

GROWTH IN ALL CUSTOMER GROUPS, ATTENDO INTEGRATION ON TRACK

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Q1 HIGHLIGHTS

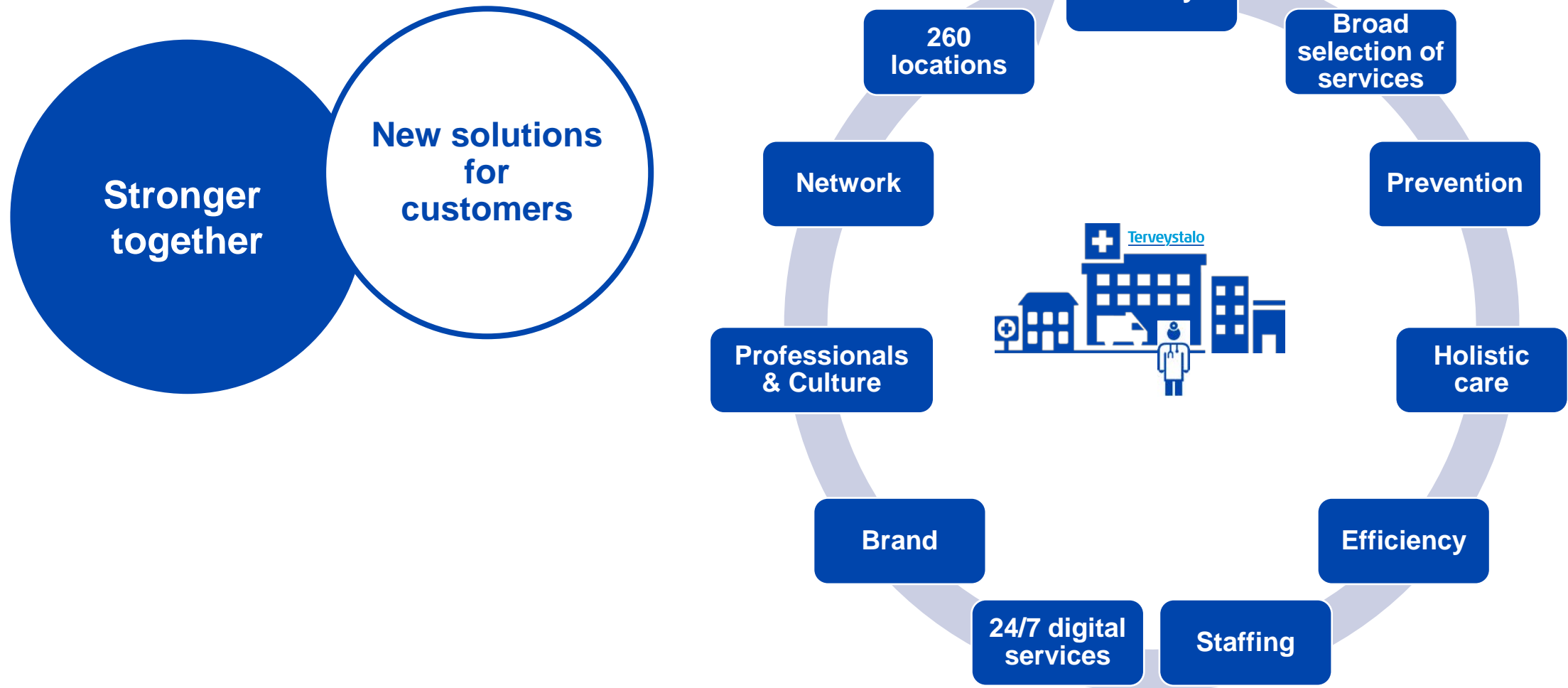
Strong development in all customer groups

Attendo Health care services significantly increased revenue, integration is proceeding as planned

