TERVEYSTALO GROUP HALF-YEAR REPORT 1 JANUARY –30 JUNE 2019

STRONG GROWTH DRIVEN BY ATTENDO ACQUISITION AND GOOD UNDERLYING GROWTH

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April–June 2019 in brief

- Revenue increased by 36.8 percent year-on-year to EUR 258.6 million (189.0)
- Adjusted[1)2)] earnings before interest, taxes, and amortization (EBITA) increased by 28.2 per cent to EUR 25.9 million (20.2) and were 10.0 percent (10.7) of the revenue
- Earnings before interest, taxes and amortization (EBITA)[2)] were 9.2 (14.3) percent of the revenue
- Profit for the period[2)] amounted to EUR 10.4 million (15.4)
- Operating cash flow[2)] amounted to EUR 48.6 million (30.2)
- Earnings per share[2)] (EPS) were EUR 0.08 (0.12).

In April–June, there was one less business day than in the reference period, which reduced revenue and profitability. Figures for the reference period were impacted by the non-recurring capital gains totaling EUR 7.8 million (including the sale of Porin Linnankulma Mutual Real Estate Company).

January–June 2019 in brief

- Revenue increased by 36.2 percent year-on-year to EUR 526.4 million (386.5)
- Adjusted[1)2)] earnings before interest, taxes, and amortization (EBITA) increased by 27.3 percent to EUR 58.3 million (45.8) and were 11.1 percent (11.9) of the revenue
- Earnings before interest, taxes and amortization (EBITA)[2)] were 10.5 (13.5) percent of the revenue
- Profit for the period[2)3)] amounted to EUR 27.6 million (42.6)
- Net debt / adjusted EBITDA[1)2)4)] was 4.1
- Net debt/Adjusted EBITDA [1)4] before IFRS 16 impact (comparable) was 3.2 (2.1)
- Operating cash flow[2)] amounted to EUR 97.7 million (48.6)
- Earnings per share[2)3)] (EPS) were EUR 0.22 (0.33).

Unless otherwise stated, the figures in parentheses refer to a corresponding period one year ago.

Terveystalo adopted the IFRS 16 Lease standard on 1 January 2019. Figures for reference period 2018 have not been adjusted. Additional information on the application of the IFRS 16 standard and other significant principles concerning the financial statement can be found in section 1 of the notes to the financial statement.

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. Adjustments totaled EUR 2.2 (-6.8) million in April–June and EUR 2.9 (-6.2) million in January–June.
2) Not comparable because of the adoption of IFRS 16. Adoption of IFRS 16 had a significant effect on adjusted EBITDA, which increased by EUR 10.0 million in Q2 and EUR 19.8 million in H1. IFRS 16 adoption increased operating cash flow by EUR 19.8 million in H1. IFRS 16 also increased lease-related interest-bearing debt by EUR 181.4 million.
3) The result for the comparison period was improved by a non-recurring deferred tax asset of EUR 13.0 million related to confirmed losses and non-recurring capital gains totaling EUR 7.8 million
4) Last 12 months EBITDA includes six-month impact of the Attendo acquisition

Yrjö Närhinen, CEO: Strong organic growth continues, Attendo Integration progressing according to expectations

Our revenue for the second quarter of the year was the highest ever at EUR 258.6 million. Once again, we were able to deliver broad scale growth across regions and customer groups. Revenue was driven by Attendo acquisition and improved organic growth. Quarter's relative profitability was negatively impacted by change in sales mix towards more appointment driven services, lower margin of Attendo business, negative working day impact and positive one offs in the comparison period. Overall, profitability developed in line with our expectations.

The strong momentum in private pay continues as our new power tools; the new My Health app, remote appointments and well-being services spur growth. We were successful in expanding our offering year-on-year, and our growing network of other health professionals alongside physicians is particularly supportive of the growth of the well-being business. Profitability is driven by continued operational efficiency where new digital tools help efficiently manage supply and demand.

Our comprehensive occupational health product development is reflected in the continued growth of preventive and well-being services. Mental health is the subject of much media coverage as number of absences due to mental health problems has increased dramatically in the last three years. Luckily more and more employers are waking up to early prevention, which is reflected in a strong increase in demand for mental health services. Occupational health customers are also increasingly using our services as private customers. We are delighted that we have succeeded in convincing them of our services and that they increasingly choose Terveystalo as their health partner and that of their families.

The demand in the public sector customer group remains strong. Our focus as a group is still on Attendo integration, which continues well on track. Public demand is strongly fueled by the issues in public sector emergency services and doctor shortage, as well as ongoing political speculation about tightening the Restriction Act on outsourcings. While the objective may be correct, we fear that these restrictive measures lead only to increased uncertainty and, at worst, decrease availability of services without improving cost-effectiveness. We at Terveystalo believe that broad scale public-private partnerships would be more beneficial for Finland than the current attempts to curtail cooperation. We see ourselves as a part of the solution as our ability to deliver cost-effective, including digital, solutions for municipalities continues to increase.

Furthermore, Terveystalo continues its strong digital product development. Our new operating models and products such as the pre-bookable remote appointment illustrate how Terveystalo continues to deliver traditional physical healthcare services while enriching these services with digital options. Digital service development is aimed at both improving the quality, availability and transparency of our services, while streamlining management of our operations at the same time. We see a growing need for these solutions also in the public sector.

Overall, I am pleased with Terveystalo's performance in the second quarter and our continued progress in executing our strategy. The company is well positioned to respond to market changes and future challenges.

Yrjö Närhinen

Market outlook

Market environment remains positive despite weakened consumer confidence. With the healthcare and social welfare reform still being delayed, demand in public sector is expected to grow.

Corporate customers keep up a steady demand, and the relative share of preventive services is increasing. Private customer demand also remains at a steady level but new capacity that entered the market at beginning of 2018 still has a negative impact on Terveystalo's revenue growth. This capacity growth has reached its peak, however. These views are based on the expected market development within the next six months, compared to the last six months.

Changes in reporting

Terveystalo adopted the IFRS 16 standard on 1 January 2019. In accordance with the IFRS 16 standard, previous lease expenses are replaced with depreciation charges for right-of-use assets and interest expense on lease liabilities in the income statement. As a result, the IFRS 16 standard has a low impact on the operating profit and the profit for the financial year 2019. In 2019, adoption of the IFRS 16 standard has a positive impact of approximately EUR 40 million on the operating margin, and it will increase net debt and right-of-use assets on the balance sheet by approximately EUR 200 million. The figures for 2018 have not been adjusted. Adoption of the IFRS 16 standard has effected the income statement, balance sheet and cash flow. For additional information about the accounting principles, see pages 17 of the notes.

Key figures

EUR million	4–6/ 2019	4–6/ 2018	Change, %	1–6/ 2019	1–6/ 2018	Change, %	2018
Revenue	258.6	189.0	36.8	526.4	386.5	36.2	744.7
Adjusted EBITDA[1) 2)]	40.9	25.5	60.5	88.7	56.3	57.7	108.9
Adjusted EBITDA, %[1) 2)]	15.8	13.5	-	16.9	14.6	-	14.6
EBITDA[1) 2)]	38.7	32.3	19.8	85.8	62.5	37.4	116.6
EBITDA, %[1) 2)]	15.0	17.1	-	16.3	16.2	-	15.7
Adjusted earnings before interest, taxes and amortization (EBITA) [1) 2)]	25.9	20.2	28.2	58.3	45.8	27.3	87.7
Adjusted earnings before interest, taxes and amortization (EBITA), % [1) 2)]	10.0	10.7	-	11.1	11.9	-	11.8
Earnings before interest and taxes (EBIT) [2)]	16.7	22.1	-24.5	41.6	42.0	-1.1	75.4
Net profit [2) 3)]	10.4	15.4	-32.6	27.6	42.6	-35.3	68.7
Net debt [2)]	-	-	-	572.9	218.0	162.7	413.3
Net debt/adjusted EBITDA (last 12 months) [1) 2) 4)]	-	-	-	4.1	2.1	-	3.8
Return on equity (ROE), %[1) 2)]	-	-	-	10.5	8.8	-	14.2
Equity ratio, %[1) 2)]	-	-	-	37.8	52.9	-	44.1
Gearing, % [1) 2)]	-	-	-	111.4	44.2	-	80.8
Earnings per share [2) 3)]	0.08	0.12	-	0.22	0.33	-	0.54
Operating cash flow[2)]	48.6	30.2		97.7	48.6		100.6
Personnel (end of period)				7,165	4,531	52.1	6 018
Private practitioners (end of period)				5,000	4,629	5.5	4 877
Number of working days	60	61	-1.6	123	124	-0.8	251

Before IFRS 16 impact (comparable), EUR million	4–6/ 2019	4–6/ 2018	Change, %	1–6/ 2019	1–6/ 2018	Change, %	2018
Adjusted EBITDA[1)]	30.9	25.5	21.3	68.9	56.3	22.5	108.9
Adjusted EBITDA, % [1)]	11.9	13.5	-	13.1	14.6	-	14.6
Adjusted EBITA [1)]	25.5	20.2	26.1	57.6	45.8	25.7	87.7
Adjusted EBITA, % [1)]	9.9	10.7	-	10.9	11.9	-	11.8
Adjusted net debt[1)]	-	-	-	391.4	218.0	79.5	413.3
Adjusted EBITDA (last 12 months) [1) 4)]	-	-	-	3.2	2.1	-	3.8

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 indicator. Additional information in note 14.

2) Not comparable because of the adoption of IFRS 16.
Adoption of IFRS 16 had a significant effect on adjusted EBITDA, which increased by EUR 10.0 million in Q2 and EUR 19.8 million in H1. IFRS 16 adoption increased operating cash flow by EUR 19.8 million in H1. IFRS 16 also increased lease-related interest-bearing debt by EUR 181.4 million.

