TERVEYSTALO JANUARY-SEPTEMBER 2017 RESULT

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Chief Executive Officer Chief Financial Officer

14 November 2017

#Terveystalo

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Q3: Terveystalo continues its strong growth

- Acquisitions and broad based organic growth increased revenue in Q3: +30% y-o-y to EUR 155 million (119)
- Adjusted EBITA margin 7.9% (8.6%); strong operational performance and timely execution of M&A integrations compensated for lower average margins of acquired businesses.
- Underlying profitability already improved, integrations on track or ahead of schedule: Already implemented actions for cost synergies, EUR 14.6 million in total, are estimated to be realized almost in full by 2018.

Strong revenue growth

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Comparability is affected by non recurring items and the IPO

- **In the reporting period:**
  - Non recurring items
- **After the reporting period:**
  - Initial Public offering in October
  - About EUR 100 million in gross proceeds raised

Market review

- Growing economy, increase in the number of employed people and improved consumer confidence contributed to strong demand in corporate and private customer groups
- Successful acquisitions and good operational performance supported further market share growth
- Social and healthcare reform (SOTE) progressing despite delay; municipalities continue to review outsourcing possibilities

Supportive market fundamentals

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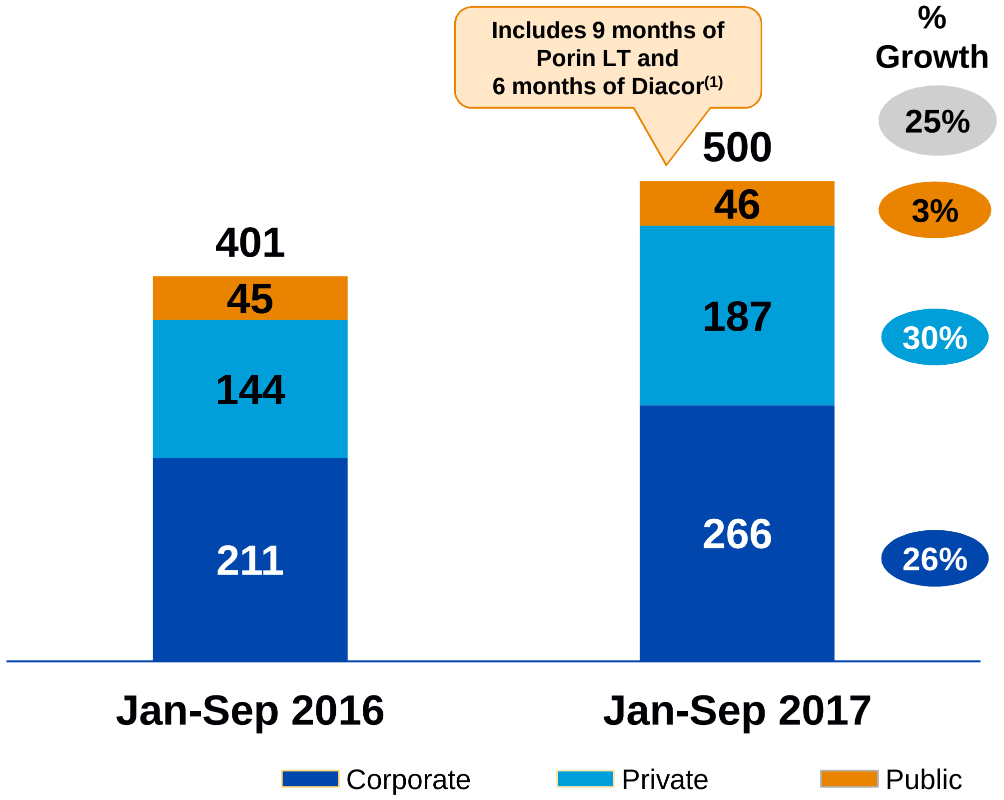
All customer groups are contributing to strong growth