Strong revenue growth in preventive and well-being services continued

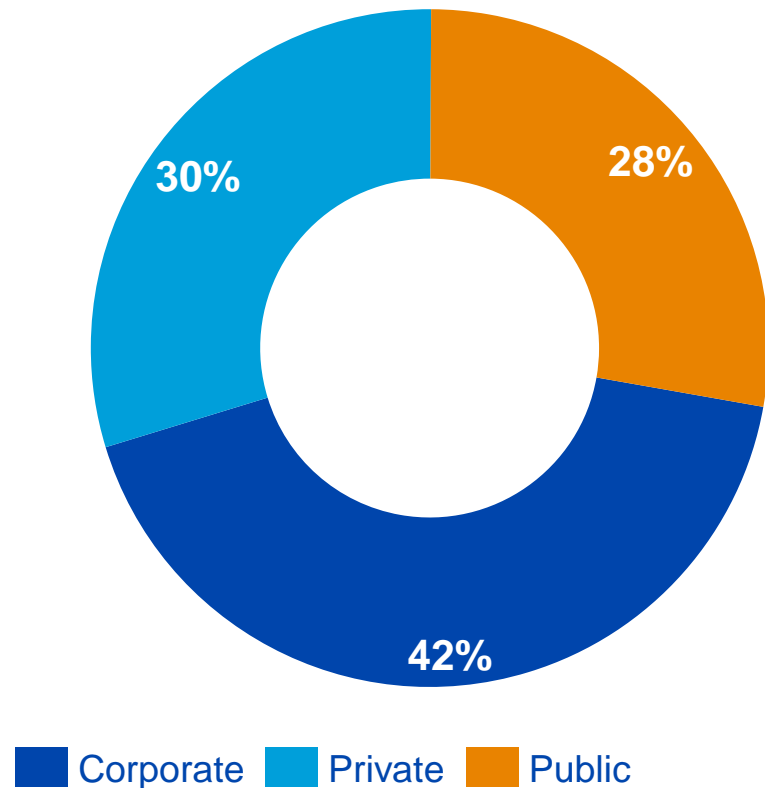
The introduction of IFRS 16 has a significant impact on comparability