3) The result for the comparison period was improved by a non-recurring deferred tax asset of EUR 13.0 million related to confirmed losses and non-recurring capital gains totaling EUR 7.8 million.

4) *Last 12 months EBITDA includes only six-month impact of the Attendo acquisition.*

Market review

There were no material changes in the healthcare market during the reporting period. Despite weakened consumer confidence in June, the steady development of the Finnish economy and improved employment rate contributed to strong demand for Terveystalo's services among the corporate and private customer groups in the review period.

The new Government presented its policy programme at the beginning of June and announced that it will begin preparing a structural reform of social and health care services. It is estimated that the Government's new health care policies will reduce the number of full outsourcings of health care services in the public sector but, on the other hand, the demand for various types of partial outsourcing and health care staffing services is expected to grow. The use of service voucher is also expected to increase. However, the impact is expected to be low in 2019 because of the long duration of the procurement processes.

With the most extensive network of clinics and hospitals, strong outsourcing and staffing expertise in the public sector and the large customer base in occupational health care, the company nevertheless expects to be able to continue its strong performance in the current market structure and to be an attractive partner for various customer groups.

Group revenue

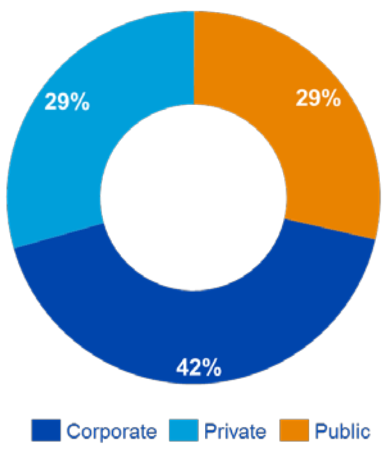
Revenue for the second quarter increased by 36.8 percent, amounting to EUR 258.6 (189.0) million. In the second quarter, there was one less business day than in the reference period, which has a negative impact on the revenue. In addition to the acquisition of Attendo's Health Services in 2018, increased demand for Terveystalo's services supported the revenue growth. Terveystalo's competitiveness was reflected in the steady growth of sales to insurance companies, high utilization rates and strong demand for preventive well-being services. With regard to corporate and private customers, the number of physician appointments provided saw a turn to growth and increased by approximately one percent compared to the reference period. The number of appointments provided by other professional groups increased over 10 percent.

Revenue for the first half of the year increased by 36.2 percent, amounting to EUR 526.4 (386.5) million.

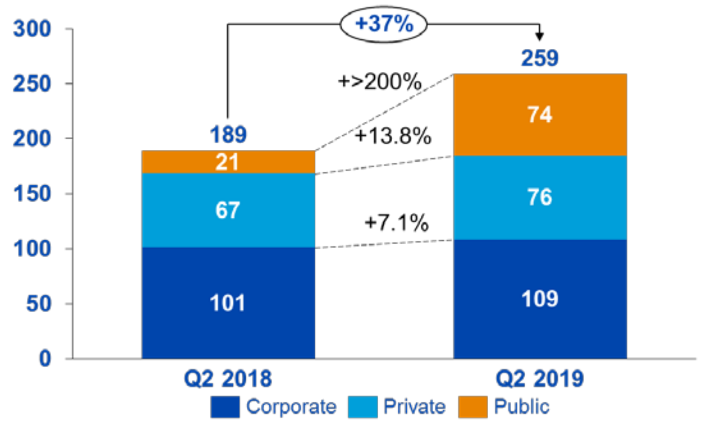
EUR million	4–6/2019	4–6/2018	Change, %	1–6/2019	1–6/2018	Change, %	2018
Corporate customers	108.6	101.4	7.1	222.4	207.8	7.0	402.7
Private customers	76.2	67.0	13.8	155.9	137.8	13.2	260.7
Public sector customers	73.8	20.6	> 200	148.0	40.9	> 200	81.2
Total	**258.6**	**189.0**	**36.8**	**526.4**	**386.5**	**36.2**	744.7

Revenue by payer group

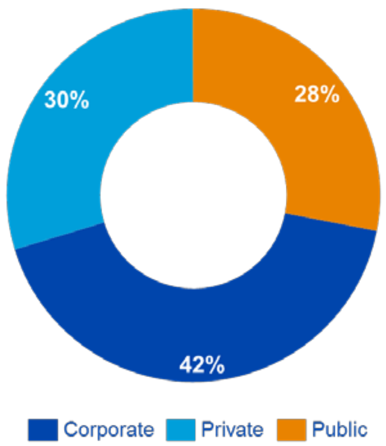
Q2 revenue by payer group, %



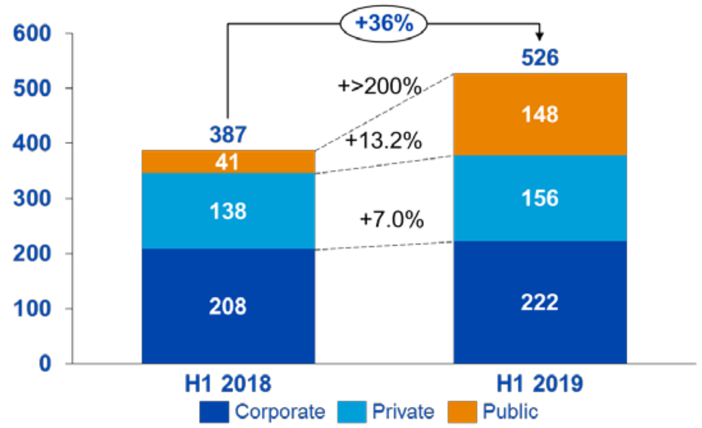
Q2 Revenue by payer group, M€



H1 revenue by payer group, %



H1 revenue by payer group, M€



Corporate customers

Corporate customers constitute Terveystalo's largest customer group. Terveystalo's corporate customers consist of the company's occupational health care customers, excluding municipal occupational health care customers. The company provides statutory occupational health services and other occupational health and wellbeing services for corporate customers of all sizes. Terveystalo is the largest provider of occupational health services in Finland in terms of revenue and the number of end users. Terveystalo provides occupational health services for over 23,000 companies, and in 2018, the company provided occupational health services for a total of approximately 670,000 customers.

Revenue from corporate customers for the second quarter increased by 7.1 percent, amounting to EUR 108.6 (101.4) million, without being significantly affected by acquisitions. Occupational health services provided by Attendo Health Services were integrated during the second quarter by merging functions and units, and their share of the revenue is no longer reported separately.

Sales of preventive* occupational health services and well-being services** continued to develop favorably, which increased average sales per end customer. Demand for mental well-being services and digital services in particular increased significantly. During the second quarter, there was also a slight upward trend in the demand for illness-related appointments compared to the reference period. The number of end customers in occupational health care contractsincreased slightly year-on-year.

Revenue from corporate customers for the first half of the year increased by 7 percent, amounting to EUR 222.4 (207.8) million. Strong demand for preventive, well-being and digital services contributed to the growth. Demand for illness-related appointments remained at the level of the reference period.

**The statutory task of occupational health care 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 counseling; 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 health care activities.*
***Well-being services include, for example, physiotherapy, mental well-being services (psychologists and psychotherapists), nutritional therapy, work ability coaching and massage services at Rela hierojat (Terveystalo's subsidiary).*

Private customers

Private customers are Terveystalo's second largest customer group. Private customers include private individuals and families. The company's strong brand, easy access to services without long waiting times, extensive service portfolio for private customers, families, and senior citizens, and personalized digital services give Terveystalo a competitive edge over public health care services and encourage customers to invest in their own health. Services for private customers are paid for either by the customers themselves or by their insurance companies.

Revenue from private customers for the second quarter increased by 13.8 percent, amounting to EUR 76.2 (67.0) million. Health care services for private customers provided by Attendo Health Services (principally oral health services) were integrated during the second quarter by merging functions and units, and their share of the revenue is no longer separately reported.

In addition to acquisitions, strong demand for oral health, well-being and digital services supported revenue growth. Sales of diagnostic services increased in line with the revenue. The share of occupational health customers who used private services remained at the level of the reference period but sales increased year-on-year. Strengthened insurance company patient steering was still reflected in the lower volume of surgical services.

Revenue from private customers for the first half of the year increased by 13.2 percent, amounting to EUR 155.9 (137.8) million. In addition to acquisitions, growth was especially supported by strong demand for oral health, well-being and digital services.

Public sector customers

Terveystalo's public customer group is made up of Finnish public sector organizations, such as municipalities, municipal federations, and hospital districts, as well as municipal occupational health care customers. Terveystalo's broad nationwide platform, digital offering, good reputation, and established brand, as well as its thorough expertise and experience in health care services throughout the chain of care, make Terveystalo an attractive partner for the public sector. Terveystalo's services for public sector customers are mainly financed from budgets of municipalities, municipal federations, and hospital districts. The services offered to public sector customers include full and partial outsourcing, healthcare staffing services, specialized care services, other healthcare services, as well as occupational health services for municipalities, municipal federations, and hospital districts.

Revenue from public sector customers for the second quarter multiplied thanks to the Attendo acquisition at the end of 2018. Revenue more than tripled and amounted to EUR 73.8 (20.6) million. Revenue from Attendo's existing agreements amounted to EUR 51 million, and revenue excluding Attendo Health Services increased by 9.2 percent to EUR 22.5 million. Attendo's occupational health units were integrated during the second quarter by merging functions and units.

With regard to certain agreements, the staffing services faced challenges related to the availability of health care professionals, which increased the total fees paid and, consequently, decreased profitability. The overall development of the contract portfolio was positive, however.

In addition to the acquisition of Attendo Health Services, the significant growth of occupational health services and steady growth in other service sales and outsourcing contributed to sales growth.