Revenue Breakdown Jan-Sep 2017



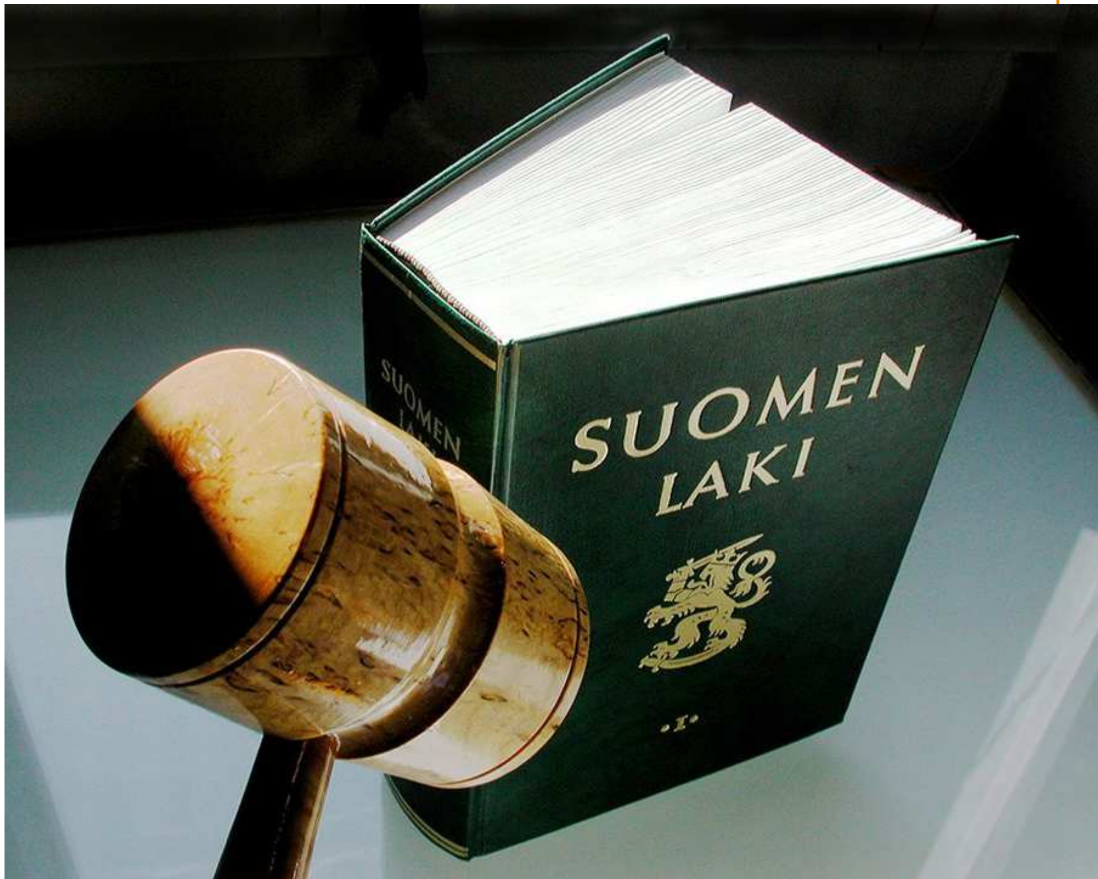
1) Porin LT acquisition in the beginning of anuary 2017, Diacor end of March 2017

Comments

- January-September 2017 growth driven by integration of Diacor and Porin LT and supportive market fundamentals
- **Corporate (53% of revenue):** Growth driven by new OH customers, sales mix improvement and growing demand of preventative occupational healthcare services
- **Private (37% of revenue):** Growth driven by the acquisitions, organic growth and expansion of Dental network
- **Public (9% of revenue)**: Organic growth largely driven by new occupational healthcare outsourcing contracts.

Healthcare and social welfare reform – the freedom of choice

- The scope of the freedom of choice is currently under discussion.
- Current legislative proposal including specialized care would mean a wider opening of public services to private health care providers



Outlook for 2017

Unchanged

The improvement in the domestic economy supports the corporate and private customer business and the company expects the market to continue to develop favorably.