Attendo integration is well on track and proceeding as planned

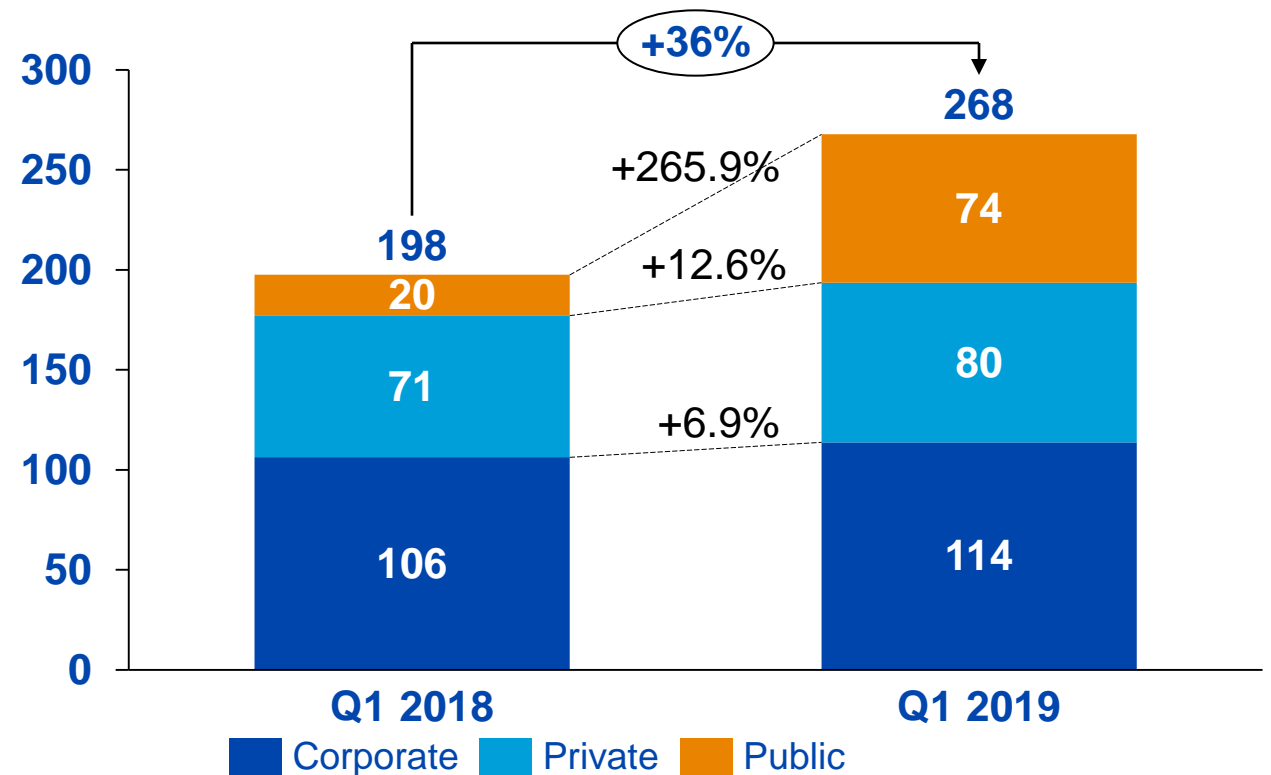


Q1: The Attendo deal had a significant impact on revenue

Revenue split by customer group, %

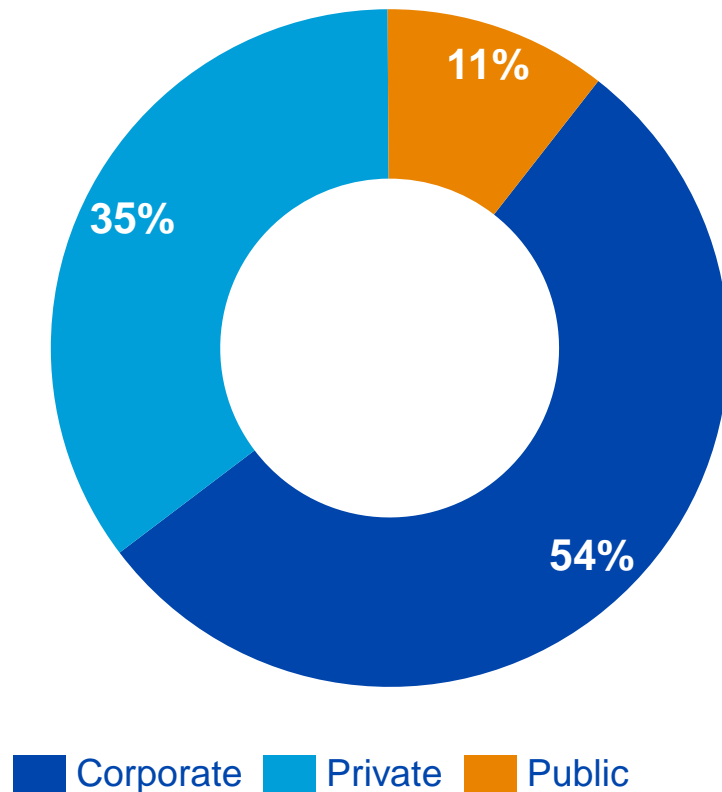


Revenue split by customer group, M€

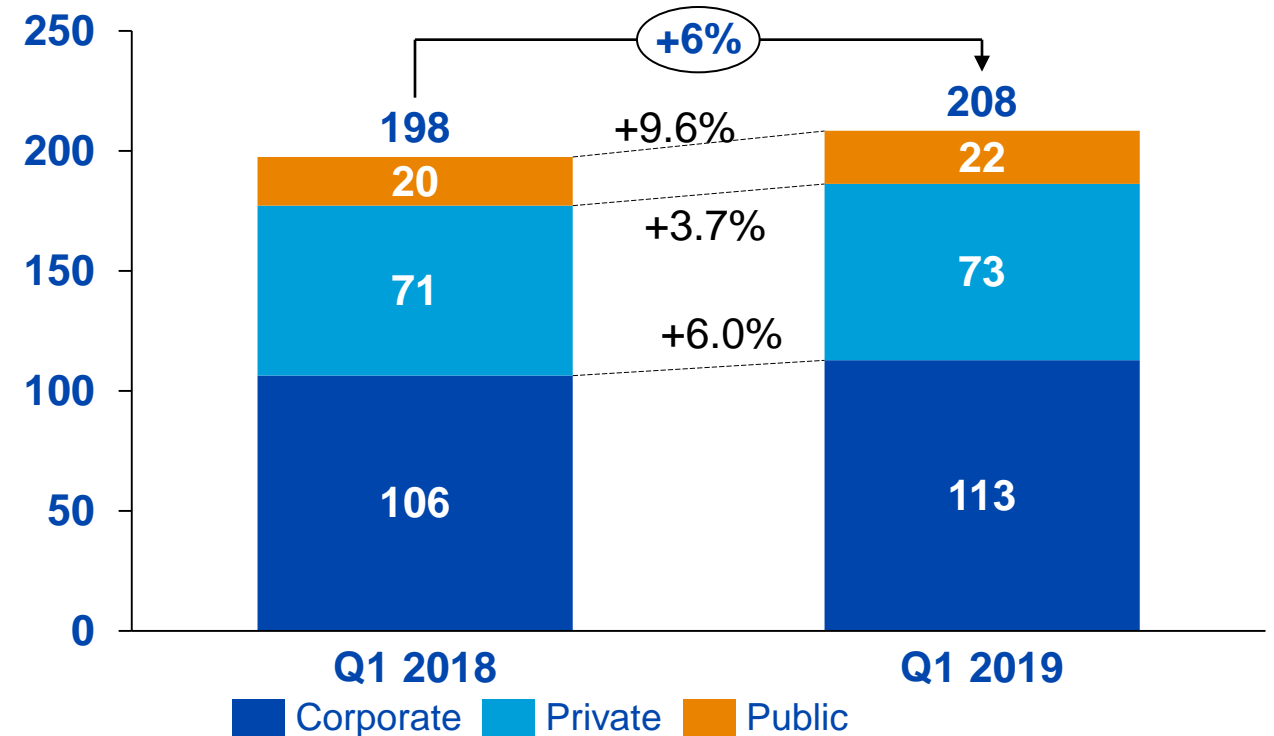


Q1: Stable revenue growth in all payer groups, excluding the Attendo impact

Q1 2019 Revenue split by payer group, excluding Attendo, %



Q1 2019 Revenue split by payer group, excluding Attendo, M€



Strong profitability

- **Adjusted EBITA*** EUR 32.4 Mill.
(EUR 25.6 Mill.)
- **Adjusted EBITA %***
12.1% of revenue (13%)
- **Profit** for the period**
EUR 17.2 million (27.3)

**Alternative performance measure*

***The result of the reference period was improved by the EUR 13.0 million recognized in deferred tax assets*

Market review

- No material changes in the healthcare market during the reporting period
- Steady demand in the corporate and private customer groups