In addition to hospital and other outsourcing contracts, Terveystalo has a total of 10 full outsourcing agreements, of which the full outsourcing agreements in Tohmajärvi and Puolanka will terminate at the end of the year. Business is expected to continue to a lesser extent in a different service format. Terveystalo's freedom of choice pilot projects in Upper Savonia, Central Uusimaa, Hämeenlinna, Jyväskylä, Lahti and Kuopio will end in the fall of 2019.

Revenue from public sector customers for the first half of the year more than tripled and amounted to EUR 148.0 (40.9) million. Revenue from Attendo's existing agreements amounted to EUR 103 million. Revenue excluding Attendo Health Services increased by 9.4 percent, amounting to EUR 44.7 million.

Financial performance

Adjusted EBITDA for the **second quarter of 2019** increased by 60.5 percent year-on-year to EUR 40.9 million (25.5). The increase in adjusted EBITDA was mainly due to the adoption of IFRS 16, with a EUR 10.0 million effect on EBITDA, as well as the acquisition of Attendo Health Services in the end of 2018. Material costs and the volume of purchased services increased mainly in line with revenue growth. The Attendo acquisition and continuing investments in digitalization and remote services increased personnel costs by 57.5 percent to EUR -81.4 million (-51.6).

Adjusted EBITDA excluding IFRS 16 effect was EUR 30.9 million, representing 11.9 (13.5) percent of the revenue. The decrease in relation to the revenue resulted from changes in the sales mix, with more emphasis on staff-intensive outsourcing services through the Attendo acquisition as well as preventive services and well-being services. Adjusted earnings before interest, taxes, and amortization (EBITA) increased by 28.2 percent to EUR 25.9 million (20.2). Adjusted EBITA relative to the revenue decreased by 0.7 percentage points to 10.0 (10.7) percent. Adoption of IFRS 16 had no material effect on adjusted EBITA.

Operating profit for the second quarter amounted to EUR 16.7 (22.1) million, and profit before tax was EUR 12.9 (19.4) million. Amortizations on intangible assets increased by EUR 1.6 million year-on-year, mainly due to the allocation of acquisition cost to customer relationships in connection with the Attendo acquisition.

Profit for the period was EUR 10.4 (15.4) million, and earnings per share was EUR 0.08 (0.12). Figures for the reference period were impacted by the non-recurring capital gains of approximately EUR 7.8 million, including the sale of Porin Linnankulma Mutual Real Estate Company.

Operating cash flow increased significantly, amounting to EUR 48.6 (30.2) million. The growth was mainly attributable to the expansion of operations as a result of the Attendo acquisition, the positive development of net working capital as well as the adoption of IFRS 16.

Cash flow from investing activities increased by EUR 24.8 million to EUR -12.5 (12.3) million. During the second quarter, there were no investment cash flows related to the sale of subsidiaries compared to EUR 16.0 million during the reference period. Cash flow related to the acquisition of subsidiaries increased to EUR -4.6 million (-0.1) and investment cash flow related to intangible assets to EUR -4.3 million (-2.4).

Cash flow from financing activities amounted to EUR -50.3 (-13.5) million. In addition to the effect of the adoption of IFRS 16, the cash flow from financing activities was increased by repayment of long-term loans and paid return of equity distributed from the unrestricted equity reserve.

Adjusted EBITDA in **the first half of the year** increased by 57.7 percent, amounting to EUR 88.7 (56.3) million. The increase in adjusted EBITDA was mainly due to the adoption of IFRS 16, with a EUR 19.8 million effect on EBITDA, as well as the acquisition of Attendo Health Services.

Adjusted earnings before interest, taxes, and amortization (EBITA) increased by 27.3 percent to EUR 58.3 million (45.8) and adjusted EBITA relative to the revenue decreased by 0.8 percentage points to 11.1 percent. The decrease in relation to the revenue resulted from changes in the sales mix, with more emphasis on staff-intensive outsourcing services through the Attendo acquisition as well as preventive services and well-being services. Adoption of IFRS 16 had no material effect on the adjusted EBITA margin.

Operating profit for the review period amounted to EUR 41.6 (42.0) million. Net financial expenses increased by 42.9 percent during the review period, amounting to EUR -7.2 (-5.1) million. The increase mainly resulted from debt financing of the Attendo acquisition and partly from the adoption of IFRS 16.

The profit before tax was EUR 34.2 (37.2) million. Profit for the period was EUR 27.6 (42.6) million, and earnings per share was EUR 0.22 (0.33). The result of the reference period was improved by the EUR 13.0 million recognized in deferred tax assets with a non-recurring effect on the result, following the completion of a tax audit and relating to outstanding tax losses.

Operating cash flow increased significantly during the review period, amounting to EUR 97.7 (48.6) million. The growth was mainly attributable to the expansion of operations as a result of the Attendo acquisition, the adoption of IFRS 16 as well as the positive development of net working capital.

Cash flow from investing activities increased by EUR 27.7 million to EUR -20.1 (7.6) million. During the review period, there were no investment cash flows related to the sale of subsidiaries compared to EUR 16.0 million during the reference period. In addition, cash flow was impacted by an increase in investments in intangible assets.

Cash flow from financing activities amounted to EUR -71.8 (-16.5) million. In addition to the effect of the adoption of IFRS 16, the cash flow from financing activities was increased by repayment of long-term loans and paid return of equity.

Group’s financial position

Terveystalo’s liquidity position is good. Cash and cash equivalents at the end of the period amounted to EUR 42.6 million (EUR 71.5 million in June 2018). Total assets of the Group amounted to EUR 1,361.3 million (EUR 933.6 million in June 2018). The growth was mainly attributable to the allocation of the purchase price to intangible assets in connection with the Attendo acquisition, the goodwill generated by the acquisition, and the adoption of IFRS 16. The effect of IFRS 16 on right-of-use assets amounted to EUR 179.9 million.

Equity attributable to owners of the parent company totaled EUR 514.3 (492.9) million. The growth was mainly due to improved profitability.

Gearing at the end of the review period was 111.4 (44.2) percent, and net interest-bearing debt amounted to EUR 572.9 (218.0) million. The effect of IFRS 16 on lease-related interest-bearing debt was EUR 181.4 million. The consolidated balance sheet includes the combined balance sheets of the Finnish health care operations of Attendo acquired at the end of December. It also includes the long-term loan of EUR 160 million drawn for financing of the purchase price.

Adoption of IFRS 16 had no effect on the covenants related to the Group’s external financing arrangement. The calculation of covenants was continued in accordance with the accounting principles confirmed in the original financing arrangement.

At the end of the review period, return on equity was 10.5 (8.8) percent and equity ratio 37.8 (52.9) percent. The key indicators are not comparable because of the adoption of IFRS 16.

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 July and August. The number of business days has an effect on the revenue and earnings development, particularly when comparing quarterly performance. Revenue from public sector customers is distributed evenly with the exception of staffing services. Due to the seasonal nature of business, the required net working capital varies during the year and the company's net working capital decreases toward the end of the year. Variation is due to the timing of pension and VAT payments, vacation pay obligations and service fees related to occupational health care, etc.

Investments and acquisitions

Net investments* during the review period, including M&A, amounted to EUR 29.5 (-1.9) million. The Group's net cash capital expenditure, excluding M&A, was EUR 13.9 (7.4) million and the corresponding non-cash capital expenditure EUR 9.4 (5.7) million. These investments consisted mainly of investments in IT system projects, digital application and service development, medical equipment, and network. The relative share of intangible investments in gross investments increased, whereas the number of investments in improvement of real estates fell respectively.

During the review period, Terveystalo made three acquisitions to complement its business operations. It acquired Länsi-Vantaan Hammaslääkärit Oy, Kajaanin OMT-Fysioterapia Oy and Etelä-Karjalan Työkunto Oy. Acquisition of Etelä-Karjalan Työkunto Oy took place at the end of the second quarter. In addition, Terveystalo signed an agreement during the review period to acquire the occupational health care operations of the Forssa Regional Welfare Association.

** Net investments do not include the additions of right-of-use assets recognized as a result of the adoption of IFRS 16.*

Personnel

As a result of the acquisition of Attendo's Finnish Health Services, the number of Terveystalo's employed staff increased clearly year-on-year and was 7,165 on 30 June 2019 (4,531). The number of private practitioners also increased and was 5,000 (4,629) at the end of the review period.

Changes in Management

Yrjö Närhinen, Terveystalo's CEO since 2010, has decided to step down. He will continue in his role until his replacement has been chosen.

Johanna Karppi, Senior Vice President, HR since 2007, has decided to leave Terveystalo as of 30 September 2019.

Terveystalo is currently searching for a successor for both positions.

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. 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 future outlook within the next 12 months. The list is not intended to be exhaustive.

- 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.

- The development and implementation of information system projects and services, service products and operating models involves risks.
- The company's business operations rely on its capacity to identify, recruit, and retain competent and professional health care 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.
- The company may not be able to find suitable acquisition targets or expansion opportunities under favorable terms, and the integration of acquisition targets is not necessarily realized as planned.
- 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 decline in customer satisfaction.
- Endangered data security or privacy can lead to losses and claims for damages and endanger reputation.
- Corporate responsibility aspects are increasingly important for customers, such as ensuring the responsibility of the product supply chain, fair and equal treatment of employees, avoidance of corruption, and protection of the environment. Possible failures associated with corporate responsibility would mean negative publicity for Terveystalo and could cause operational and financial damage. Challenges related to Terveystalo's corporate responsibility work include communicating the corporate responsibility principles to the key stakeholders and ensuring the responsibility of the product and service supply chain.
- 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. The company's view is that 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 website at https://www.terveystalo.com/en/investors/Corporate-governance/Risk-management-and-risks/ and in the company's Annual Review.

