivables amounted to EUR 0.1 million, for which the risk of impairment has been deemed as non-significant.

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

The contributed revenue recognized from the acquisitions during the year 2023 was EUR 0.4 million and loss was EUR 0.0 million.

If the acquisition had occurred on 1 January 2023, management estimates that the Group's consolidated revenue in 2023 would have been EUR 1,286.9 million and the consolidated result for the period would have been EUR -42.2 million.

In 2023, effect to goodwill arising from corporate acquisitions made in year 2022 was EUR 0.3 million. The cash flow effect was EUR -4.0 million due to adjustments to purchase prices and additional purchase price paid.

## 15. Collateral and other contingent liabilities

EUR mill.	30 Sep 2024	30 Sep 2023	31 Dec 2023
Business mortgages	0.7	7.3	7.5
<b>Total</b>	<b>0.7</b>	<b>7.3</b>	<b>7.5</b>
<b>Securities for own debts</b>			
Deposits	0.2	0.2	0.2
Guarantees	0.1	0.2	0.2
<b>Total</b>	<b>0.3</b>	<b>0.4</b>	<b>0.4</b>

As part of the normal development and maintenance of its branch and hospital network, the Group has entered into a 20-year lease agreement with an estimated annual rent of EUR 3.5 million. The transfer of control of the lease property is planned to take place in 2027.

## 16. Group's key financial ratios

EUR mill. unless stated otherwise	7-9/2024	7-9/2023	Change, %	1-9/2024	1-9/2023	Change, %	2023
Revenue	295.8	280.5	5.4	986.1	944.0	4.5	1,286.4
Adjusted EBITDA, * <sup>1)</sup>	52.3	39.7	31.8	178.7	142.1	25.8	200.2
Adjusted EBITDA, % * <sup>1)</sup>	17.7	14.1	-	18.1	15.1	-	15.6
EBITDA <sup>1) 2)</sup>	50.5	36.9	36.7	162.3	126.5	28.3	179.2
EBITDA, % <sup>1)</sup>	17.1	13.2	-	16.5	13.4	-	13.9
Adjusted EBITA * <sup>1)</sup>	34.3	21.1	62.2	124.0	86.1	44.0	125.6
Adjusted EBITA, % * <sup>1)</sup>	11.6	7.5	-	12.6	9.1	-	9.8
EBITA <sup>1)</sup>	32.5	18.4	76.4	107.5	70.4	52.8	104.4
EBITA, % <sup>1)</sup>	11.0	6.6	-	10.9	7.5	-	8.1
Adjusted operating profit (EBIT) * <sup>1)</sup>	27.0	13.0	108.3	102.1	61.9	64.8	93.1
Adjusted operating profit (EBIT), % * <sup>1)</sup>	9.1	4.6	-	10.4	6.6	-	7.2
Operating profit (EBIT)	25.0	10.2	144.0	85.2	44.3	92.6	-14.7
Operating profit (EBIT), %	8.4	3.6	-	8.6	4.7	-	-1.1
Return on equity (ROE) (LTM), % <sup>1)</sup>	-	-	-	-2.2	5.1	-	-7.6
Equity ratio, % <sup>1)</sup>	-	-	-	37.8	39.0	-	36.5
Earnings per share, EUR	0.12	0.03	>200.0	0.42	0.17	140.4	-0.33
Weighted average number of shares outstanding, in thousands	126,605	126,556	-	126,605	126,554	-	126,555
Net debt <sup>1)</sup>	-	-	-	545.4	597.2	-8.7	598.1
Gearing, % <sup>1)</sup>	-	-	-	103.0	103.5	-	116.0
Net debt/Adjusted EBITDA (LTM) * <sup>1)</sup>	-	-	-	2.3	3.1	-	3.0
Total assets	-	-	-	1,403.9	1,482.1	-5.3	1,419.5
Adjusted EBITDA (LTM), excluding IFRS 16 * <sup>1)</sup>	-	-	-	182.3	133.1	37.0	142.8
Net debt, excluding IFRS 16 <sup>1)</sup>	-	-	-	350.0	391.5	-10.6	379.0
Net debt/Adjusted EBITDA (LTM), excluding IFRS 16 * <sup>1)</sup>	-	-	-	1.9	2.9	-	2.7
Average personnel (FTEs)	-	-	-	5,889	6,471	-9.0	6,426
Personnel (end of period)	-	-	-	9,079	9,801	-7.4	9,824
Private practitioners (end of period)	-	-	-	6,037	6,126	-1.5	6,092

\* 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.