- Increased clinic and hospital capacity in private health care has created intense competition. Significant capacity growth has stalled, however, and the demand for Terveystalo's services has remained strong.
- As the Sote-reform was once again postponed, demand for healthcare services is expected to increase through various partial and full outsourcing initiatives.
- However, no significant effect is expected in 2019 because of the long duration of outsourcing processes.

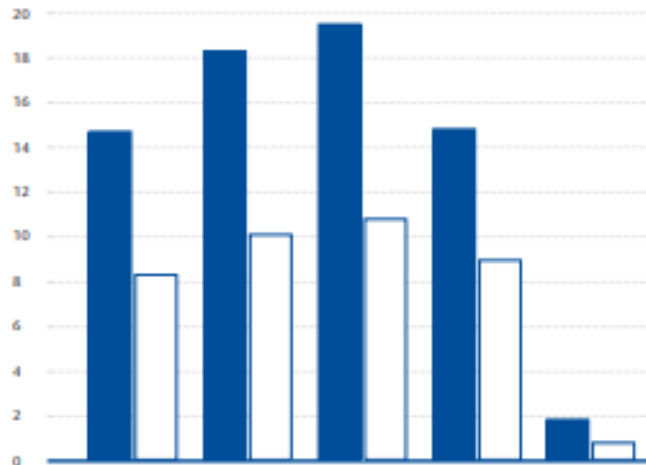
Outlook

- Employment and consumer confidence remain at a high level in Finland, and the market environment is positive.
- With the health care and social welfare reform being delayed, demand in public outsourcings is expected to grow.
- Corporate customers keep up a steady demand, and the relative share of preventive services is increasing.
- Private customer demand remains likewise at a steady level but new capacity on the market still decreases Terveystalo's revenue growth.



