



Terveystalo 2020 Results

Strong improvement in profitability in Q4

CEO Ville Iho
CFO Ilkka Laurila

Terveystalo

Agile response to fluctuations in demand was rewarded by strong financial performance in Q4

Revenue

EUR **279.7** Mill.
(+3.5%)

Adj. EBITA

EUR **39.3** Mill.
(+21.5%)

EPS

EUR **0.18**
(+39.0%)

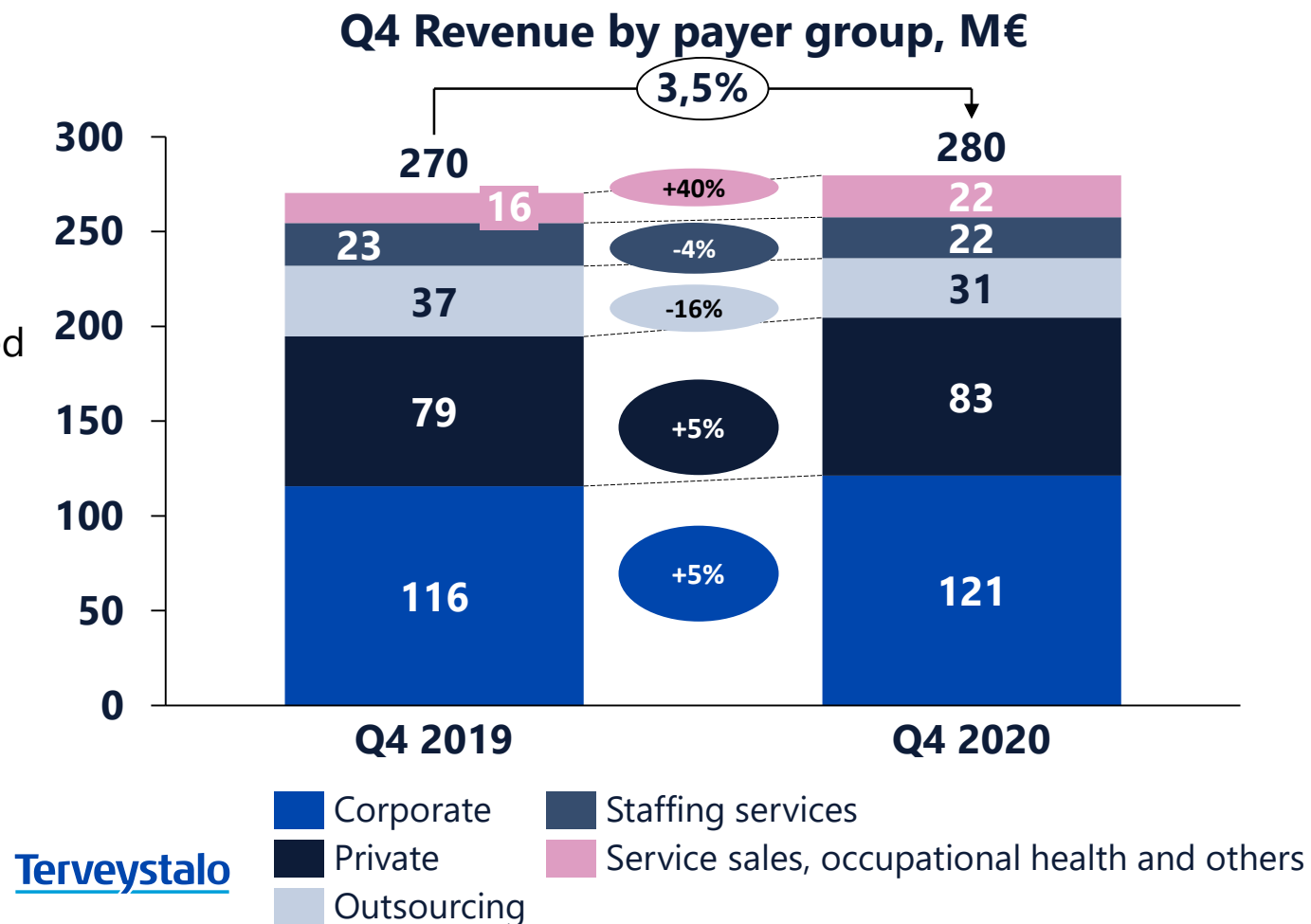
NPS 82.8
(+14.2%)

eNPS 18.0
(+100%)

> 126,000
Covid-19
tests

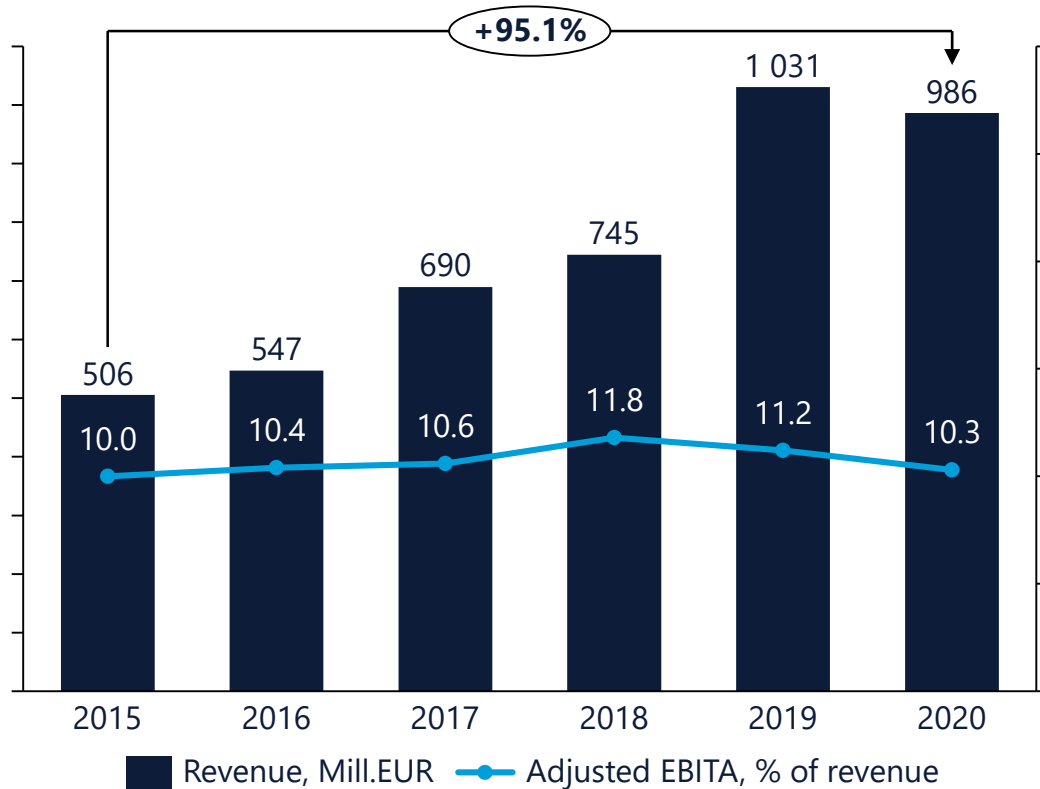
Strong sales in private and corporate customers as well as public occupational health & services

- > 126,000 coronavirus tests conducted in total
- Growth in insurance company sales, well-being services and vaccinations
- Appointments associated with various infections as well as demand for specialist appointments decreased considerably y-o-y
- Digital appointments more than quadrupled to ~242,000 visits
- Oct–Dec 2020 had 64 business days, + 2 days y-o-y