Briefing

Terveystalo will hold a result briefing and live webcast in English on 8 August 2019, starting at 11:00 a.m. EET, at Terveystalo Piazza, Jaakonkatu 3 B, (3rd floor), 00100 Helsinki, Finland. You can watch the webcast online at: https://terveystalo.videosync.fi/2019-q2-results

To ask questions, please join the telephone conference 5–10 minutes prior to the start time using your local number (Finland: +358 (0)9 8171 0310, Sweden: +46 (0)8 5664 2651, UK: +44 (0)33 3300 0804, US: +1 63 1913 1422). If you are calling from another location, please use any of the numbers above. The Participant Passcode is 29217680#.

Helsinki 8 August 2019
Terveystalo Plc
Board of Directors

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Terveystalo in brief

Terveystalo is a listed company on the Helsinki Stock Exchange. Terveystalo is the largest healthcare service company in Finland with net sales and network. The company offers versatile primary and secondary healthcare services for corporate and private customers and the public sector. The nationwide network covers 260 locations across Finland. The clinic network is complemented by 24/7 digital services.

In 2018, Terveystalo had approximately 1.2 million individual customers and approximately 3.5 million visits to a physician. Around half of Terveystalo’s 10,000 health care professionals are employees of Terveystalo, while the other half are independent practitioners. Terveystalo’s services carry the Key Flag symbol and the company is a member of the Association for Finnish Work. www.terveystalo.com

Condensed consolidated statement of income

EUR mill.	Note	4-6/2019	4-6/2018	Change, %	1-6/2019	1-6/2018	Change, %	2018
Revenue	4	**258.6**	**189.0**	**36.8**	**526.4**	**386.5**	**36.2**	**744.7**
Other operating income		0.4	8.3	-95.7	0.7	8.7	-91.6	18.2
Materials and services	5	-119.2	-88.6	34.5	-242.9	-181.7	33.7	-351.3
Employee benefit expenses	6, 9	-81.4	-51.6	57.5	-161.7	-102.5	57.7	-197.1
Depreciation, amortisation and impairment losses	1	-22.1	-10.3	115.0	-44.2	-20.4	116.6	-41.1
Other operating expenses	1, 7	-19.7	-24.6	-20.2	-36.7	-48.5	-24.4	-97.9
Operating profit/loss		**16.7**	**22.1**	**-24.5**	**41.6**	**42.0**	**-1.1**	**75.4**
Financial income		0.0	0.0	31.2	0.1	0.1	51.9	0.3
Financial expenses	1	-3.8	-2.8	32.2	-7.3	-5.1	43.0	-9.5
Net finance expenses		**-3.7**	**-2.8**	**32.2**	**-7.2**	**-5.1**	**42.9**	**-9.2**
Share of results in associated companies		-0.1	0.2	-100.1	-0.1	0.2	> 200.0	1.9
Profit/loss before taxes		**12.9**	19.4	-87.1	**34.2**	**37.2**	**-7.9**	**68.2**
Income tax expense	8	-2.5	-4.0	-37.1	-6.6	5.5	>200.0	0.5
Profit/loss for the period		**10.4**	**15.4**	**-32.6**	**27.6**	**42.6**	**-35.3**	**68.7**
Profit attributable to:								
Owners of the parent company		10.3	15.4	-32.8	27.6	42.6	-35.3	68.7
Non-controlling interests		0.0	0.0	>-200.0	0.0	0.0	-165.8	0.0

Consolidated statement of comprehensive income

EUR mill.	Note	4-6/2019	4-6/2018	Change, %	1-6/2019	1-6/2018	Change, %	2018
Profit/loss for the period		**10.4**	**15.4**	**-32.6**	**27.6**	**42.6**	**-35.3**	**68.7**
Total comprehensive income		**10.4**	**15.4**	**-32.6**	**27.6**	**42.6**	**-35.3**	**68.7**
Total comprehensive income attributable to:								
Owners of the parent company		10.3	15.4	-32.8	27.6	42.6	-35.3	68.7
Non-controlling interest		0.0	0.0	>-200.0	0.0	0.0	-165.8	0.0
Earnings per share for profit attributable to the shareholders of the parent company, in euro								
Basic earnings per share		0.08	0.12		0.22	0.33		0.54
Diluted earnings per share		0.08	0.12		0.22	0.33		0.54

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

Condensed consolidated statement of financial position

EUR mill.	Note	30 Jun 2019	30 Jun 2018	31 Dec 2018
ASSETS				
Non-current assets				
Property, plant and equipment	11	87.2	82.1	83.6
Right-of-use asset	11	179.9	-	-
Goodwill	10	775.0	584.0	768.7
Other intangible assets	10	162.1	103.7	167.7
Investment properties		0.6	0.6	0.6
Investments in associates		2.7	0.5	2.4
Other receivables		0.0	-	0.0
Deferred tax assets		3.8	11.3	5.8
Total non-current assets		**1,211.4**	**782.2**	**1,028.7**
Current assets				
Inventories		5.7	5.5	5.8
Trade and other receivables		100.6	71.9	89.9
Cash and cash equivalents		42.6	71.5	36.9
Total current assets		**149.0**	**148.9**	**132.5**
Non-current assets held for sale		**1.0**	**2.6**	**1.1**
TOTAL ASSETS		**1,361.3**	**933.6**	**1,162.3**
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Company				
Share capital		0.1	0.1	0.1
Invested non-restricted equity reserve		492.8	518.2	518.2
Treasury shares		-6.7	-	-6.7
Retained earnings		28.1	-25.4	0.1
Non-controlling interest		0.1	0.1	0.1
TOTAL EQUITY		**514.4**	**493.1**	**511.8**
Non-current liabilities				
Non-current financial liabilities		384.4	261.0	400.4
Non-current lease liabilities		147.5	-	-
Deferred tax liabilities		31.7	22.5	34.1
Provisions		8.0	5.5	9.1
Other liabilities		8.8	6.7	7.8
Total non-current liabilities		**580.5**	**295.6**	**451.4**
Current liabilities				
Provisions		1.4	1.1	2.3
Trade and other payables		175.9	115.0	146.9
Current tax liabilities		5.6	0.1	0.2
Current financial liabilities		49.6	28.6	49.8
Current lease liabilities		33.9	-	-
Total current liabilities		**266.5**	**144.9**	**199.1**
Liabilities associated with non-current assets held for sale		**-**	**0.1**	**-**
TOTAL LIABILITIES		**846.9**	**440.6**	**650.5**
TOTAL EQUITY AND LIABILITIES		**1,361.3**	**933.6**	**1,162.3**

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 deficit**	**Total**	**Non-controlling interests**	**Total equity**
Equity 1 Jan 2019	0.1	518.2	-6.7	0.1	511.7	0.1	511.8
Comprehensive income							
Profit for the period	-	-	-	27.6	27.6	0.0	27.6
Transactions with owners							
Share-based payments	-	-	-	0.2	0.2	-	0.2
Equity repayment	-	-25.5	-	-	-25.5	-	-25.5
Other adjustments	-	-	-	0.2	0.2	-	0.2
Equity 30 Jun 2019	**0.1**	**492.8**	**-6.7**	**28.1**	**514.3**	**0.1**	**514.4**

	Equity attributable to owners of the parent company						
EUR mill.	**Share capital**	**Invested non-restricted equity reserve**	**Treasury shares**	**Retained deficit**	**Total**	**Non-controlling interests**	**Total equity**
Equity 1 Jan 2018	0.1	525.9	-	-68.8	457.2	0.1	457.3
Comprehensive income							
Profit for the period	-	-	-	42.6	42.6	0.0	42.6
Trasactions with owners							
Share-based payments	-	-	-	0.8	0.8	-	0.8
Equite repayment	-	-7.7		-	-7.7	-	-7.7
Equity 30 Jun 2018	**0.1**	**518.2**	**-**	**-25.4**	**492.9**	**0.1**	**493.1**

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

Condensed consolidated statement of cash flows

EUR mill.	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Cash flows from operating activities					
Profit before income taxes	12.9	19.4	34.2	37.2	68.2
Adjustments for					
Non-cash transactions					
Depreciation, amortisation and impairment losses	22.1	10.3	44.2	20.4	41.1
Change in provisions	-0.6	-0.7	-0.9	-1.4	-2.1
Other non-cash transactions	-0.7	0.3	-1.3	0.6	-2.3
Gains and Losses on sale of property, plant, equipment and other changes	-0.2	-7.8	-0.2	-7.8	-15.9
Net finance expenses	3.7	2.8	7.2	5.1	9.2
Changes in working capital					
Trade and other receivables	10.0	9.5	-10.2	-2.2	1.9
Inventories	0.2	-0.2	0.1	-0.3	0.3
Trade and other payables	2.3	-3.4	26.6	-2.9	0.0
Interest received	0.0	0.0	0.1	0.1	0.2
Income taxes paid	-1.0	-0.1	-2.2	-0.1	0.3
Net cash from operating activities	**48.6**	**30.2**	**97.7**	**48.6**	**100.6**
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired	-4.6	-0.1	-5.7	-0.6	-229.8
Acquisition of property, plant and equipment	-3.9	-2.9	-6.9	-5.1	-9.4
Acquisition of intangible assets	-4.3	-2.4	-7.4	-4.1	-10.4
Proceeds from the disposal of subsidiaries, net of cash disposed of	-	16.0	-	16.0	24.1
Investments to associated companies	-	-	-0.5	-	-1.8
Proceeds from sale of available-for-sale financial assets	0.3	1.6	0.3	1.6	1.9
Acquisition of business operation, net of cash acquired	-	-0.1	-	-0.5	-0.9
Proceeds from sale of property, plant and equipment	-	0.1	-	0.3	0.3
Dividends received	0.0	0.0	0.0	0.0	1.7
Net cash from investing activities	**-12.5**	**12.3**	**-20.1**	**7.6**	**-224.4**
Cash flows from financing activities					
Acquisition of treasury shares	-	-	-	-	-6.7
Proceeds from non-current borrowings	-	-	-	-	160.0
Repayment of non-current borrowings	-10.7	-0.7	-10.7	-0.7	-11.4
Proceeds from current borrowings	-	-	-	-	10.0
Repayment of current borrowings	-	-	-10.0	-0.7	-0.8
Payment of finance lease liabilities	-9.3	-1.2	-18.4	-2.2	-4.1
Payment of hire purchase liabilities	-0.9	-0.8	-2.1	-1.5	-3.3
Interests and other financial expenses paid	-3.9	-3.2	-5.2	-3.8	-8.4
Equity repayment	-25.5	-7.7	-25.5	-7.7	-7.7
Net cash from financing activities	**-50.3**	**-13.5**	**-71.8**	**-16.5**	**127.6**
Net change in cash and cash equivalents	**-14.2**	**28.9**	**5.8**	**39.7**	**3.9**
Cash and cash equivalents at the beginning of the period	56.9	43.6	36.9	33.0	33.0
Cash and cash equivalents relating non-current assets held for sale	-	1.0	-	1.1	-
Cash and cash equivalents at the end of the period	42.6	71.5	42.6	71.5	36.9

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

Notes to the condensed consolidated interim financial statements

1. Basis of accounting principles

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 2018. The accounting policies adopted are consistent with those of the annual financial statements for 2018 with the exception of new and amended IFRS standards which have been adopted on 1 January 2019. All presented figures have been rounded. Financial ratios have been calculated using exact figures.