<sup>1)</sup> 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.

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

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

$$\text{Adjusted EBITA*} = \text{Earnings Before Interest, Taxes, Amortisation, Impairment losses and adjustments}$$

Adjusted EBITA, %*	=	$\frac{\text{Earnings Before Interest, Taxes, Amortisation, Impairment losses and adjustments}}{\text{Revenue}}$	x 100%
Adjusted operating profit (EBIT)*	=	Earnings Before Interest, Taxes and Share of profits in associated companies, and adjustments	
Adjusted operating profit (EBIT), %*	=	$\frac{\text{Earnings Before Interest, Taxes and Share of profits in associated companies, and adjustments}}{\text{Revenue}}$	x 100%
EBITDA	=	Earnings Before Interest, Taxes, Depreciation and Amortisation and Impairment losses	
EBITDA, %	=	$\frac{\text{Earnings Before Interest, Taxes, Depreciation and Amortisation and Impairment losses}}{\text{Revenue}}$	x 100%
EBITA	=	Earnings Before Interest, Taxes, Amortisation and Impairment losses	
EBITA, %	=	$\frac{\text{Earnings Before Interest, Taxes, Amortisation and Impairment losses}}{\text{Revenue}}$	x 100%
Operating profit (EBIT)	=	Earnings Before Interest, Taxes and Share of profits in associated companies	
Operating profit (EBIT), %	=	$\frac{\text{Earnings Before Interest, Taxes and Share of profits in associated companies}}{\text{Revenue}}$	x 100%
Adjusted EBITDA, excluding IFRS 16 *	=	Earnings Before Interest, Taxes, Depreciation, 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.

## 18. Reconciliation of alternative performance measures

Adjusted EBITDA, EUR mill.	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Profit (loss) for the period	14.7	3.3	52.7	21.9	-42.2
Income tax expense	3.6	0.4	12.8	5.7	3.3
Share of profits in associated companies	-	-	-	-	0.0
Net finance expenses	6.6	6.6	19.8	16.7	24.2
Depreciation, amortisation and impairment losses	25.5	26.7	77.0	82.2	193.8
Adjustments*	1.8	2.7	16.4	15.6	21.1
<b>Adjusted EBITDA</b>	<b>52.3</b>	<b>39.7</b>	<b>178.7</b>	<b>142.1</b>	<b>200.2</b>

Adjusted EBITDA, %	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Adjusted EBITDA	52.3	39.7	178.7	142.1	200.2
Revenue	295.8	280.5	986.1	944.0	1,286.4
<b>Adjusted EBITDA, %</b>	<b>17.7</b>	<b>14.1</b>	<b>18.1</b>	<b>15.1</b>	<b>15.6</b>

EBITDA, EUR mill.	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Profit (loss) for the period	14.7	3.3	52.7	21.9	-42.2
Income tax expense	3.6	0.4	12.8	5.7	3.3
Share of profits in associated companies	-	-	-	-	0.0
Net finance expenses	6.6	6.6	19.8	16.7	24.2
Depreciation, amortisation and impairment losses	25.5	26.7	77.0	82.2	193.8
<b>EBITDA</b>	<b>50.5</b>	<b>36.9</b>	<b>162.3</b>	<b>126.5</b>	<b>179.2</b>

EBITDA, %	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
EBITDA	50.5	36.9	162.3	126.5	179.2
Revenue	295.8	280.5	986.1	944.0	1,286.4
<b>EBITDA, %</b>	<b>17.1</b>	<b>13.2</b>	<b>16.5</b>	<b>13.4</b>	<b>13.9</b>