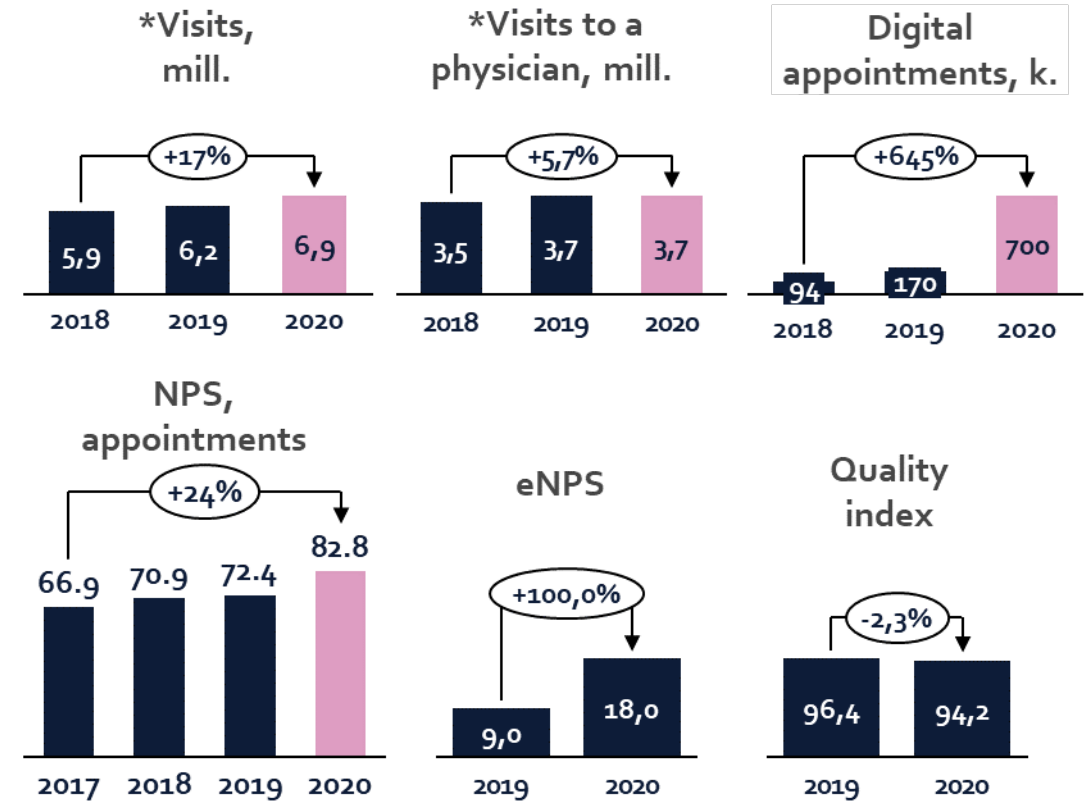


2020: Strong performance in a challenging year

REVENUE & EBITA



OPERATIONS



We start the second corona year from a position of strength

6.9

Mill.
customer
visits

26%

Share of
remote
visits

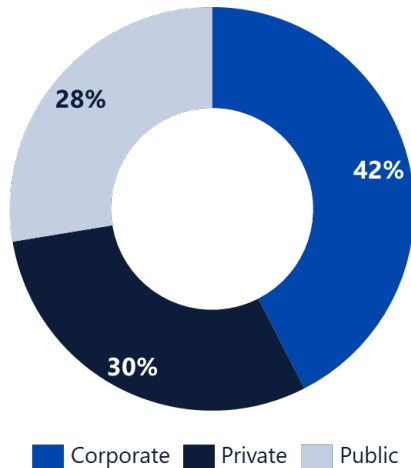
1.2

Mill.
Individual
customers

309

Locations

2020 revenue by payer group, %



986

2020 Revenue,
Mill. Euros

10%

2020 Adj. EBITA
margin

13,000
professionals

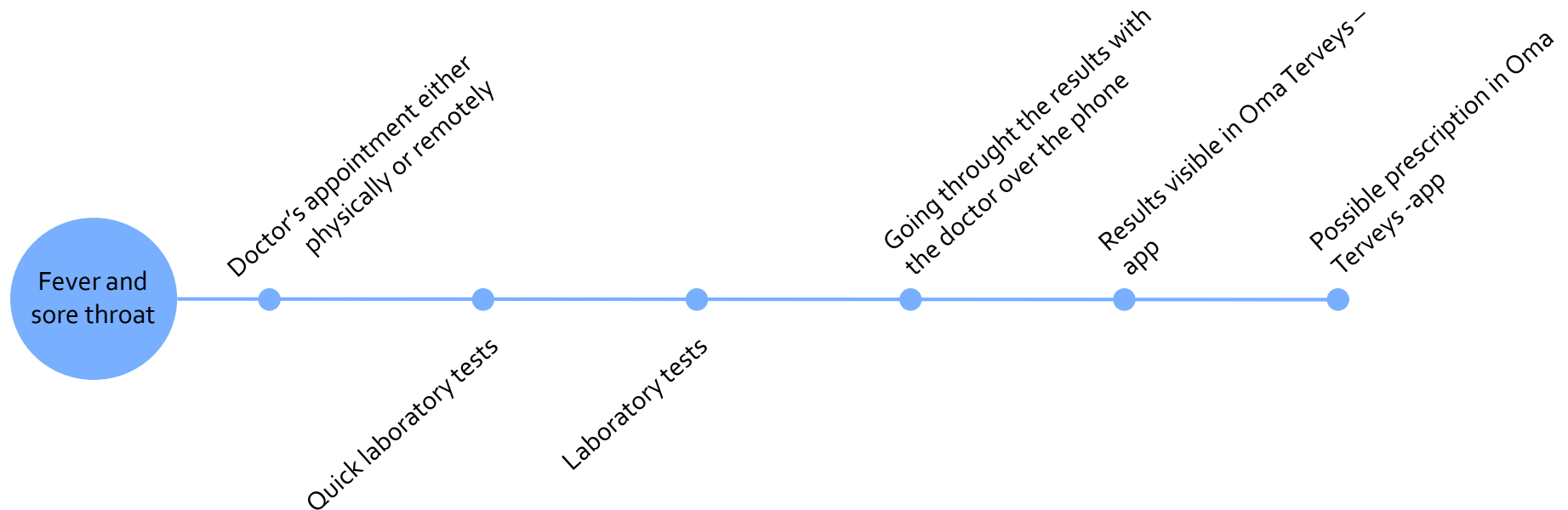
TERVEYSTALO'S PLATFORM BUSINESS MODEL MATCHES CUSTOMERS WITH PRIVATE PRACTITIONERS AND INTEGRATES EPISODES INTO EFFECTIVE CARE CHAINS



Remote visits include digital and phone appointments

Already 26% of the appointments delivered remotely through our platform

Digital & remote services on care path



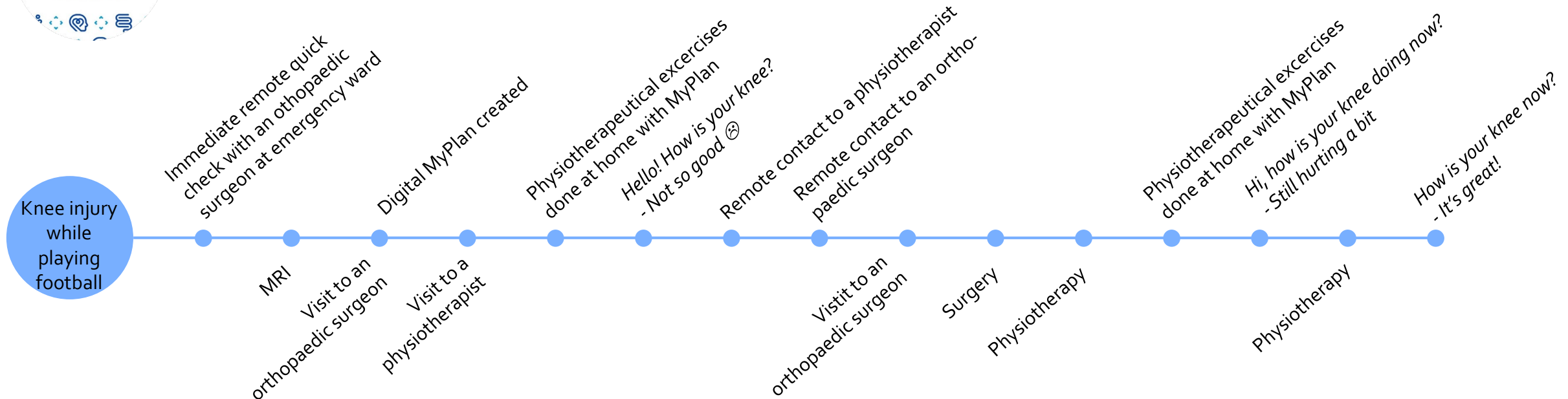
Physical services on care path

[Terveystalo](#)