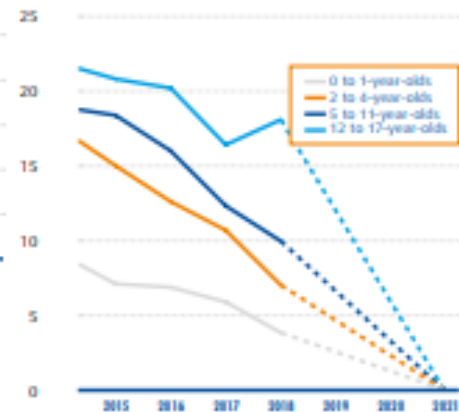
Developing health care requires transparency and comparability

THE CHANGE IN PSYCHIATRIC SYMPTOMS AND FUNCTIONING DURING BRIEF PSYCHOTHERAPY (CORE-OM, N=203)



THE NUMBER OF CHILDREN WHO WERE PRESCRIBED COUGH MEDICINE IN RELATION TO THE NUMBER OF CHILDREN DIAGNOSED WITH A COUGH OR A RESPIRATORY TRACT DISEASE IN TERVEYSTALO FROM 2014 TO 2017

The number of children who were prescribed cough medicine in relation to the number of children who received the diagnosis J00-J99* or R05* in Terveystalo from 2014 to 2017, and the target for 2020



*ICD-10 codes J00-J99 (Diseases of the respiratory system), R05 (Cough)

DIABETES CONTROL OF PATIENTS AT TERVEYSTALO

HBA1C, BLOOD GLUCOSE LEVEL OVER A PERIOD OF TIME

Target level according to the Current Care Guidelines under 7%

78%

Patients with good diabetes control

LDL CHOLESTEROL LEVEL

Target level according to the Current Care Guidelines under 2.5 mmol/l

53.7%

Patients with good diabetes control

BLOOD PRESSURE LEVEL

Target level according to the Current Care Guidelines under 140/80 mmHg

46.7%

Patients with good diabetes control

TERVEYSTALO'S HOSPITAL SERVICES

91.0 NPS

ROLLING 90 DAYS, 12/2018

respondents to the measurement 1-12/2018, 7,689

TERVEYSTALO APPOINTMENTS

70.9 NPS

ROLLING 90 DAYS, 12/2018

respondents to the measurement 1-12/2018, 50,310

ORAL HEALTH SERVICES

76.5 NPS

ROLLING 90 DAYS, 12/2018

respondents to the measurement 7-12/2018, 5,572

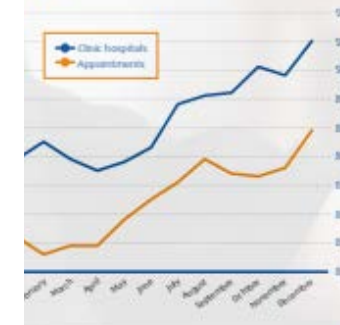
MAMMOGRAPHY SERVICES

85.8 NPS

ROLLING 90 DAYS, 12/2018

respondents to the measurement 10-12/2018, 2,403

PATIENT SATISFACTION IS MEASURED NPS



Quality care produced in a responsible manner



A photograph of two female healthcare professionals in a hospital hallway. The woman on the left is wearing a white lab coat, glasses, and has a stethoscope around her neck. The woman on the right is wearing dark blue scrubs. They are both smiling and looking towards the camera. A tablet is visible in the foreground between them.