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FINANCE

Ilkka Laurila

Chief Financial Officer
14 November 2017

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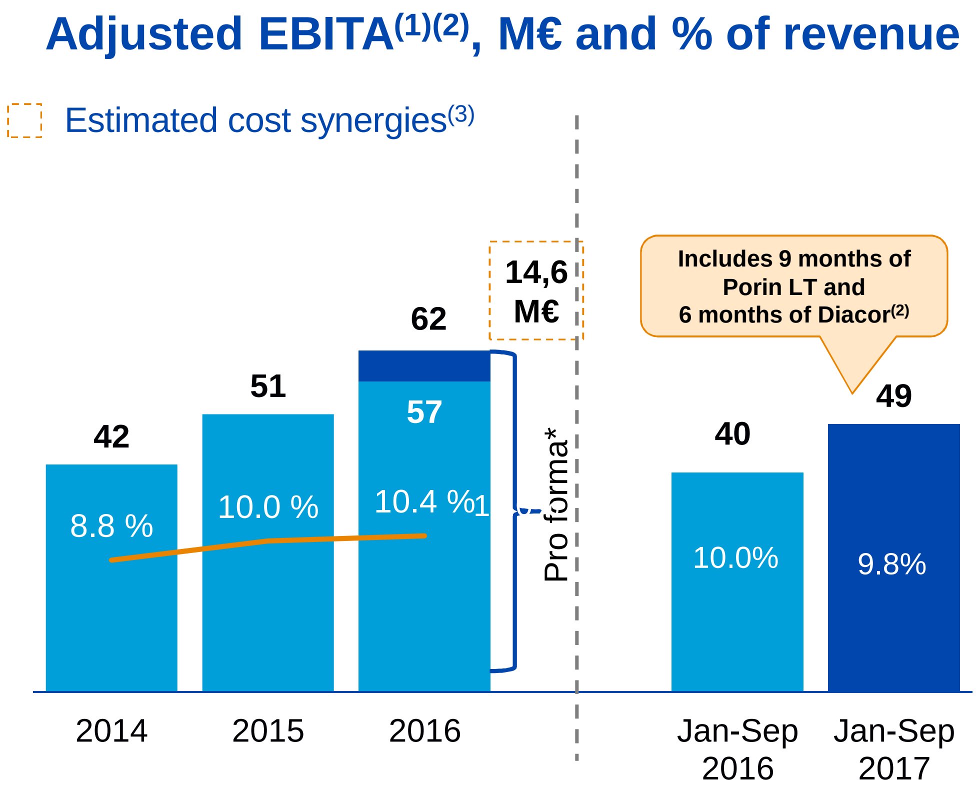
Strong underlying performance compensated lower profitability of the acquired businesses