Terveystalo Group has adopted the following new and amended standards starting 1 January 2019:

- IFRS 16 *Leases.* The new standard replaces the IAS 17 standard and related interpretations. IFRS 16 requires the lessees to recognize the lease agreements on the statement of financial position as a right- of -use assets and lease liabilities. There are two exceptions available, these relate to either short term contracts in which the lease term is 12 months or less, or to low value items i.e. assets of value USD 5,000 or less.

  The most significant impact of IFRS 16 is that Terveystalo has recognized new assets and liabilities, mainly for its operating leases of facilities. In addition, the nature of expenses related to those leases will change as IFRS 16 replaces the operating lease expense with a depreciation charge for right- of -use assets and interest expense on lease liabilities reported under financing expenses. IFRS 16 standard has impact for condensed consolidated statement of cash flows as well. The cash flow from operating activities increases, because the repayment of the lease liabilities in rents is transferred from cash flow to financing activities.

  Terveystalo applies the IFRS 16 using the modified retrospective approach without restatement of comparatives. The right of use assets was primarily recognized at an amount equal to the lease liability. Terveystalo recognized the right of use asset and lease liability according to the general requirements of IFRS 16, and Terveystalo has not made any adjustments to its IAS 17 classified lease contract balances in transition.

  Terveystalo Group´s most significant lease agreements are the lease contracts of the premises. The contracts of the premises consist of temporary contracts and contracts that are valid under further notice. The contracts that are valid under further notice, the Terveystalo management has considered that the estimated closing date is 31 December 2021. Terveystalo Group applied the IFRS 16 exception for a small amount of short term contracts that were mainly parking place and warehouse contracts. These contracts are not material. Terveystalo Group has some main lease agreements that are subleased as operational lease agreements but these are not material.

  The lease liability has been measured at the present value of the remaining lease payments discounted using the incremental borrowing rate. Terveystalo's lease contracts have been classified into three separate interest categories on basis of the length of the contract. Classifications are contracts with a length between 1–3 years, between 4–10 years and contracts with a length over ten years. Each one of these three categories have been defined its own incremental borrowing rate. The weighted average incremental borrowing rate applied to lease liabilities on 1 January 2019 was 1.9 %.

  Lease contracts of the premises, which transferred to Terveystalo at the end of the December in the acquisition of Attendo's healthcare operations in Finland, have been defined according to the requirements of the IFRS 16 and the above mentioned accounting principles of Terveystalo Group.

  The impact from the standard to Terveystalo Group´s reporting in the first half of year 2019 is as follows:

Consolidated statement of income

EUR mill.	H1/2019 Reported	H1/2019 IFRS 16 effect	H1/2019 Before IFRS 16	H1/2018 Reported
Revenue	526.4	-	526.4	386.5
EBITDA	**85.8**	**19.8**	**66.0**	**62.5**
Adjusted EBITDA	**88.7**	**19.8**	**68.9**	**56.3**
Depreciation	-44.2	-19.1	-25.2	-20.4
Adjusted EBITA	**58.3**	**0.7**	**57.6**	**45.8**
Net finance expenses	-7.3	-1.8	-5.5	-5.1
Profit/loss before taxes	**34.2**	**-1.1**	**35.3**	**37.2**
Taxes	-6.6	0.3	-6.9	5.5
Profit/loss for the period	**27.6**	**-0.8**	**28.4**	**42.6**

Consolidated statement of financial position

EUR mill.	Right-of-use asset	Lease liabilitiy
Opening balance	**199.8**	**200.2**
Transactions	-0.8	-0.8
Depreciation	-19.1	-
Payment of lease liabilities	-	-18.0
Carrying amount 30 June 2019	**179.9**	**181.4**

Consolidated statement of cash flows

EUR mill.	H1/2019
Cash flows from operating activities	19.8
Cash flows from financing activities	-19.8

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 as at and for the year ended 31 December 2018.

3. Events after the reporting period

There are no reportable events after the reporting period.

4. Revenue

The Group's distribution of revenue is based on the customer types. The Group does not have customers whose revenue exceeds 10 percent of the Group's total revenue. Terveystalo offers its primary and outpatient secondary health care services to three distinct customer groups: corporate customers, private customers and public customers.

Corporate customers constitute Terveystalo’s largest customer group. Terveystalo’s corporate customers consist of the company’s occupational health care customers, excluding municipal occupational health care customers. The company provides statutory occupational health services and other occupational health and well-being services for corporate customers of all sizes. Terveystalo is the largest provider of occupational healthcare services in Finland in terms of revenue and the number of end-users. Terveystalo provides occupational healthcare services for over 23,000 companies.

Private customers are Terveystalo’s second-largest customer group. Private customers include private individuals and families. The company’s strong brand, easy access to services without long waiting times, leading service portfolio for private customers, families, and senior citizens, and personalized digital services give Terveystalo a competitive edge over public health care services and encourage customers to invest in their own health. Services for private customers are paid for either by the customers themselves or by their insurance companies.

Terveystalo’s public customer group is made up of Finnish public sector organizations, such as municipalities, municipal federations, and hospital districts, as well as municipal occupational health care customers. Terveystalo’s broad nationwide platform, digital offering, good reputation, and established brand, as well as its thorough expertise and experience in health care services throughout the chain of care, make Terveystalo an attractive partner for the public sector. Terveystalo’s services for public sector customers are mainly financed from budgets of municipalities, municipal federations, and hospital districts. The services offered to public sector customers include full and partial outsourcings, health care staffing services, specialized care services, other health care services, as well as occupational health care services for municipalities, municipal federations, and hospital districts.

Disaggregation of revenue

EUR mill.	4-6/2019	4-6/2018	Change, %	1-6/2019	1-6/2018	Change, %	2018
Corporate	108.6	101.4	7.1	222.4	207.8	7.0	402.7
Private	76.2	67.0	13.8	155.9	137.8	13.2	260.7
Public	73.8	20.6	>200.0	148.0	40.9	>200.0	81.2
Total	**258.6**	**189.0**	**36.8**	**526.4**	**386.5**	**36.2**	**744.7**

5. Materials and services

EUR mill.	4-6/2019	4-6/2018	Change, %	1-6/2019	1-6/2018	Change, %	2018
Purchase of materials	-7.7	-7.3	5.7	-16.2	-15.5	4.8	-28.4
Change in inventories	-0.2	0.2	-192.1	-0.1	0.3	-124.4	-0,2
External services	-111.3	-81.5	36.5	-226.6	-166.6	36.0	-322.7
Total	**-119.2**	**-88.6**	**34.5**	**-242.9**	**-181.7**	**33.7**	**-351.3**

6. Employee benefit expenses

EUR mill.	4-6/2019	4-6/2018	Change, %	1-6/2019	1-6/2018	Change, %	2018
Salaries and fees	-67.5	-42.0	60.5	-134.4	-83.8	60.3	-163.2
Share-based payments	-0.2	-0.6	-66.6	-0.2	-0.8	-72.1	-0.2
Other personnel expenses	-13.7	-9.0	52.3	-27.1	-17.9	51.3	-33.8
Total	**-81.4**	**-51.6**	**57.5**	**-161.7**	**-102.5**	**57.7**	**-197.1**

7. Other operating expenses

EUR mill.	4-6/2019	4-6/2018	Change, %	1-6/2019	1-6/2018	Change, %	2018
Rents, leases and premises*	-4.0	-11.9	-66.0	-7.8	-23.0	-66.3	-45.3
Other operating expenses	-15.6	-12.7	22.7	-28.9	-25.5	13.5	-52.6
Total	**-19.7**	**-24.6**	**-20.2**	**-36.7**	**-48.5**	**-24.4**	**-97.9**

* The presented number is not comparable, because the rent expenses have decreased by 19.8 million euro in H1 and 10,0 million euro in Q2 due to implementation of IFRS 16.

8. Income taxes

Income taxes in the statement of income

EUR mill.	4-6/2019	4-6/2018	Change, %	1-6/2019	1-6/2018	Change, %	2018
Current tax for the reporting year	-3.7	-0.0	>200,0	-7.0	-0.1	>200.0	-0.1
Income taxes for prior periods	0.0	-0.0	-91,3	0.0	-0.0	2.9	-0,0
Deferred taxes	1.1	-4.0	-128.2	0.4	5.6	-93.0	0.7
Total income taxes	**-2.5**	**-4.0**	**-37.1**	**-6.6**	**5.5**	**>200.0**	**0.5**

Deferred taxes have been calculated using the enacted tax rate of 20 %.