QUALITY AND CORPORATE RESPONSIBILITY BOOK 2018

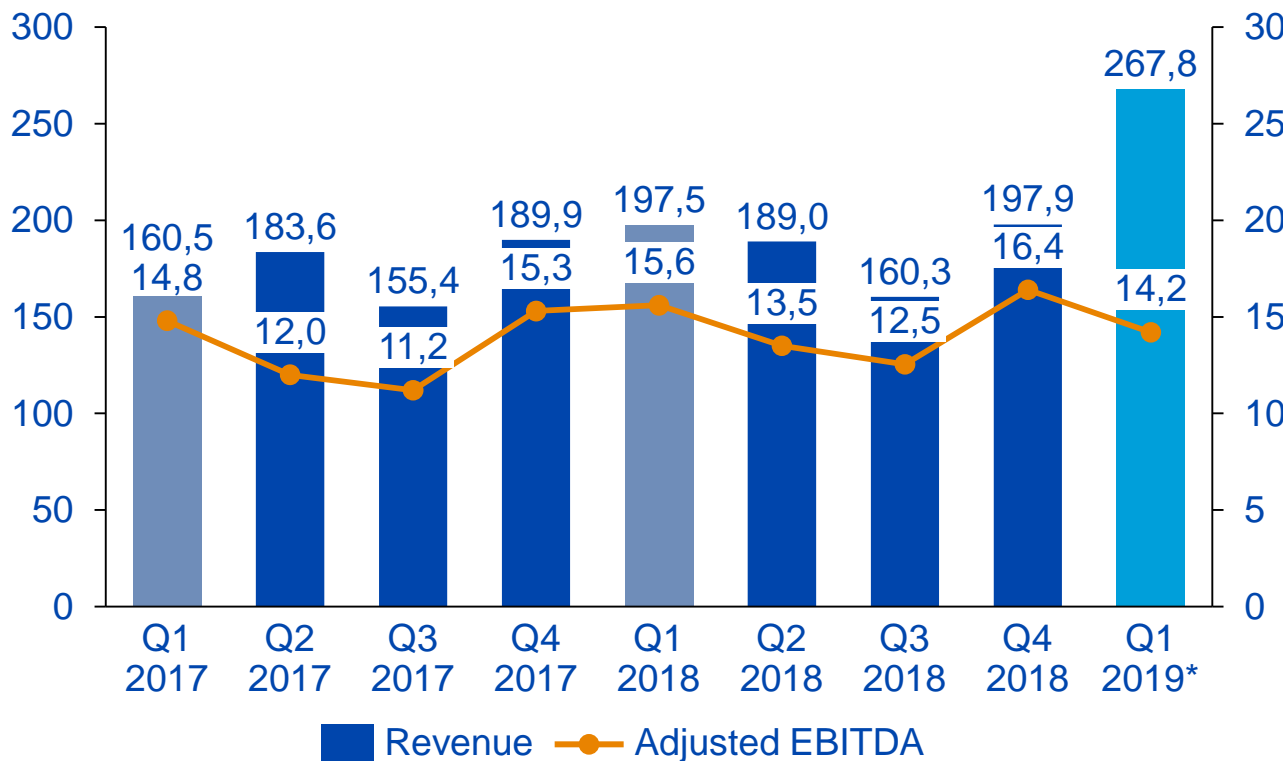
FINANCIAL PERFORMANCE

CFO Ilkka Laurila



Strong profitability despite the impact of Attendo

Revenue, Adjusted EBITDA*, %
Q1/19 Before IFRS 16 impact (comparable)



Adjusted EBITA*, M€ and %
Q1/19 Before IFRS 16 impact (comparable)