Already 26% of the appointments delivered remotely through our platform



Digital & remote services on care path



Physical services on care path

**From a single discipline approach
to customer centric**

**From local experts to network
wide best practices**

From physical to hybrid

- The units focus expertise in selected areas and build multidisciplinary teams around the hybrid care path.
- The first Focus specialist units will provide services related to mental well-being, musculoskeletal and abdominal diseases.



Outlook



In the short term, the market environment is still uncertain because of the changes in consumer behavior resulting from the COVID-19 pandemic, and predicting demand is challenging in the short term. Demand for coronavirus testing is expected to remain high throughout the first half of 2021, and demand for healthcare services in general is expected to grow clearly year-on-year compared with the weak second-quarter reference period, providing that there will be no need to implement strict pandemic restriction measures as was the case in the first half of 2020.

Demand from corporate customers for preventive and statutory occupational health services is expected to remain stable. The recovery of demand for acute and non-urgent medical care is uncertain, owing to a reduction in general morbidity and the measures to restrict the pandemic. The proportion of remote services will increase considerably. Significant changes in the employment rate may be reflected in the underlying demand.

Overall demand from private customers is expected to remain normal, providing that, in particular, major restrictions to free movement can be avoided. However, there may be considerable differences between specialties in the short term because of variation in general morbidity and pandemic-related area-specific restrictive measures. Demand for remote services will increase considerably. Significant changes in consumer confidence may be reflected in the underlying demand.

Stable demand from the public sector is expected to continue in occupational health, service sales, and staffing services. Revenue from outsourcing business will fall, following the planned expiry of outsourcing contracts.

These views are based on the expected development of demand for Terveystalo's services within the next six months, compared with the past six months.

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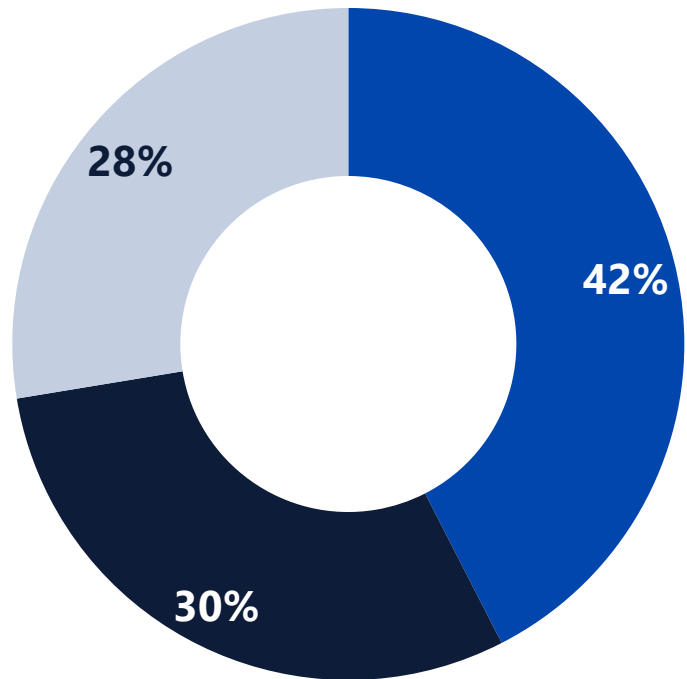
Ilkka Laurila, CFO

Financial performance

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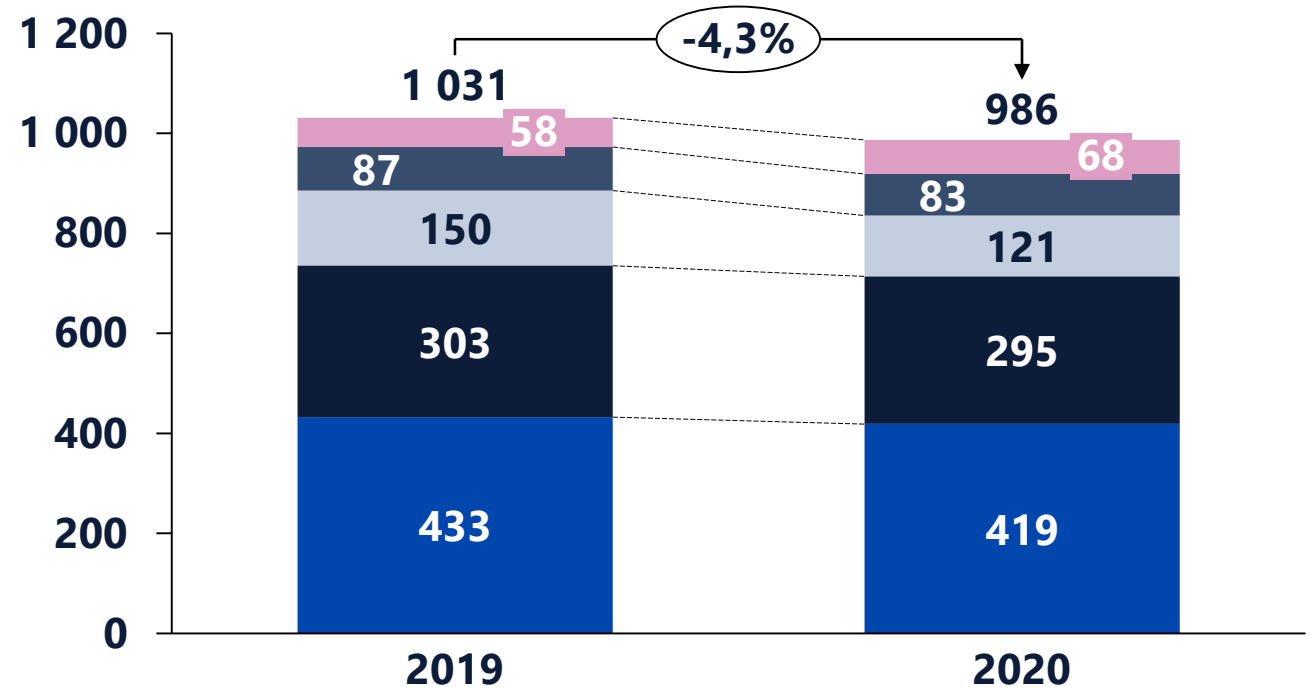
2020 revenue