9. Share-based payments

The Board of Directors of Terveystalo Plc has resolved to establish a new share-based incentive plan directed to the Group's key employees. The aim of the plan is to align the objectives of the shareholders and the key employees in order to increase the value of the Company in the long term, to retain the key employees at the Company, and to offer them a competitive reward plan that is based on earning and accumulating shares of the Company.

The Performance Share Plan includes three performance periods, calendar years 2019, 2020 and 2021. The Board of Directors will resolve on the performance criteria and on the required performance levels for each criterion at the beginning of each performance period.

During the performance period 2019 performance criteria are based on Total Shareholder Return (TSR) levels and profitability of the Company.

The potential rewards from the performance share plan will be paid partly in Terveystalo Plc shares and partly in cash approximately two years after the performance periods. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the plan participants. As a rule, no reward will be paid if a plan participant terminates his or her employment or service before the reward payment.

The rewards to be paid on the basis of the performance period 2019 correspond to an approximate maximum total of 399,500 Terveystalo Plc shares, including currently allocated and unallocated shares as well as the proportion to be paid in cash. The plan is directed to 86 key employees, including the members of the Management Group during the performance period 2019.

In its July meeting in year 2018, the Board made a decision concerning the acquisition and management of Terveystalo Plc’s shares with Evli Awards Management Oy, in accordance with the section of the Limited Liability Companies Act concerning incentives and financing the acquisition of company shares. For this arrangement, EAM established EAM TTALO Holding Oy (a holding company) to purchase Terveystalo’s shares financed by Terveystalo, in accordance with the agreement. The shares are used as part of Terveystalo’s share-based incentive system, in accordance with the terms of the system. During the financial year 2018 EAM TTALO Holding Oy acquired 730,000 Terveystalo’s shares worth EUR 6.7 million.

Program	2019
Grant date	27 Mar 2019
Maximum number of shares, pcs	399,500
Fair value at grant date	7.92
Validity	31 Dec 2019
Estimated vesting period	3 years
Vesting conditions	Total Shareholder Return (TSR) and profitability
Exercised	In shares and cash

10. Intangible assets

1-6/2019 EUR mill.	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
Acquisition cost 1 Jan 2019	**836.7**	**149.5**	**82.9**	**42.7**	**1,111.7**
Business combination	6.1	-	-	-	6.1
Additions	0.2	-	-	8.0	8.2
Acquisition cost 30 Jun 2019	**843.0**	**149.5**	**82.9**	**50.7**	**1,126.0**
Accumulated amortisations and impairment losses 1 Jan 2019	**-68.0**	**-62.1**	**-21.0**	**-24.4**	**-175.4**
Amortisation for the reporting period	-	-8.5	-2.1	-2.9	-13.5
Impairment losses	-	-	-	-0.1	-0.1
Accumulated amortisations and impairment losses 30 Jun 2019	**-68.0**	**-70.6**	**-23.1**	**-27.3**	**-189.0**
Carrying amount 1 Jan 2019	**768.7**	**87.4**	**61.9**	**18.4**	**936.4**
Carrying amount 30 Jun 2019	**775.0**	**78.9**	**59.8**	**23.4**	**937.1**

1-6/2018 EUR mill.	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
Acquisition cost 1 Jan 2018	**651.3**	**83.8**	**82.9**	**30.0**	**848.0**
Business combination	0.7	0.3	-	0.0	1.0
Additions	-	-	-	4.1	4.1
Reclassifications	-	-	-	-0.0	-0,0
Acquisition cost 30 Jun 2018	**652.0**	**84.1**	**82.9**	**34.1**	**853.1**
Accumulated amortisations and impairment losses 1 Jan 2018	**-68.0**	**-51.3**	**-16.9**	**-19.3**	**-155.5**
Amortisation for the reporting period	-	-5.4	-2.1	-2.6	-10.0
Accumulated amortisations and impairment losses 30 Jun 2018	**-68.0**	**-56.7**	**-18.9**	**-21.9**	**-165.5**
Carrying amount 1 Jan 2018	**583.3**	**32.5**	**66.0**	**10.7**	**692.5**
Carrying amount 30 Jun 2018	**584.0**	**27.5**	**63.9**	**12.2**	**687.7**

2018 EUR mill.	Goodwill	Customer relationships	Trademarks	Other intangible assets and advances paid	Total
Acquisition cost 1 Jan 2018	**651.3**	**83.8**	**82.9**	**30.0**	**848.0**
Business combination	185.4	65.7	-	2.3	253.4
Additions	-	-	-	10.3	10.3
Reclassifications	-	-	-	-0.0	-0.0
Acquisition cost 31 Dec 2018	**836.7**	**149.5**	**82.9**	**42.7**	**1,111.7**
Accumulated amortisations and impairment losses 1 Jan 2018	**-68.0**	**-51.3**	**-16.9**	**-19.3**	**-155.5**
Amortisation for the reporting period	-	-10.8	-4.1	-5.0	-19.9
Accumulated amortisations and impairment losses 31 Dec 2018	**-68.0**	**-62.1**	**-21.0**	**-24.4**	**-175.4**
Carrying amount 1 Jan 2018	**583.3**	**32.5**	**66.0**	**10.7**	**692.5**
Carrying amount 31 Dec 2018	**768.7**	**87.4**	**61.9**	**18.4**	**936.4**

11. Property, plant and equipment and right-of-use assets

1-6/2019 EUR mill.	Land and water	Buildings and constructions, right-of-use assets	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
Acquisition cost 1 Jan 2019	**0.1**	**33.2**	**100.8**	**38.0**	**3.7**	175.8
IFRS 16 implementation	-	199.8	-	-	-	199.8
Additions	-	0.1	11.1	2.7	1.5	15.4
IFRS 16 transactions	-	-0.8	-	-	-	-0.8
Disposals	-	-	-0.3	-	-	-0.3
Acquisition cost 30 Jun 2019	**0.1**	**232.3**	**111.6**	**40.7**	**5.2**	**389.9**
Accumulated depreciation and impairment losses 1 Jan 2019	**0.0**	**-15.2**	**-61.3**	**-13.9**	**-1.6**	**-92.1**
Depreciation for the reporting period	-	-1.2	-7.5	-2.5	-0.3	-11.4
IFRS 16 depreciation	-	-19.1	-	-	-	-19.1
Impairment losses	-	-	-	-0.0	-0.0	-0.1
Accumulated depreciation and impairment losses 30 Jun 2019	**0.0**	**-35.5**	**-68.8**	**-16.4**	**-2.0**	**-122.7**
Carrying amount 1 Jan 2019	**0.0**	**18.0**	**39.5**	**24.1**	**2.1**	**83.6**
Carrying amount 30 Jun 2019	**0.0**	**196.8**	**42.7**	**24.3**	**3.2**	**267.2**

1-6/2018 EUR mill.	Land and water	Buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
Acquisition cost 1 Jan 2018	**1.9**	**39.8**	**83.5**	**33.4**	**4.4**	**163.0**
Business combination	-	-	0.1	-	-	0.1
Additions	-	1.1	7.6	1.8	0.2	10.8
Disposals	-1.9	-7.8	-0.5	-0.1	-	-10.3
Reclassifications	-	-	-0.2	0.2	-0.3	-0.2
Acquisition cost 30 Jun 2018	**0.1**	**33.1**	**90.5**	**35.3**	**4.4**	**163.5**
Accumulated depreciation and impairment losses 1 Jan 2018	**-**	**-12.6**	**-48.0**	**-9.2**	**-1.1**	**-70.9**
Depreciation for the reporting period	-	-1.3	-6.5	-2.4	-0.3	-10.5
Accumulated depreciation and impairment losses 30 Jun 2018	**-**	**-13.9**	**-54.5**	**-11.6**	**-1.3**	**-81.4**
Carrying amount 1 Jan 2018	**1.9**	**27.1**	**35.5**	**24.2**	**3.3**	**92.1**
Carrying amount 30 Jun 2018	**0.1**	**19.1**	**36.0**	**23.7**	**3.1**	**82.1**

2018 EUR mill.	Land and water	Buildings and constructions	Machinery and equipment	Improvement to premises	Other tangible assets and advances paid	Total
Acquisition cost 1 Jan 2018	**1.9**	**39.8**	**83.5**	**33.4**	**4.4**	**163.0**
Business combination	-	0.1	3.1	0.6	0.0	3.8
Additions	-	1.1	14.7	3.0	0.7	19.5
Disposals	-1.9	-7.8	-0.7	-0.1	-	-10.5
Reclassifications	-	-	0.3	1.1	-1.4	0.0
Acquisition cost 31 Dec 2018	**0.1**	**33.2**	**100.8**	**38.0**	**3.7**	**175.8**
Accumulated depreciation and impairment losses 1 Jan 2018	**-**	**-12.6**	**-48.0**	**-9.2**	**-1.1**	**-70.9**
Depreciation for the reporting period	-	-2.5	-13.4	-4.7	-0.6	-21.1
Impairment losses	-0.0	-0.1	-	-	-0,0	-0.1
Accumulated depreciation and impairment losses 31 Dec 2018	**-**	**-15.2**	**-61.3**	**-13.9**	**-1.6**	**92.1**
Carrying amount 1 Jan 2018	**1.9**	**27.1**	**35.5**	**24.2**	**3.3**	**92.1**
Carrying amount 31 Dec 2018	**0.0**	**18.0**	**39.5**	**24.1**	**2.1**	**83.6**

12. Business combinations

During the six months ended 30 June 2019, the Group has made three business acquisitions.

On 31 January 2019 Terveystalo Healthcare Oy acquired 100 percent of the shares of Länsi-Vantaan Hammaslääkärit Oy. The acquired subsidiary has been consolidated to Group's financial statements from the acquisition month onwards. The acquisition includes a contingent consideration that was treated as part of the consideration transferred and recognized as a liability at the date of acquisition with a fair value EUR 0.5 million. The contingent consideration is tied to the sales during the next 36 months period, starting from the acquisition date.