IFRS 16 impact on reported figures

EUR mill.	Q1/2019 Reported	Q1/2019 IFRS 16 impact	Q1/2019 Without IFRS 16 impact	Q1/2018 Reported
Revenue	267.8	-	267.8	197.5
EBITDA	47.1	9.8	37.3	30.1
Adjusted EBITDA	47.8	9.8	38.0	30.8
Depreciation	-22.2	-9.5	-12.7	-10.2
Adjusted EBITA	32.4	0.3	32.1	25.6
Financial expenses (net)	-3.5	-0.9	-2.6	-2.2
Profit/loss before taxes	21.3	-0.6	21.9	17.7
Taxes	-4.1	0.3	-4.4	9.5
Net profit/loss	17.2	-0.4	17.6	27.3
Assets	1,390.1	190.8	1,199.3	931.3
Financial liabilities	632.6	191.9	440.7	290.0
Cash flow from operating activities	49.1	9.8	39.3	18.4



Operating leverage still applies, the scale has changed post Attendo

M€	1-3/2019	1-3/2018	Change, %	2018
Revenue	267.8	197.5	35.6	744.7
Other operating income	0.4	0.5	-22.1	18.2
Materials and services	-123.7	-93.1	32.9	-351.3
Employee benefit expenses	-80.3	-50.9	57.9	-197.1
Other operating expenses	-13.3	-12.8	4.3	-52.6
Rents, leases and premises*	-3.7	-11.2	-66.5	-45.3
EBITDA	47.1	30.1	56.3	116.6
Adjustments*	0.7	0.6		-7.7
Adjusted EBITDA	47.8	30.8	55.4	108.9
EBIT	24.9	20.0	24.8	75.4

IFRS 16 effect
9,8 M€

Variable costs

Semi-fixed costs, scalable on a unit level

Fixed costs, scalable on a group level

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

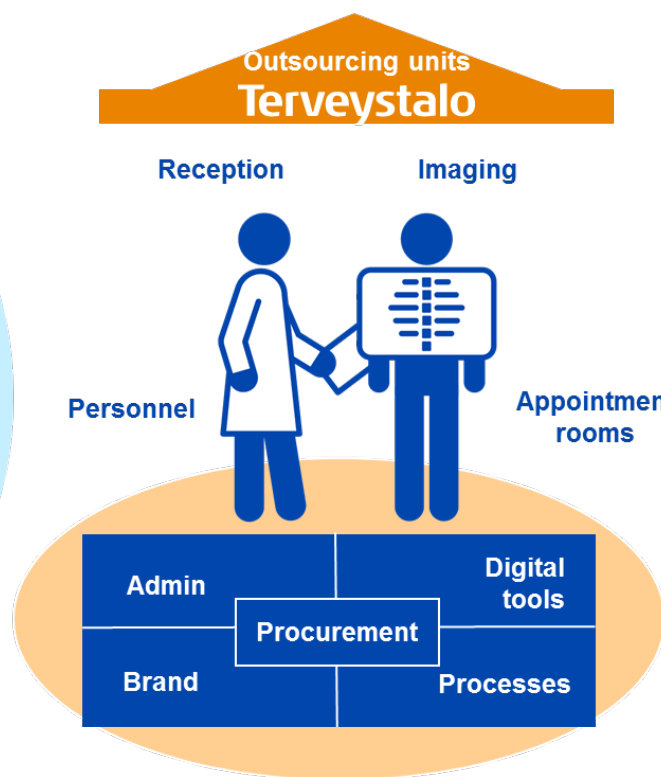
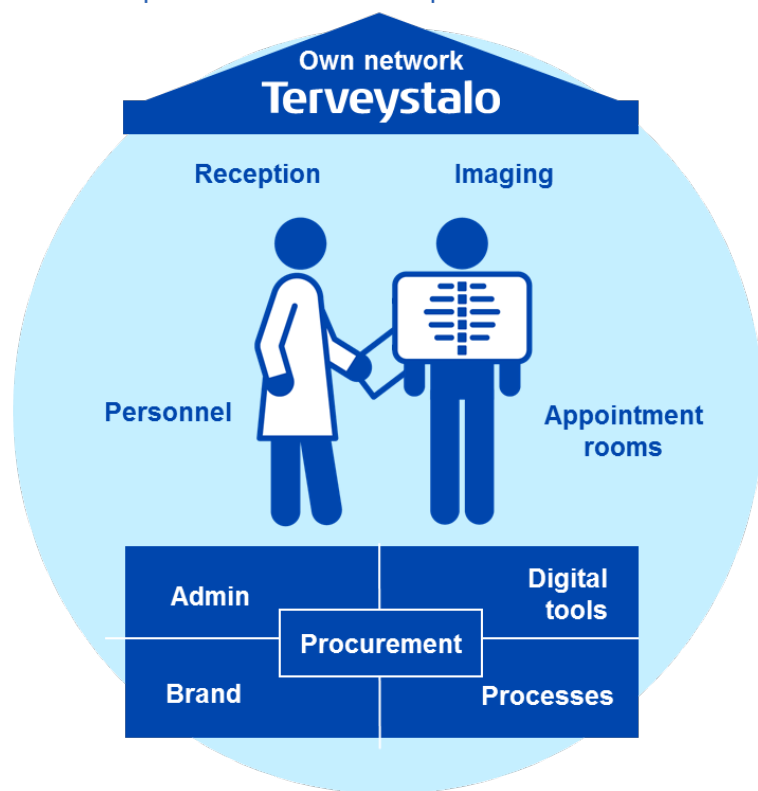