2020 revenue by payer group, %



■ Corporate ■ Private ■ Public

2020 revenue by payer group, M€

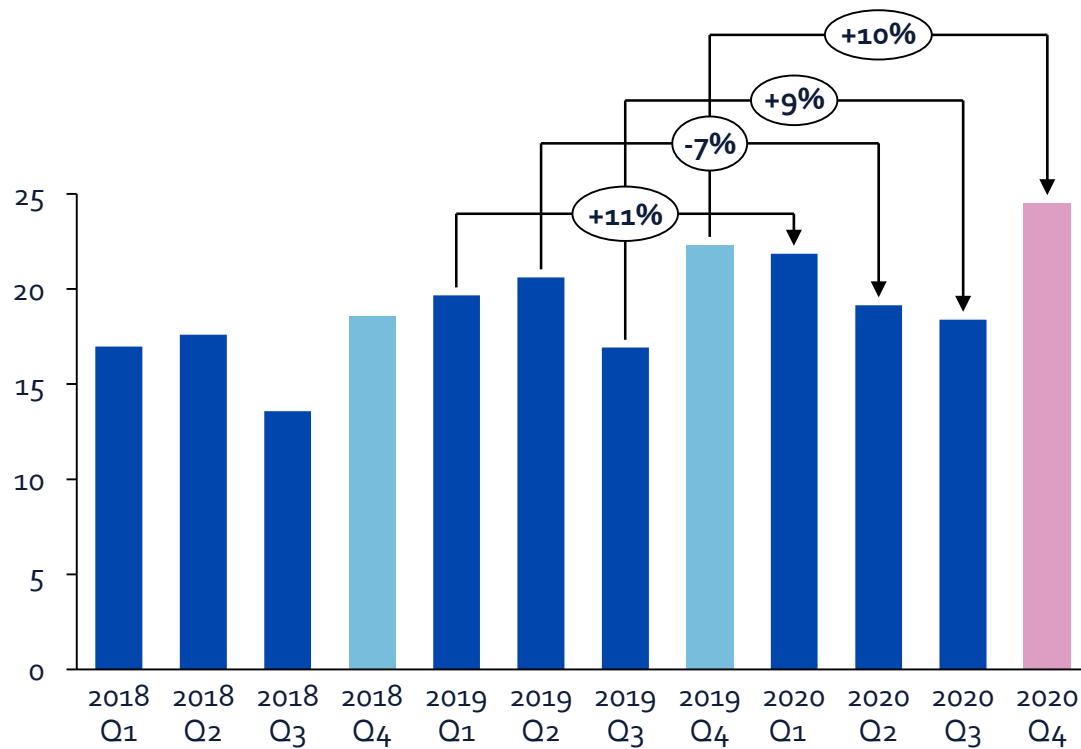


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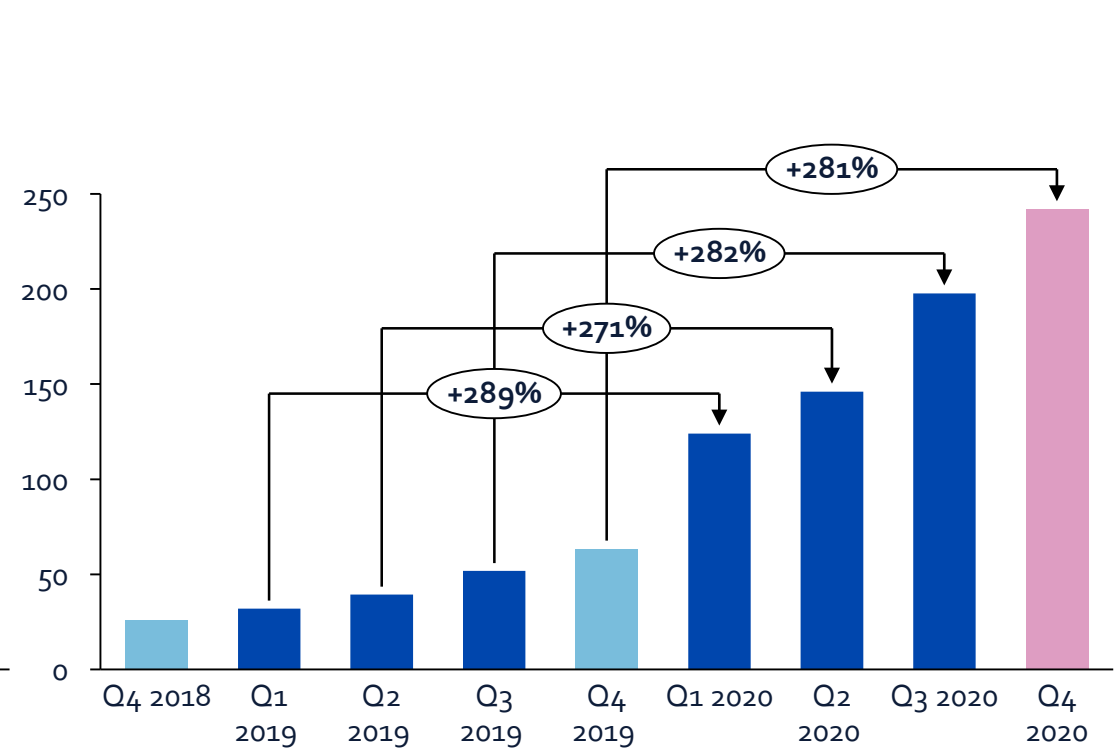
■ Corporate ■ Staffing services
■ Private ■ Service sales, OH and others
■ Outsourcing

Strong trend in wellbeing and digital visits continues

WELLBEING SALES, M€

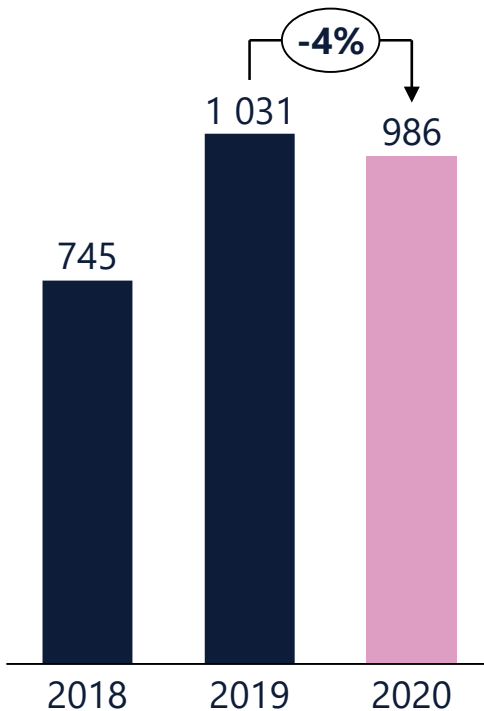


DIGITAL VISITS, THOUSANDS



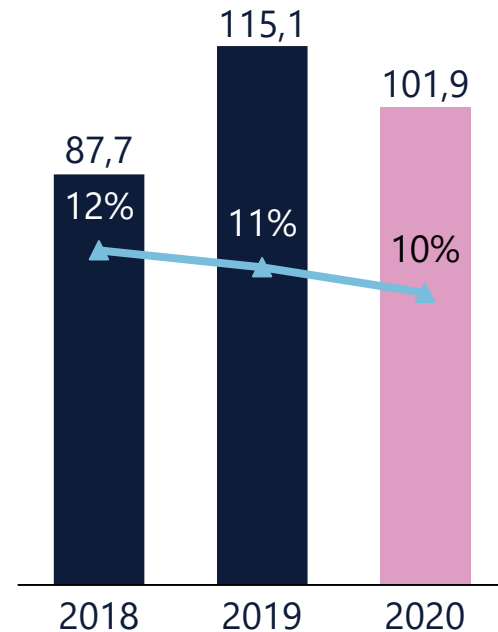
Decent financial performance in a challenging year