On 29 March 2019 Terveystalo Healthcare Oy acquired 100 percent of the shares of Kajaanin OMT-Fysioterapia Oy. The acquired subsidiary has been consolidated to Group's financial statements from the acquisition month onwards. The acquisition includes a contingent consideration that was treated as part of the consideration transferred and recognized as a liability at the date of acquisition with a fair value EUR 0.1 million. The contingent consideration is tied to the sales during the next 36 months period, starting from the acquisition date.

On 28 June 2019 Terveystalo Healthcare Oy acquired 100 percent of the shares of Etelä-Karjalan Työkunto Oy. A preliminary goodwill amounting EUR 4.1 million has been recognized.

The following table summarizes the acquisition date fair values of the consideration transferred as well as the recognized amounts of assets acquired and liabilities assumed at the date of acquisition. The statement of financial position of acquired companies has been prepared in accordance with IFRS and Terveystalo Group´s accounting principles in all material respect. The following table are partially preliminary and the information has been consolidated, because the acquisitions are not material individually.

Consideration transferred

EUR mill.	
Cash	5.8
Contingent consideration	0.6
Total consideration transferred	**6.4**

Identifiable assets acquired and liabilities assumed

EUR mill.	
Cash and cash equivalents	0.4
Intangible assets	0.0
Property, plant and equipment	0.1
Inventories	0.1
Trade and other receivables	0.1
Trade and other payables	-0.2
Total identifiable net assets acquired	**0.5**

Goodwill	**5.9**

As a result of these business combinations, a preliminary goodwill amounting to EUR 5.9 million was recognized. The goodwill is attributable to skills of the workforce and synergies expected to be achieved.

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 non-significant.

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

The contributed recognized revenue from these acquisitions in 2019 was EUR 0.9 million and the result was EUR 0.0 million.

If the acquisition had occurred on 1 January 2019, management estimates that the Group's consolidated revenue in 2019 would have been EUR 529.2 million and the consolidated result would have been EUR 27.6 million.

Business combinations 2018

During the six months ended 30 June 2018, the Group has made two business acquisitions and acquired the business from Hammasjaarli Oy as an asset deal.

On 31 January 2018 Terveystalo acquired the business from Hammasjaarli Oy as an asset deal. The acquisition includes a possible contingent consideration.

On 28 February 2018 Terveystalo Healthcare Oy acquired 100 percent of the shares of Naantalin Yksityislääkärit Oy. The acquired subsidiary has been consolidated to Group's financial statements from the acquisition month onwards.

On 29 March 2018 Terveystalo Healthcare Oy acquired 100 percent of the shares of Juha Uusimäki Oy (Lääkärikeskus Ilo). The acquired subsidiary has been consolidated to Group's financial statements from the acquisition month onwards. The acquisition includes a contingent consideration that was treated as part of the consideration transferred and recognized as a liability at the date of acquisition with a fair value EUR 0.1 million. The contingent consideration is tied to the sales during the next 36 months period, starting from the acquisition date.

The following table summarizes the acquisition date fair values of the consideration transferred as well as the recognized amounts of assets acquired and liabilities assumed at the date of acquisition. The statement of financial position of acquired companies has been prepared in accordance with IFRS and Terveystalo Group´s accounting principles in all material respect. The net assets relating to an asset deal have been adjusted to correspond Terveystalo Group's accounting principles in all material respect.

Consideration transferred

EUR mill.	
Cash	1.2
Contingent consideration	0.1
Total consideration transferred	**1.3**

Identifiable assets acquired and liabilities assumed

EUR mill.	
Cash and cash equivalents	0.3
Intangible assets	0.3
Property, plant and equipment	0.1
Trade and other receivables	0.2
Trade and other payables	-0.2
Deferred tax liabilities	-0.1
Total identifiable net assets acquired	**0.6**

Goodwill	**0.7**

The tangible assets acquired in the business combinations described above were measured at fair value based on the market prices of the corresponding assets. The acquisition resulted in a goodwill amounting to EUR 0.7 million. The goodwill is attributable to skills of the workforce and synergies expected to be achieved. The recognized goodwill is tax deductible as far as it is related to asset deals.

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 amounts to EUR 0.2 million, for which the risk of impairment has been deemed 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 other operating expenses.

From these other business combinations, revenue of EUR 1.0 million and profit of EUR 0.1 million is recognized in year 2018 to the Group's consolidated results. If these acquisitions had occurred on 1 January 2018, management estimates that the Group’s consolidated revenue in 2018 would have been EUR 386.9 million and consolidated profit would have been EUR 42.7 million.

13. Group's key financial ratios

Terveystalo Group, EUR mill.	4-6/2019	4-6/2018	Change, %	1-6/2019	1-6/2018	Change, %	2018
Revenue	258.6	189.0	36.8	526.4	386.5	36.2	744.7
Adjusted EBITDA, * 1) 2)	40.9	25.5	60.5	88.7	56.3	57.7	108.9
Adjusted EBITDA, % * 1) 2)	15.8	13.5	-	16.9	14.6	-	14.6
EBITDA 1) 2)	38.7	32.3	19.8	85.8	62.5	37.4	116.6
EBITDA, % 1) 2)	15.0	17.1	-	16.3	16.2	-	15.7
Adjusted EBITA * 1) 2)	25.9	20.2	28.2	58.3	45.8	27.3	87.7
Adjusted EBITA, % * 1) 2)	10.0	10.7	-	11.1	11.9	-	11.8
EBITA 1) 2)	23.7	27.0	-12.3	55.4	52.0	6.6	95.5
EBITA, % 1) 2)	9.2	14.3	-	10.5	13.5	-	12.8
Adjusted operating profit (EBIT) * 1) 2)	18.8	15.2	23.8	44.5	35.8	24.1	67.7
Adjusted operating profit (EBIT), % * 1) 2)	7.3	8.1	-	8.4	9.3	-	9.1
Operating profit (EBIT) 2)	16.7	22.1	-24.5	41.6	42.0	-1.1	75.4
Operating profit (EBIT), % 2)	6.4	11.7	-	7.9	10.9	-	10.1
Return on equity (ROE), % 1) 2)	-	-	-	10.5	8.8	-	14.2
Equity ratio, % 1) 2)	-	-	-	37.8	52.9	-	44.1
Earnings per share (€) 2)	0.08	0.12	-	0.22	0.33	-	0.54
Gearing, % 1) 2)	-	-	-	111.4	44.2	-	80.8
Net debt/Adjusted EBITDA (LTM) 1) 2)	-	-	-	4.1	2.1	-	3.8
Total assets 2)	-	-	-	1,361.3	933.6	45.8	1,162.3
Average personnel FTE	-	-	-	4,791	3,465	38.3	3,498
Personnel (end of period)	-	-	-	7,165	4,531	58.1	6,018
Private practitioners (end of period)	-	-	-	5,000	4,629	8.0	4,877

Before IFRS 16 impact (comparable), EUR mill.	4-6/2019	4-6/2018	Change, %	1-6/2019	1-6/2018	Change, %	2018
Adjusted EBITDA * 1)	30.9	25.5	21.3	68.9	56.3	22.5	108.9
Adjusted EBITDA, % * 1)	11.9	13.5	-	13.1	14.6	-	14.6
Adjusted EBITA * 1)	25.5	20.2	26.1	57.6	45.8	25.7	87.7
Adjusted EBITA, % * 1)	9.9	10.7	-	10.9	11.9	-	11.8
Net debt	-	-		391.4	218.0	79.5	413.3
Net debt/Adjusted EBITDA (LTM) * 1)	-	-		3.2	2.1	-	3.8

* 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 and other items affecting comparability.

1) 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 with 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 substitute to the measures under IFRS.

2) Not comparable due to the effect of IFRS 16 implementation.

14. 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 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 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.

$$\text{Return on equity, \%} = \frac{\text{Profit/loss for the period (LTM)}}{\text{Equity (including non-controlling interest) (average)}} \times 100\%$$

$$\text{Equity ratio, \%} = \frac{\text{Equity (including non-controlling interest)}}{\text{Total assets - advances received}} \times 100\%$$

$$\text{Gearing, \%} = \frac{\text{Interest-bearing liabilities - interest-bearing receivables and cash and cash equivalents}}{\text{Equity}} \times 100\%$$

$$\text{Net debt/Adjusted EBITDA (LTM) *} = \frac{\text{Interest-bearing liabilities - interest-bearing receivables and cash and cash equivalents}}{\text{Adjusted EBITDA (LTM)}}$$

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.

Adjusted EBITDA* = Earnings Before Interest, Taxes, Depreciation, Amortisation, impairment losses and adjustments

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

Adjusted EBITA* = Earnings Before Interest, Taxes, Amortisation, impairment losses and adjustments

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

Adjusted operating profit (EBIT)* = Earnings Before Interest, Taxes and Share of profits in associated companies, and adjustments

Adjusted operating profit (EBIT), %* $= \dfrac{\text{Earnings Before Interest, Taxes and Share of profits in associated companies, and adjustments}}{\text{Revenue}} \times 100\%$

EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortisation and impairment losses

EBITDA, % $= \dfrac{\text{Earnings Before Interest, Taxes, Depreciation and Amortisation and impairment losses}}{\text{Revenue}} \times 100\%$

EBITA = Earnings Before Interest, Taxes, Amortisation and impairment losses

EBITA, % $= \dfrac{\text{Earnings Before Interest, Taxes, Amortisation and impairment losses}}{\text{Revenue}} \times 100\%$

Operating profit (EBIT) = Earnings Before Interest, Taxes and Share of profits in associated companies

Operating profit (EBIT), % $= \dfrac{\text{Earnings Before Interest, Taxes and Share of profits in associated companies}}{\text{Revenue}} \times 100\%$

* 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 and other items affecting comparability.