Adjusted EBITA, EUR mill.	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Profit (loss) for the period	14.7	3.3	52.7	21.9	-42.2
Income tax expense	3.6	0.4	12.8	5.7	3.3
Share of profits in associated companies	-	-	-	-	0.0
Net finance expenses	6.6	6.6	19.8	16.7	24.2
Amortisation and impairment losses	7.5	8.2	22.3	26.1	119.1
Adjustments*	1.8	2.7	16.4	15.7	21.2
<b>Adjusted EBITA</b>	<b>34.3</b>	<b>21.1</b>	<b>124.0</b>	<b>86.1</b>	<b>125.6</b>

Adjusted EBITA, %	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Adjusted EBITA	34.3	21.1	124.0	86.1	125.6
Revenue	295.8	280.5	986.1	944.0	1,286.4
<b>Adjusted EBITA, %</b>	<b>11.6</b>	<b>7.5</b>	<b>12.6</b>	<b>9.1</b>	<b>9.8</b>

EBITA, EUR mill.	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Profit (loss) for the period	14.7	3.3	52.7	21.9	-42.2
Income tax expense	3.6	0.4	12.8	5.7	3.3
Share of profits in associated companies	-	-	-	-	0.0
Net finance expenses	6.6	6.6	19.8	16.7	24.2
Amortisation and impairment losses	7.5	8.2	22.3	26.1	119.1
<b>EBITA</b>	<b>32.5</b>	<b>18.4</b>	<b>107.5</b>	<b>70.4</b>	<b>104.4</b>

EBITA, %	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
EBITA	32.5	18.4	107.5	70.4	104.4
Revenue	295.8	280.5	986.1	944.0	1,286.4
<b>EBITA, %</b>	<b>11.0</b>	<b>6.6</b>	<b>10.9</b>	<b>7.5</b>	<b>8.1</b>

Adjusted operating profit (EBIT), EUR mill.	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Profit (loss) for the period	14.7	3.3	52.7	21.9	-42.2
Income tax expense	3.6	0.4	12.8	5.7	3.3
Share of profits in associated companies	-	-	-	-	0.0
Net finance expenses	6.6	6.6	19.8	16.7	24.2
Adjustments*	2.1	2.7	16.9	17.7	107.8
<b>Adjusted operating profit (EBIT)</b>	<b>27.0</b>	<b>13.0</b>	<b>102.1</b>	<b>61.9</b>	<b>93.1</b>

Adjusted operating profit, (EBIT), %	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Adjusted operating profit (EBIT)	27.0	13.0	102.1	61.9	93.1
Revenue	295.8	280.5	986.1	944.0	1,286.4
<b>Adjusted operating profit (EBIT), %</b>	<b>9.1</b>	<b>4.6</b>	<b>10.4</b>	<b>6.6</b>	<b>7.2</b>

Operating profit (EBIT), EUR mill.	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Profit (loss) for the period	14.7	3.3	52.7	21.9	-42.2
Income tax expense	3.6	0.4	12.8	5.7	3.3
Share of profits in associated companies	-	-	-	-	0.0
Net finance expenses	6.6	6.6	19.8	16.7	24.2
<b>EBIT</b>	<b>25.0</b>	<b>10.2</b>	<b>85.2</b>	<b>44.3</b>	<b>-14.7</b>

Operating profit, (EBIT), %	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
EBIT	25.0	10.2	85.2	44.3	-14.7
Revenue	295.8	280.5	986.1	944.0	1,286.4
<b>EBIT, %</b>	<b>8.4</b>	<b>3.6</b>	<b>8.6</b>	<b>4.7</b>	<b>-1.1</b>

Return on equity (LTM), %	30 Sep 24	30 Sep 23	31 Dec 23
Profit/loss for the period (LTM)	-11.4	29.5	-42.2
Equity (including non-controlling interest) (average)	522.5	584.5	553.7
<b>Return on equity, %</b>	<b>-2.2</b>	<b>5.1</b>	<b>-7.6</b>