**Target: at least 5%
revenue growth**



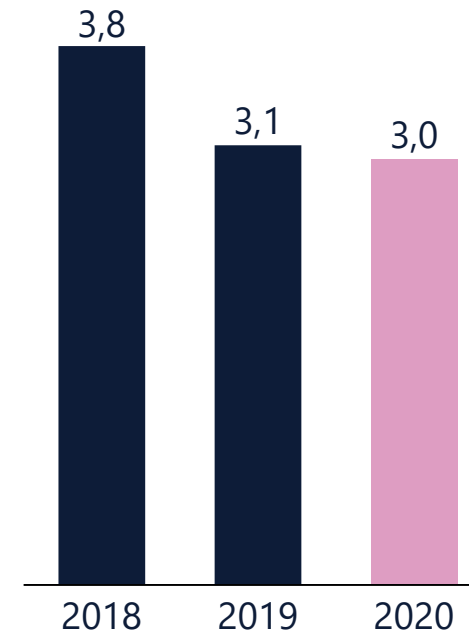
■ Revenue

**Target: 12-13%
Adj. EBITA margin**



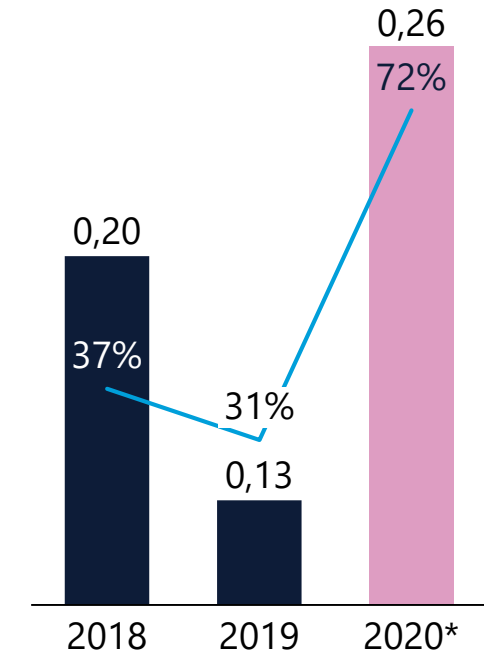
■ Adj. EBITA, M€ —▲— % of revenue

**Target: Net debt / Adj.
EBITDA not to exceed 3,5**



■ Net debt/Adj. EBITDA

**Target: distribute a
minimum of 40% of
earnings in dividends**



— Dividend, % of net profit

■ Dividend, euros

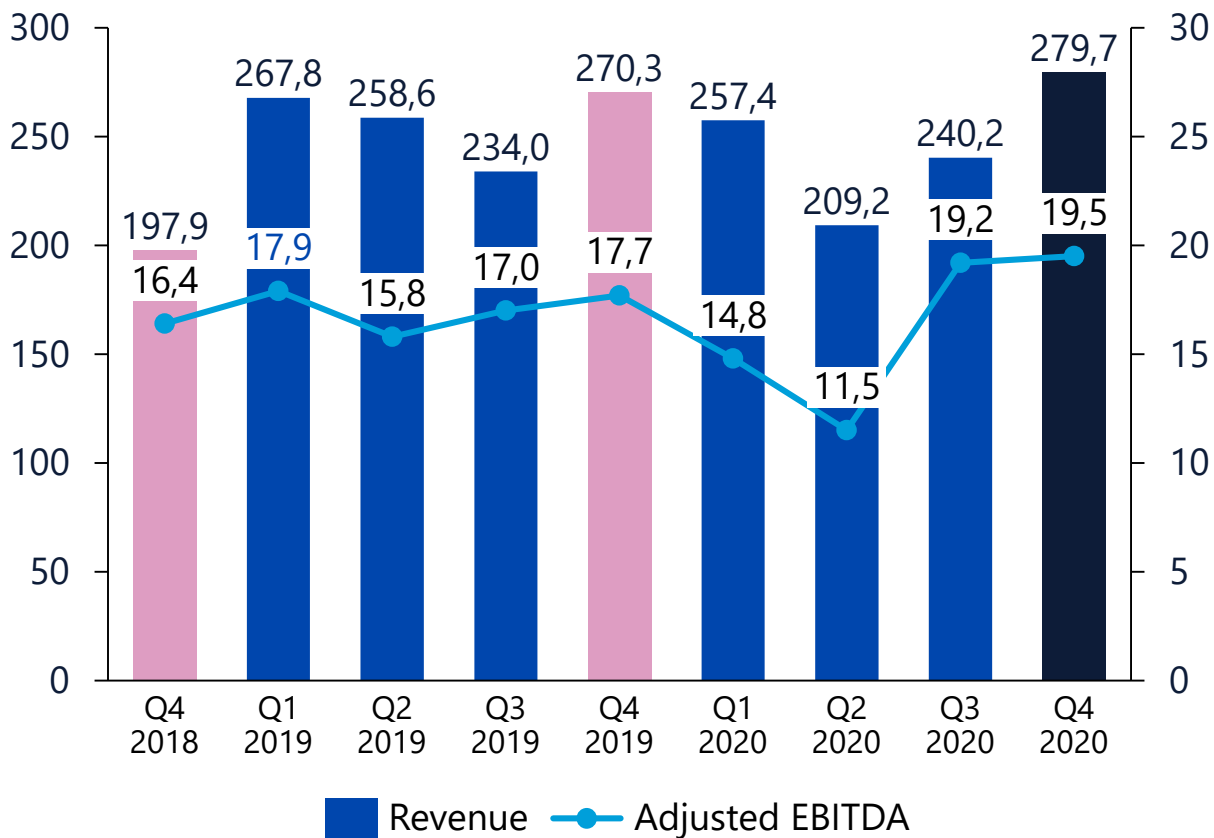
*Proposed dividend in total

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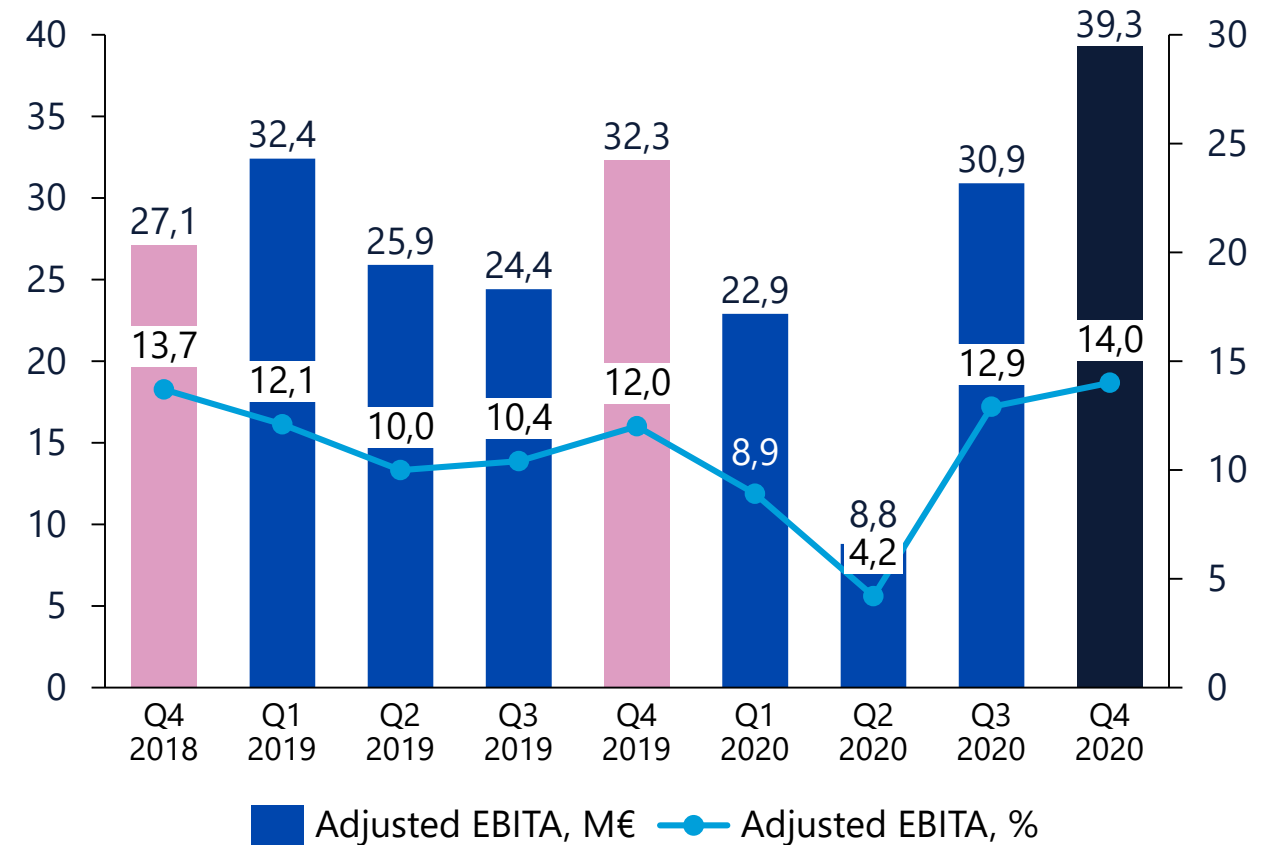
2018 does not include 12
months of Attendo EBITDA