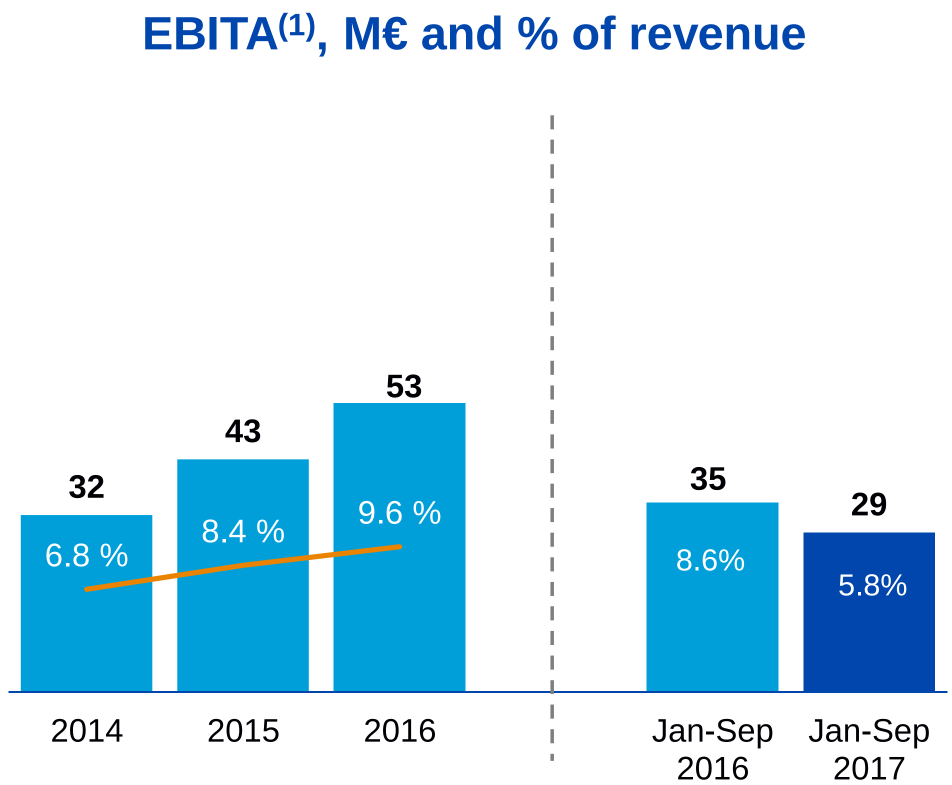
In millions of euro	7-9/2017	Restated 7-9/2016	Change, %	** 1-9/2017	Restated 1-9/2016	Change, %	Restated 2016
Revenue	**155.4**	**119.2**	**30.4 %**	**499.6**	**400.5**	**24.7 %**	**547.0**
Other operating income	0.7	0.9	-19.7 %	1.6	1.8	-10.5 %	7.1
Materials and services	-74.6	-56.1	33.0 %	-235.2	-189.6	24.0 %	-259.3
Employee benefit expenses	-42.8	-33.4	28.2 %	-141.4	-115.2	22.7 %	-155.5
Other operating expenses	-31.2	-16.4	90.6 %	-81.2	-51.0	59.3 %	-70.4
EBITDA	**7.5**	**14.3**	**-47.7 %**	**43.3**	**46.5**	**-6.9 %**	**68.9**
Adjustments (*	9.8	0.1	>200%	19.9	5.5	>200%	4.0
Adjusted EBITDA	**17.3**	**14.5**	**19.6%**	**63.2**	**52**	**21.5%**	**72.9**
Operating profit / loss	**-2.5**	**4.4**	**-157.4 %**	**14.2**	**17.5**	**-19.1 %**	**29.6**

Variable costs — Semi-fixed costs — Fixed costs

*) Adjustments are material items outside the ordinary course of business and these relate to acquisition related expenses, restructuring related expenses, gain on sale of assets, strategic projects including the IPO, new operations and other items affecting comparability.
**) Includes 9 months of Porin LT and 6 months of Diacor

Stable margins and synergies on track





1) Alternative performance measure. The Company presents alternative performance measures as a supplement to the key figures presented in the consolidated income statement, consolidated balance sheet and cash flow statement prepared in accordance with IFRSs. In the view of the Company, alternative performance measures provide additional information to management, investors, analysts and other parties about the Company's operating result, financial position and cash flows 2) Operating profit / loss before depreciation and impairment adjustments adjusted for material items other than ordinary business; 3) Cost synergies on the acquisition of Diacor and Porin Lääkäritalo are estimated to be realized almost in full by 2018. Source: Management's estimate. *Pro forma 2016 including Diacor and Porin Lääkäritalo and small dental acquisitions

Adjustments: Items affecting comparability

- Adjustments are material items outside the ordinary course of business affecting comparability
- These relate to:
  - acquisition related expenses,
  - restructuring related expenses,
  - gain on sale of assets,
  - strategic projects including the IPO,
  - new operations and other items affecting comparability

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Adjustments EUR 9.8 (0.1) million in Q3 and

EUR 19.9 (5.5) million in Jan-Sep 2017

Balance sheet: Equity strengthened after Diacor acquisition related directed share issue

In millions of euro	30.9.2017	30.9.2016	31.12.2016
ASSETS			
Property, plant and equipment	91.9	68.0	65.5
Goodwill	583.1	447.7	449.1
Other intangible assets	112.5	118.4	113.9
Other assets	90.7	71.8	105.6
TOTAL ASSETS	878.2	705.8	734.1
EQUITY AND LIABILITIES			
TOTAL EQUITY	326.9	225.4	232.3
Interest bearing liabilities	383.5	346.1	347.2
Other liabilities	167.8	134.3	154.6
TOTAL LIABILITIES	551.3	480.4	501.8
TOTAL EQUITY AND LIABILITIES	878.2	705.8	734.1