Equity ratio, %	30 Sep 24	30 Sep 23	31 Dec 23
Equity (including non-controlling interest)	529.6	576.9	515.4
Total assets	1,403.9	1,482.1	1,419.5
Advances received	3.6	3.9	6.4
<b>Equity ratio, %</b>	<b>37.8</b>	<b>39.0</b>	<b>36.5</b>



Gearing, %	30 Sep 24	30 Sep 23	31 Dec 23
Interest-bearing liabilities	598.8	632.7	635.8
Interest-bearing receivables and cash and cash equivalents	53.4	35.5	37.7
Equity	529.6	576.9	515.4
<b>Gearing, %</b>	<b>103.0</b>	<b>103.5</b>	<b>116.0</b>

Net debt/Adjusted EBITDA (LTM)	30 Sep 24	30 Sep 23	31 Dec 23
Interest-bearing liabilities	598.8	632.7	635.8
Interest-bearing receivables and cash and cash equivalents	53.4	35.5	37.7
Adjusted EBITDA (LTM)	236.8	190.1	200.2
<b>Net debt/Adjusted EBITDA (LTM)</b>	<b>2.3</b>	<b>3.1</b>	<b>3.0</b>

Adjusted EBITDA (LTM), excluding IFRS 16	30 Sep 24	30 Sep 23	31 Dec 23
Profit (loss) for the period	-11.4	29.5	-42.2
Income tax expense	10.4	7.9	3.3
Share of profits in associated companies	-	-	0.0
Net finance expenses	27.3	19.6	24.2
Depreciation, amortisation and impairment losses	188.6	111.6	193.8
Adjustments*	22.5	21.5	21.1
IFRS 16 lease expense adjustment	-55.1	-57.1	-57.4
<b>Adjusted EBITDA (LTM), excluding IFRS 16</b>	<b>182.3</b>	<b>133.1</b>	<b>142.8</b>

Net debt/Adjusted EBITDA (LTM), excluding IFRS 16	30 Sep 24	30 Sep 23	31 Dec 23
Interest-bearing liabilities	403.4	427.0	416.7
Interest-bearing receivables and cash and cash equivalents	53.4	35.5	37.7
Adjusted EBITDA (LTM)	182.5	133.1	142.8
<b>Net debt/Adjusted EBITDA (LTM), excluding IFRS 16</b>	<b>1.9</b>	<b>2.9</b>	<b>2.7</b>

Adjustments*, EUR mill.	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Acquisition-related expenses <sup>1)</sup>	0.1	-0.2	-0.8	-0.9	-0.8
Restructuring-related expenses <sup>2)</sup>	0.4	0.3	0.7	0.9	3.2
Gains and losses on sale of assets, net <sup>3)</sup>	-	-	0.6	-	-
Impairment losses	0.2	-	0.4	2.0	80.8
Strategic projects and other items affecting to comparability	1.3	2.6	15.9	15.7	18.8
<b>Adjustments</b>	<b>2.1</b>	<b>2.7</b>	<b>16.9</b>	<b>17.7</b>	<b>101.9</b>

Adjustments by segments (EBITA) *, EUR mill.	7-9/2024	7-9/2023	1-9/2024	1-9/2023	1-12/2023
Healthcare services	0.1	0.1	6.2	0.6	1.9
Portfolio businesses	0.0	0.1	0.2	0.1	0.4
Sweden	1.3	0.3	3.4	0.4	1.6
Other	0.3	2.3	6.6	14.6	17.3
<b>Total</b>	<b>1.8</b>	<b>2.7</b>	<b>16.4</b>	<b>15.7</b>	<b>21.2</b>

\* 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 section are mainly related to the profit improvement program. Healthcare services segment adjustments in the nine months ended 30 September 2024 includes a one-off item of EUR 5.6 million related to renovation and maintenance liabilities in a single location over a period of more than ten years.

<sup>1)</sup> Including transaction costs and expenses from integration of acquired businesses.

<sup>2)</sup> Including restructuring of network and business operations.

<sup>3)</sup> Including sales of business operations.