Revenue back on a growth track, profitability improved

REVENUE. ADJUSTED EBITDA * **. %



ADJUSTED EBITA* **. M€ AND %



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* Alternative key figure

** The figures include the effect of IFRS 16 from 2019 onwards

Investments in digital services increased IT costs, PPE procurement increases costs of materials

M€	10-12/2020	10-12/2019	Change. %	1-12/2020	1-12/2019	Change. %
Revenue	279.7	270.3	3.5	986.4	1 030.7	-4.3
Other operating income	0.8	0.8	2.0	2.7	2.1	29.0
Purchase of materials	-9.6	-8.9	7.5	-35.5	-32.0	11.0
Change in inventories	-0.9	-0.5	78.3	1.3	-0.3	>200.0
External services	-112.4	-113.3	-0.8	-413.4	-440.6	-6.2
Employee benefit expenses	-84.6	-81.3	3.3	-310.2	-314.3	-1.3
Rents, leases and premises	-3.8	-4.0	-4.6	-16.3	-16.0	2.0
IT expenses	-6.8	-5.8	17.7	-25.2	-21.1	19.7
Other operating expenses	-8.6	-9.8	-12.7	-31.5	-37.3	-15.5
EBITDA	53.7	46.8	14.8	158.3	171.2	-7.5
Adjustments*	0.8	1.0		4.5	5.1	
Adjusted EBITDA	54.5	47.8	14.1	162.8	176.3	-7.7
EBIT	30.8	23.8	29.4	67.2	81.4	-17.5

Variable costs

Semi-fixed costs. scalable on a unit level

Fixed costs. scalable on a group level

*Adjustments are material items outside the ordinary course of business and these relate to acquisition related expenses, restructuring related expenses, gain /losses on sale of assets (net), strategic projects and other items affecting comparability.

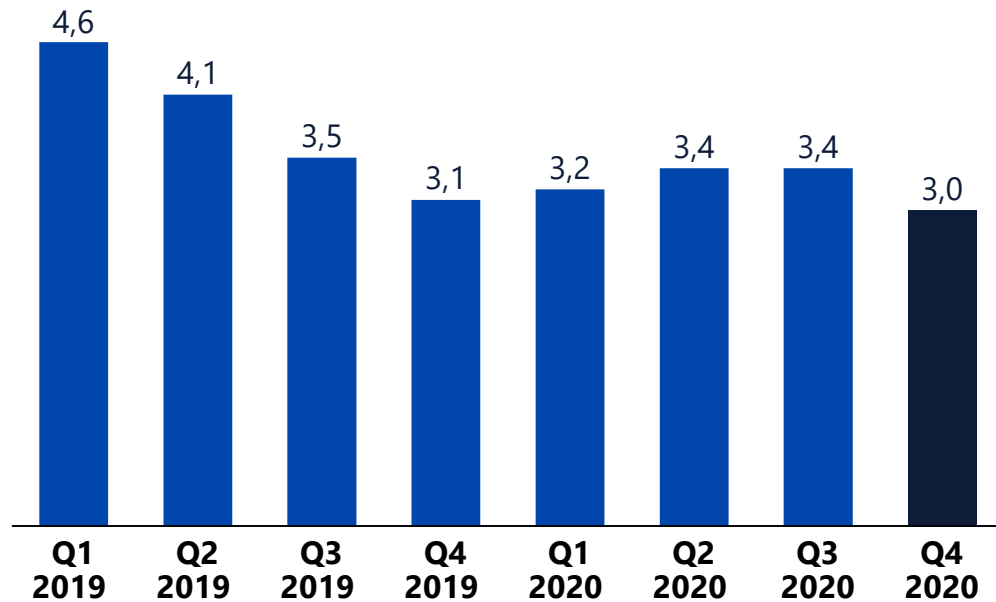
Liquidity at a good level

m€	31.12.2020	31.12.2019
ASSETS		
Property, plant and equipment	67.6	69.5
Right of use assets	172.4	193.2
Goodwill	781.8	779.2
Other intangible assets	152.2	161.9
Other assets	110.0	114.9
Cash and cash equivalents	77.1	40.6
TOTAL ASSETS	1,361.0	1,359.3
EQUITY AND LIABILITIES		
TOTAL EQUITY	571.4	541.2
Interest bearing liabilities	389.5	390.8
Other liabilities	178.5	198.0
Lease liabilities	221.7	229.2
TOTAL LIABILITIES	789.6	818.0
TOTAL EQUITY AND LIABILITIES	1,361.0	1,359.3

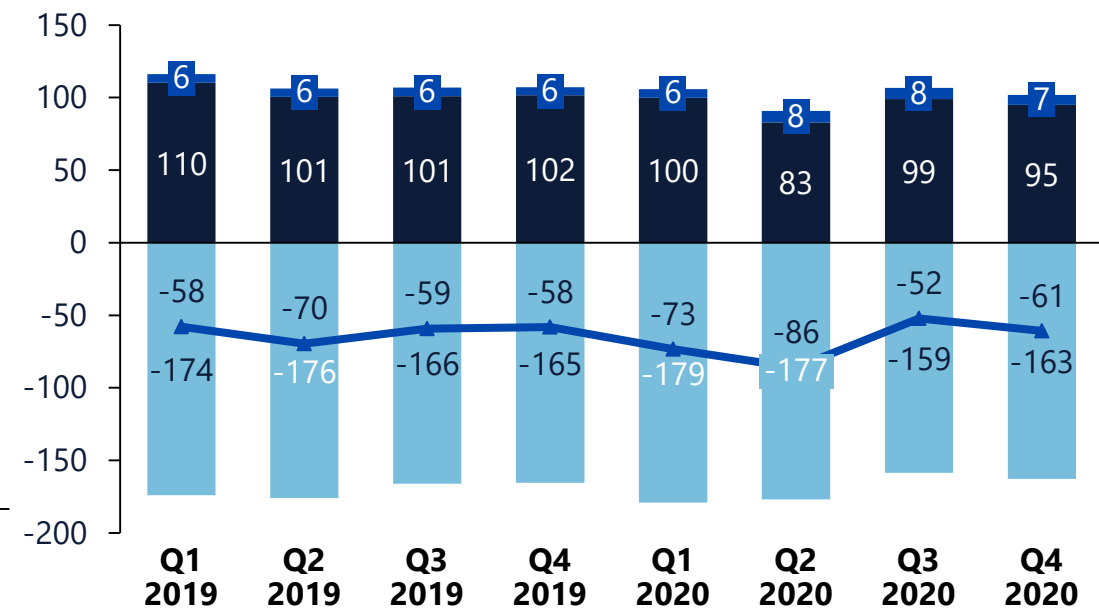
- Cash and cash equivalents EUR 77.1 mill. (40.6).
- Total assets EUR 1,361.0 mill. (1,359.3).
- Equity attributable to owners of the parent company was EUR 571.4 (541.2) mill. The increase was due to an increase in retained earnings.
- Net debt EUR 490.9 mill. (548.2) Including IFRS 16 liabilities and EUR 325.9 mill. excluding IFRS 16 impact
- Net debt / adjusted EBITDA was 3.0 (3.1) and 2.8 excluding IFRS 16 impact