15. Reconciliation of alternative performance measures

Return on equity, %	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Profit/loss for the period (LTM)	-	-	53.7	42.6	68.7
Equity (including non-controlling interest) (average)	-	-	513.5	475.2	484.5
Return on equity, %	-	-	10.5	8.8	14.2

Equity ratio, %	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Equity (including non-controlling interest)	-	-	514.4	493.1	511.8
Total assets	-	-	1,361.3	933.6	1,162.3
Advances received	-	-	1.5	1.4	1.8
Equity ratio, %	-	-	37.8	52.9	44.1

Gearing, %	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Interest-bearing liabilities	-	-	615.5	289.6	450.1
Interest-bearing receivables and cash and cash equivalents	-	-	42.6	71.5	36.9
Equity	-	-	514.4	493.1	511.8
Gearing, %	-	-	111.4	44.2	80.8

Net debt/Adjusted EBITDA (LTM)	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Interest-bearing liabilities	-	-	615.5	289.6	450.1
Interest-bearing receivables and cash and cash equivalents	-	-	42.6	71.5	36.9
Adjusted EBITDA (LTM)	-	-	141.3	102.8	108.9
Net debt/Adjusted EBITDA (LTM)	-	-	4.1	2.1	3.8

Adjusted EBITDA, EUR mill.	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Profit (loss) for the period	10.3	15.4	27.6	42.6	68.7
Income tax expense	2.5	4.0	6.6	-5.5	-0.5
Share of profits in associated companies	0.1	-0.2	0.1	-0.2	-1.9
Net finance expenses	3.7	2.8	7.2	5.1	9.2
Depreciation, amortisation and impairment losses	22.1	10.3	44.2	20.4	41.1
Adjustments*	2.2	-6.8	2.9	-6.2	-7.7
Adjusted EBITDA	40.9	25.5	88.7	56.3	108.9

Adjusted EBITDA, %	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Adjusted EBITDA	40.9	25.5	88.7	56.3	108.9
Revenue	258.6	189.0	526.4	386.5	744.7
Adjusted EBITDA, %	15.8	13.5	16.9	14.6	14.6

Adjusted EBITA, EUR mill.	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Profit (loss) for the period	10.3	15.4	27.6	42.6	68.7
Income tax expense	2.5	4.0	6.6	-5.5	-0.5
Share of profits in associated companies	0.1	-0.2	0.1	-0.2	-1.9
Net finance expenses	3.7	2.8	7.2	5.1	9.2
Amortisation and impairment losses	7.1	5.0	13.9	10.0	20.0
Adjustments*	2.2	-6.8	2.9	-6.2	-7.7
Adjusted EBITA	25.9	20.2	58.3	45.8	87.7

Adjusted EBITA, %	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Adjusted EBITA	25.9	20.2	58.3	45.8	87.7
Revenue	258.6	189.0	526.4	386.5	744.7
Adjusted EBITA, %	10.0	10.7	11.1	11.9	11.8

Adjusted operating profit (EBIT), EUR mill.	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Profit (loss) for the period	10.3	15.4	27.6	42.6	68.7
Income tax expense	2.5	4.0	6.6	-5.5	-0.5
Share of profits in associated companies	0.1	-0.2	0.1	-0.2	-1.9
Net finance expenses	3.7	2.8	7.2	5.1	9.2
Adjustments*	2.2	-6.8	2.9	-6.2	-7.7
Adjusted operating profit (EBIT)	18.8	15.2	44.5	35.8	67.7

Adjusted operating profit, (EBIT), %	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Adjusted operating profit (EBIT)	18.8	15.2	44.5	35.8	67.7
Revenue	258.6	189.0	526.4	386.5	744.7
Adjusted operating profit (EBIT), %	7.3	8.1	8.4	9.3	9.1

EBITDA, EUR mill.	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Profit (loss) for the period	10.3	15.4	27.6	42.6	68.7
Income tax expense	2.5	4.0	6.6	-5.5	-0.5
Share of profits in associated companies	0.1	-0.2	0.1	-0.2	-1.9
Net finance expenses	3.7	2.8	7.2	5.1	9.2
Depreciation, amortisation and impairment losses	22.1	10.3	44.2	20.4	41.1
EBITDA	38.7	32.3	85.8	62.5	116.6

EBITDA, %	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
EBITDA	38.7	32.3	85.8	62.5	116.6
Revenue	258.6	189.0	526.4	386.5	744.7
EBITDA, %	15.0	17.1	16.3	16.2	15.7

EBITA, EUR mill.	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Profit (loss) for the period	10.3	15.4	27.6	42.6	68.7
Income tax expense	2.5	4.0	6.6	-5.5	-0.5
Share of profits in associated companies	0.1	-0.2	0.1	-0.2	-1.9
Net finance expenses	3.7	2.8	7.2	5.1	9.2
Amortisation and impairment losses	7.1	5.0	13.9	10.0	20.0
EBITA	23.7	27.0	55.4	52.0	95.5

EBITA, %	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
EBITA	23.7	27.0	55.4	52.0	95.5
Revenue	258.6	189.0	526.4	386.5	744.7
EBITA, %	9.2	14.3	10.5	13.5	12.8

Operating profit (EBIT), EUR mill.	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Profit (loss) for the period	10.3	15.4	27.6	42.6	68.7
Income tax expense	2.5	4.0	6.6	-5.5	-0.5
Share of profits in associated companies	0.1	-0.2	0.1	-0.2	-1.9
Net finance expenses	3.7	2.8	7.2	5.1	9.2
EBIT	16.7	22.1	41.6	42.0	75.4

Operating profit, (EBIT), %	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
EBIT	16.7	22.1	41.6	42.0	75.4
Revenue	258.6	189.0	526.4	386.5	744.7
EBIT, %	6.4	11.7	7.9	10.9	10.1

Adjustments*, EUR mill.	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Acquisition related expenses(1	1.7	0.6	2.1	0.7	6.6
Restructuring related expenses(2	0.1	0.3	0.3	0.7	1.4
Gain on sale of asset	0.3	-7.8	0.3	-7.8	-15.8
Strategic projects, new operations and other items affecting to comparability	0.1	0.1	0.2	0.2	0.1
Adjustments	2.2	-6.8	2.9	-6.2	-7.7

Adjusted EBITDA before the effect of IFRS 16	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Profit (loss) for the period	10.3	15.4	27.6	42.6	68.7
Income tax expense	2.5	4.0	6.6	-5.5	-0.5
Share of profits in associated companies	0.1	-0.2	0.1	-0.2	-1.9
Net finance expenses	3.7	2.8	7.2	5.1	9.2
Depreciation, amortisation and impairment losses	22.1	10.3	44.2	20.4	41.1
Adjustments*	2.2	-6.8	2.9	-6.2	-7.7
IFRS 16 rental expense adjustment	-10.0	-	-19.8	-	-
Adjusted EBITDA without the effect of IFRS 16	30.9	25.5	68.9	56.3	108.9

Adjusted EBITDA before the effect of IFRS 16, %	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Adjusted EBITDA without the effect of IFRS 16	30.9	25.5	68.9	56.3	108.9
Revenue	258.6	189.0	526.4	386.5	744.7
Adjusted EBITDA without the effect of IFRS 16, %	11.9	13.5	13.1	14.6	14.6

Adjusted EBITA before the effect of IFRS 16	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Profit (loss) for the period	10.3	15.4	27.6	42.6	68.7
Income tax expense	2.5	4.0	6.6	-5.5	-0.5
Share of profits in associated companies	0.1	-0.2	0.1	-0.2	-1.9
Net finance expenses	3.7	2.8	7.2	5.1	9.2
Amortisation and impairment losses	7.1	5.0	13.9	10.0	20.0
Adjustments*	2.2	-6.8	2.9	-6.2	-7.7
IFRS 16 rental expense adjustment	-10.0	-	-19.8	-	-
IFRS 16 depreciation	9.6	-	19.1	-	-
Adjusted EBITA without the effect of IFRS 16	25.5	20.2	57.6	45.8	87.7

Adjusted EBITA before the effect of IFRS 16, %	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Adjusted EBITA without the effect of IFRS 16	25.5	20.2	57.6	45.8	87.7
Revenue	258.6	189.0	526.4	386.5	744.7
Adjusted EBITA without the effect of IFRS 16, %	9.9	10.7	10.9	11.9	11.8

Net debt/Adjusted EBITDA (LTM) before the effect of IFRS 16	4-6/2019	4-6/2018	1-6/2019	1-6/2018	2018
Interest-bearing liabilities	-	-	434.1	289.6	450.1
Interest-bearing receivables and cash and cash equivalents	-	-	42.6	71.5	36.9
Adjusted EBITDA (LTM)	-	-	121.6	102.8	108.9
Net debt/Adjusted EBITDA (LTM) without the effect of IFRS 16	-	-	3.2	2.1	3.8

* 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 and other items affecting comparability.

1) Including transaction costs and expenses from integration of acquired businesses as well as IPO related expenses.

2) Including restructuring of network and business operations, start up losses, provisions for onerous contracts (lease agreements and other contracts).

16. Collateral and other contingent liabilities

EUR mill.	30 Jun 2019	30 Jun 2018	31 Dec 2018
Business mortgages	0.5	0.5	0.5
Real estate mortgages	-	-	-
Total	**0.5**	**0.5**	**0.5**
Securities for own debts			
Deposits	0.2	0.1	0.1
Rental deposit	-	-	-
Guarantees	1.1	0.5	0.8
Total	**1.3**	**0.6**	**0.9**
Other operating lease liabilities*			
Less than one year	-	31.2	37.4
Between one year and five years	-	100.6	107.5
Later	-	67.1	56.7
Total	-	**198.9**	**201.7**

*Due to the IFRS 16, other operating lease liabilities are recognized to the consolidated statement of financial position, instead of collateral and other contingent liabilities.