- Total assets of the Group amounted to EUR 878.2 million (EUR 705.8 million in September 2016).
- The increase of EUR 172.4 million or 24.4% was primarily due to the acquisitions of Diacor and Porin Lääkäritalo of which a total goodwill of EUR 132.5 million was recorded.
- Increase in invested non-restricted equity reserve relate to the directed share issue to the Helsinki Deaconess Institute Foundation.
- **Note: EUR 100 million in equity raised in IPO**

Positive net working capital development - Improved operational efficiency

In millions of euro	7/9 2017	7/9 2016	1-9/ 2017	1-9/ 2016	2016
Cash at the beginning	20.4	4.0	39.1	16.6	16.6
Cash flows from operating activities					
Profit before income taxes	-7.3	-0.3	-0.5	2.4	9.5
Adjustments for non-cash and financial items	15.6	14.0	43.6	45.7	57.2
Changes in working capital	-10.2	-8.7	-9.9	-24.0	-1.5
Other operating activities	-0.5	-0.1	-0.8	-0.2	-0.5
Net cash from operating activities	**-2.4**	**4.9**	**32.5**	**23.9**	**64.7**
Cash flows from investing activities					
Acquisitions	-3.7	-1.8	-69.1	-12.4	-17.4
Disposals	1.1	1.6	1.2	2.6	8.8
Other investing activities	0.0	0.0	-5.1	-0.3	-0.3
Net cash from investing activities	**-2.5**	**-0.1**	**-73**	**-10.1**	**-9**
Cash flows from financing activities					
Proceeds from loans	8.4	6.9	60.8	15.4	25.4
Loan repayments	-11.2	-4.4	-33.9	-19.4	-29
Interests and other items	-6.9	-7.1	-19.9	-22.3	-29.6
Net cash from financing activities	**-9.8**	**-4.6**	**7.1**	**-26.3**	**-33.2**
Net change in cash and cash equivalents	-14.7	0.1	-33.4	-12.5	22.5
Cash at the end	5.7	4.2	5.7	4.2	39.1

Key Figures

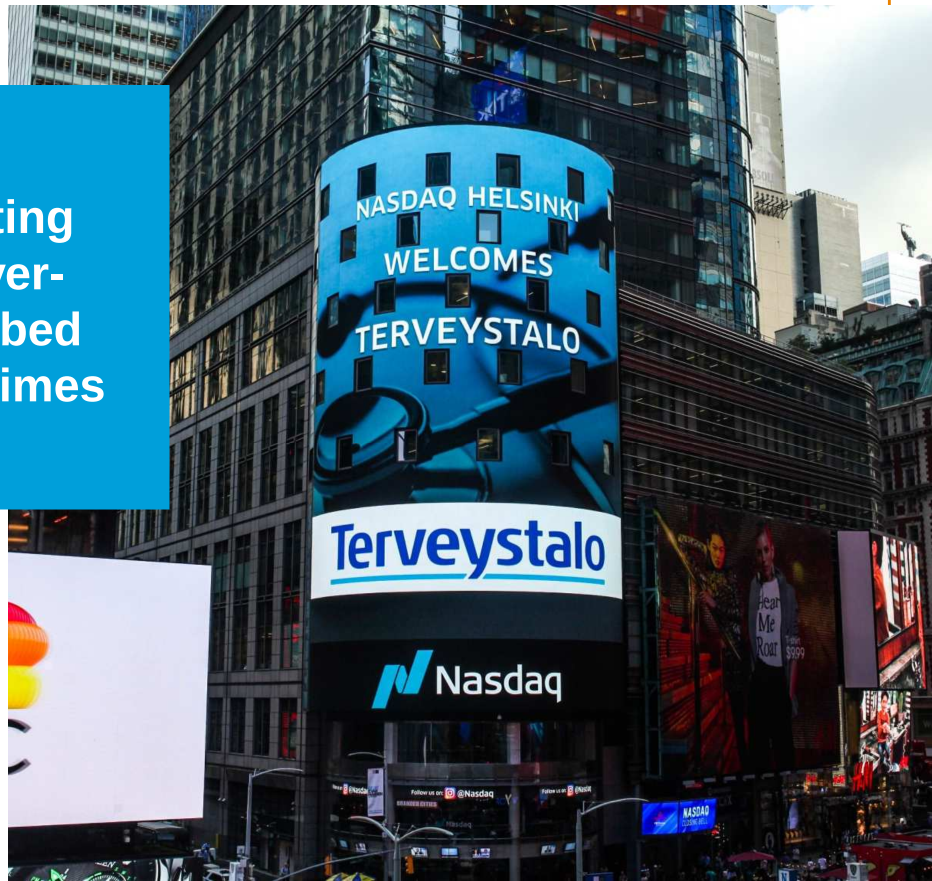
Terveystalo Group, In m€	7-9/2017	7-9/2016	Change, %	1-9/2017	1-9/2016	Change, %	2016
Revenue	155.4	119.2	30.4	499.6	400.5	24.7	547.0
Adjusted EBITDA (*	17.3	14.5	19.6	63.2	52.0	21.5	72.9
Adjusted EBITDA margin (%) (*	11.1	12.2	-1,0 %-p	12.6	13.0	-0,3 %-p	13.3
Adjusted EBITA (*	12.3	10.3	19.8	48.9	40.0	22.3	56.8
Adjusted EBITA margin (%) (*	7.9	8.6	-0,7 %-p	9.8	10.0	-0,2 %-p	10.4
Net profit (Adj.) (*	4.0	4.5	-12.2	25.8	20.3	26.8	30.3
Net profit	-6.9	0.8	> -200 %	1.1	5.1	-77.8	12.7
Return on equity (ROE), %	-	-	-	0.5	3.1	-2,5 %-p	5.6
Equity ratio, %	-	-	-	37.3	32.0	5,3 %-p	31.7
Gearing, %	-	-	-	115.6	151.7	-36,1 %-p	132.6
Earnings per share	-0.02	0.00	-	0.00	0.02	-	0.04
Operating cash flow	-2.4	4.9	-148.9	32.5	23.9	36.0	64.7
Personnel (end of period)	-	-	-	4,290	3,434	24.9	3,463
Private practitioners (end of period)	-	-	-	4,503	3,370	33.6	3,448