Indebtedness below target

**NET DEBT/ADJUSTED EBITDA
(LAST 12 MONTHS)***



**OPERATIONAL EFFICIENCY IS REFLECTED IN THE
NEGATIVE NET WORKING CAPITAL**

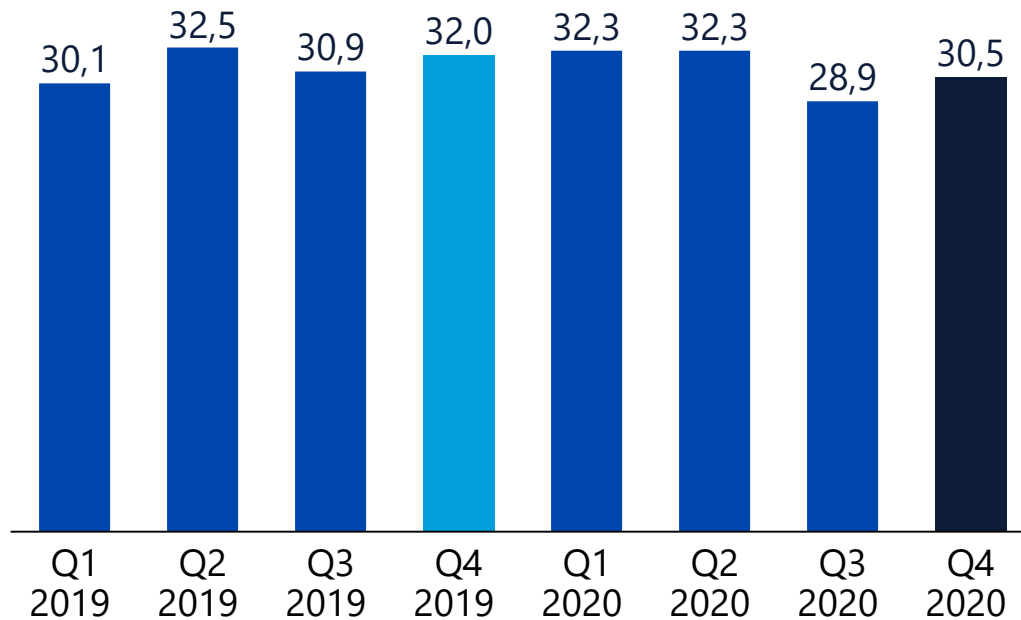


*Figures include the effect of IFRS 16 from 2019 onwards.

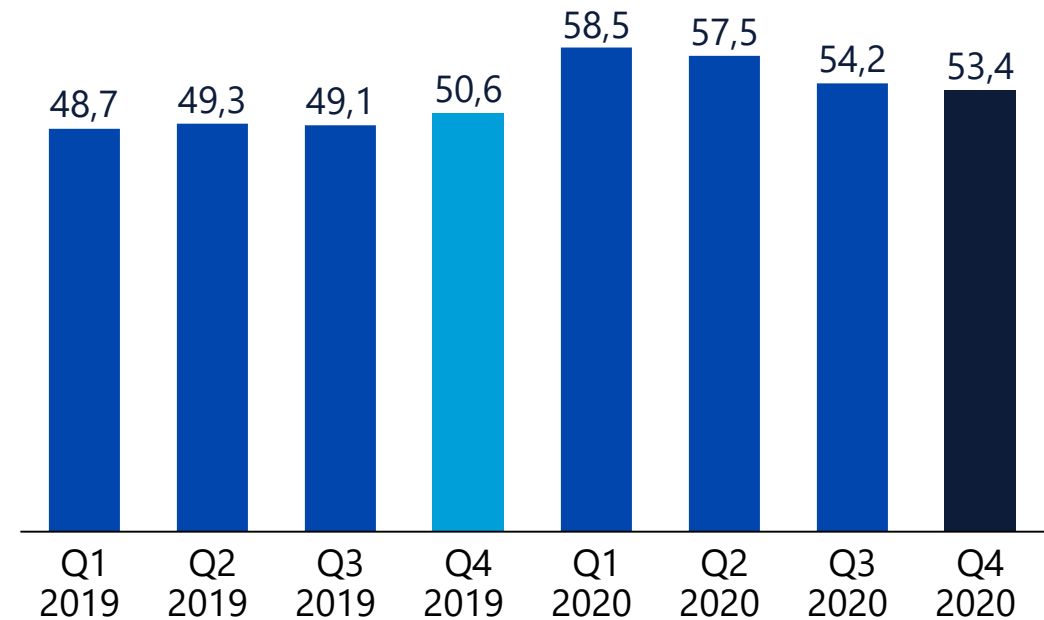
 Inventories
 Trade and other receivables
 Trade and other payables
 Net working capital