*) Alternative performance measure. In the Company's view, the alternative performance measures provide management, investors, securities analysts and other parties with significant additional information related to the Company's results of operations, financial position and cash flows. Adjustments are material items outside the ordinary course of business and these relate to acquisition related expenses, restructuring related expenses, gain on sale of assets, strategic projects including the IPO, new operations and other items affecting comparability.
The financial statements of Pori Lääkäritalo Oy Group have been included in the consolidated financial statements of Terveystalo Group since the beginning of January, 2017 and Diacor terveyspalvelut Oy Group since the end of March, 2017, The reported figures include realized synergies only.

Initial Public Offering

- ✓ Terveystalo raised about EUR 100 million in gross proceeds.
- ✓ The demand from both Finnish and international investors was strong, and the total number of shareholders rose to more than 12,000 shareholders after the IPO.
- ✓ Listing supports the successful implementation of our growth strategy, strengthens balance sheet and decreases funding costs.

The listing was over-subscribed several times



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Financial Targets

Growth	• **6–8% annual growth in revenue** in the long term through a combination of organic growth and bolt-on acquisitions
Profitability	• **An Adjusted EBITA margin**(1)(2) **12–13% of revenue** in the medium to long term
Capital Structure	• **Interest-bearing Net Debt / Adjusted EBITDA**(3) **not to exceed 3 times.** However, indebtedness may temporarily exceed the target level, for example, in conjunction with acquisitions; and
Dividend Policy	• The aim is to **distribute at least 30% of net profit as dividends annually**. The proposed dividend shall take Terveystalo's long-term development potential and financial position into account.

1) 2) Alternative performance measure. *) Earnings before Interest, Taxes, Amortization, impairment losses and adjustments. Adjustments are material items outside the ordinary course of business and these relate to acquisition related expenses, restructuring related expenses, gain on sale of assets, strategic projects including the IPO, new operations and other items affecting comparability.
3) Net debt / adjusted EBITDA is calculated by dividing net debt (interest-bearing liabilities - interest-bearing receivables and cash equivalents) with a adjusted EBITDA of 12 months.

Thank you!

For more information, please visit
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