Further positive development in DSO and DPO

DSO, ROLLING 3 MONTHS

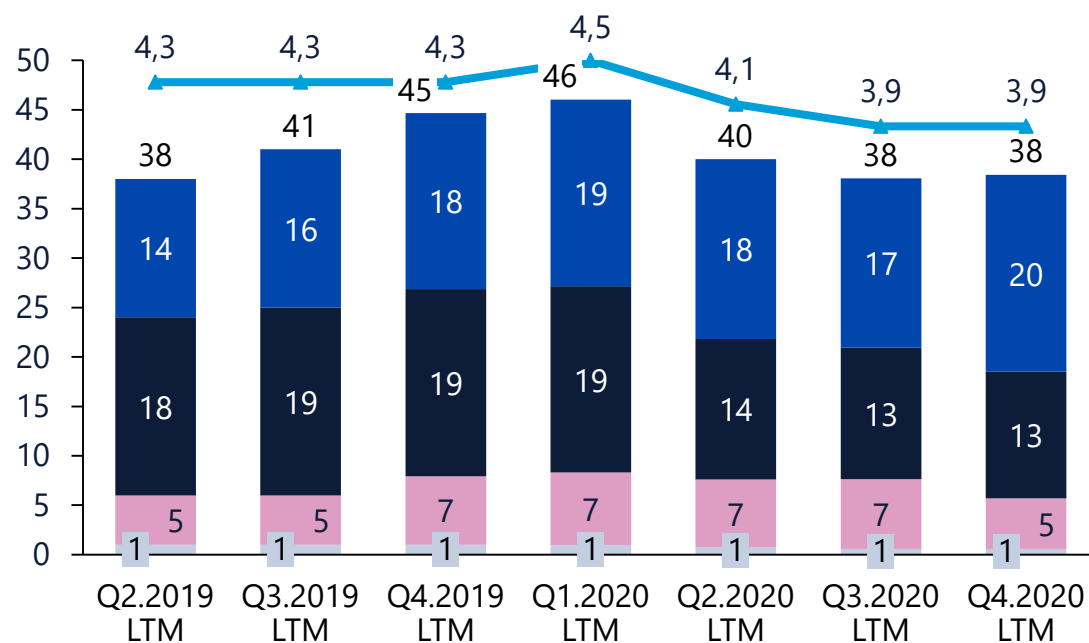


DPO, ROLLING 3 MONTHS



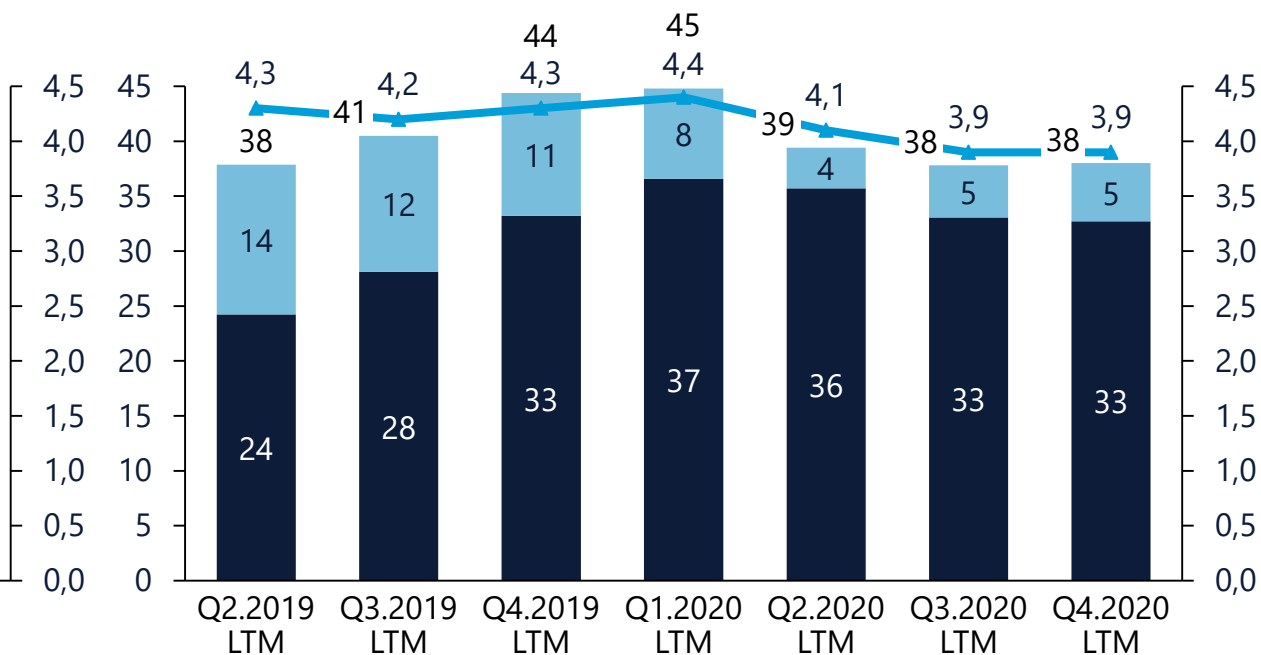
The share of intangible investments continue to grow (excluding M&A)

GROSS CAPEX. M€ AND %- OF REVENUE



■ Intangible assets
■ Machinery and equipment
■ Improvement to premises
■ Other
—▲— % of revenue

NET CAPEX. M€ AND %- OF REVENUE



■ Non Cash Capex
■ Net Cash Capex
—▲— % of revenue

We met all three sustainability criteria targets linked with financing agreement

**NPS 82.8
(+14.2%)**

**eNPS 18.0
(+100%)**

**Mixed waste
intensity
6.0 (+23.7 %)**

Mixed waste intensity = Amount of mixed waste (metric tons) relative to total revenue (EUR 100 million) Target to decrease y-o-y, increase due to multiplied use of PPE

Financial calendar and AGM in 2021



- Annual Report 2020 on week 7, 2021
- Interim report for January-March 2021 on Thursday, 29 April 2021
- Half-Year Report for January-June 2021 on Friday, 16 July 2021
- Interim report for January-September 2021 on Thursday, 28 October 2021

Annual General Meeting of Terveystalo Plc will be held on Thursday, 25 March 2021 in Helsinki.

Q & A

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Kohti parempaa.

Key Figures

Terveystalo Group, EUR million	10-12/ 2020	10-12/ 2019	Change, %	2020	2019	Change. %
Revenue	279.7	270.3	3.5	986.4	1,030.7	-4.3
Adjusted EBITDA * 1)	54.5	47.8	14.1	162.8	176.3	-7.7
Adjusted EBITDA, % * 1)	19.5	17.7	-	16.5	17.1	-
EBITDA 1)	53.7	46.8	14.8	158.3	171.2	-7.5
EBITDA, % 1)	19.2	17.3	-	16.1	16.6	-
Adjusted earnings before interest. taxes and amortization (EBITA) * 1)	39.3	32.3	21.5	101.9	115.1	-11.5
Adjusted EBITA, % *1)	14.0	12.0	-	10.3	11.2	-
EBITA 1)	38.5	31.4	22.7	97.4	110.0	-11.4
EBITA, % 1)	13.8	11.6	-	9.9	10.7	-
Adjusted EBIT * 1)	31.6	24.8	27.5	71.6	86.5	-17.2
Adjusted EBIT, % * 1)	11.3	9.2	-	7.3	8.4	-
EBIT	30.8	23.8	29.4	67.2	81.4	-17.5
EBIT, %	11.0	8.8	-	6.8	7.9	-
Return on equity (ROE), % 1)	-	-	-	8.2	10.3	-
Equity ratio, % 1)	-	-	-	42.1	39.9	-
Earnings per share (EUR)	0.18	0.13	39.0	0.36	0.43	-15.5
Gearing, % 1)	-	-	-	85.9	101.3	-
Net debt/adjusted EBITDA (last 12 months) 1)	-	-	-	3.0	3.1	-

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

1) Alternative performance measure. In addition to the IFRS figures, Terveystalo presents additional, alternative performance indicators which 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 separate from the IFRS figures and they should not be considered to replace the IFRS figures.

Key Figures

Terveystalo Group, EUR million	10–12/ 2020	10–12/ 2019	Change, %	2020	2019	Change. %
Average personnel in person-years	—	—	—	4,900	4,943	-0.9
Personnel (end of period)	—	—	—	8,253	8,685	-5.0
Private practitioners (end of period)	—	—	—	5,057	5,068	-0.2
Adjusted EBITDA, excluding IFRS 16 ^{*1)}	-	-	-	118.0	131.4	-10.2
Net debt, excluding IFRS 16	-	-	-	325.9	366.4	-11.1
Adjusted net debt/ adjusted EBITDA, excluding IFRS 16 (last 12 months) ^{*1)}	-	-	-	2.8	2.8	-
Quality index ²⁾	—	—	—	94.2	96.4	-2.3
Net Promoter Score (NPS), appointments	—	—	—	82.8	72.5	14.2
Employee Net Promoter Score (eNPS) ²⁾	—	—	—	18.0	9.0	100.0
Mixed waste intensity ²⁾	—	—	—	6.0	4.98	23.7

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

¹⁾ Alternative performance measure. In addition to the IFRS figures, Terveystalo presents additional, alternative performance indicators which 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 separate from the IFRS figures and they should not be considered to replace the IFRS figures.

²⁾ The quality index consists of seven effectiveness indicators that describe the clinical and experienced quality, access to care, and the proportion of preventive care.

eNPS is measured every six months; the reported figure is the result of the latest measurement.

Mixed waste intensity = Amount of mixed waste (metric tons) relative to total revenue (EUR 100 million)

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