Extensive nationwide network offers scale benefits and operating leverage

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● Scales in corporate & private customer groups, public service sales and public OH

● Scales in outsourcing & staffing

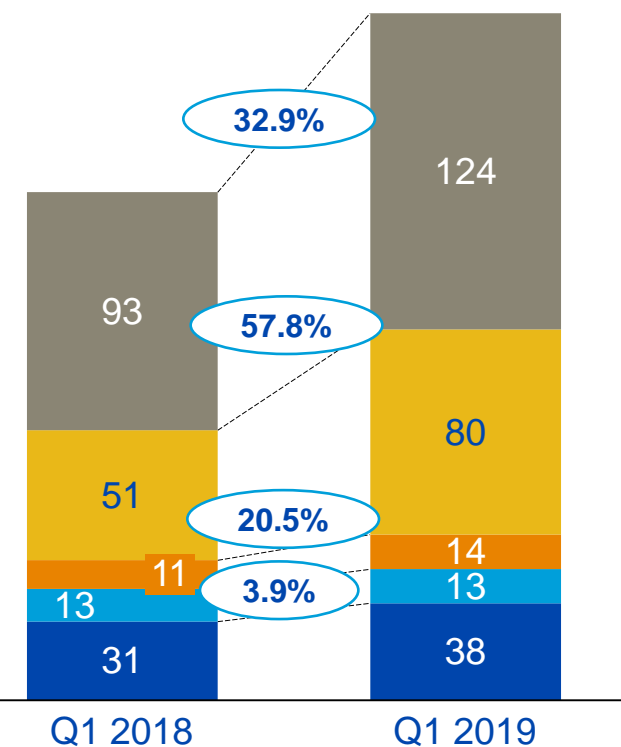


Operating costs & Adjusted EBITDA before IFRS 16 impact, Mill. Eur.

Variable costs

Semi-fixed costs

Fixed costs



■ Materials and services
 ■ Employee benefit expenses
 ■ Rents, leases and premises

■ Other operating expenses
 ■ Adjusted EBITDA before IFRS 16 impact (comparable)



The impact of the Attendo deal and the adoption of IFRS 16 is reflected in the balance sheet

m€	31.3.2019	31.3.2018	31.12.2018
ASSETS			
Property, plant and equipment	83.4	82	83.6
Goodwill	770.6	584.1	768.7
Other intangible assets	164	106	167.7
Other assets	315.2	115.6	105.4
Cash and cash equivalents	56.9	43.6	36.9
TOTAL ASSETS	1,390.1	931.3	1,162.30
EQUITY AND LIABILITIES			
TOTAL EQUITY	529.3	484.9	511.8
Interest bearing liabilities	632.6	290.0	450.1
Other liabilities	227.8	156.4	200.4
TOTAL LIABILITIES	860.4	446.4	650.5
TOTAL EQUITY AND LIABILITIES	1,390.1	931.3	1,162.30

IFRS 16
effect
190.8 M€

IFRS 16
effect
191.9 M€

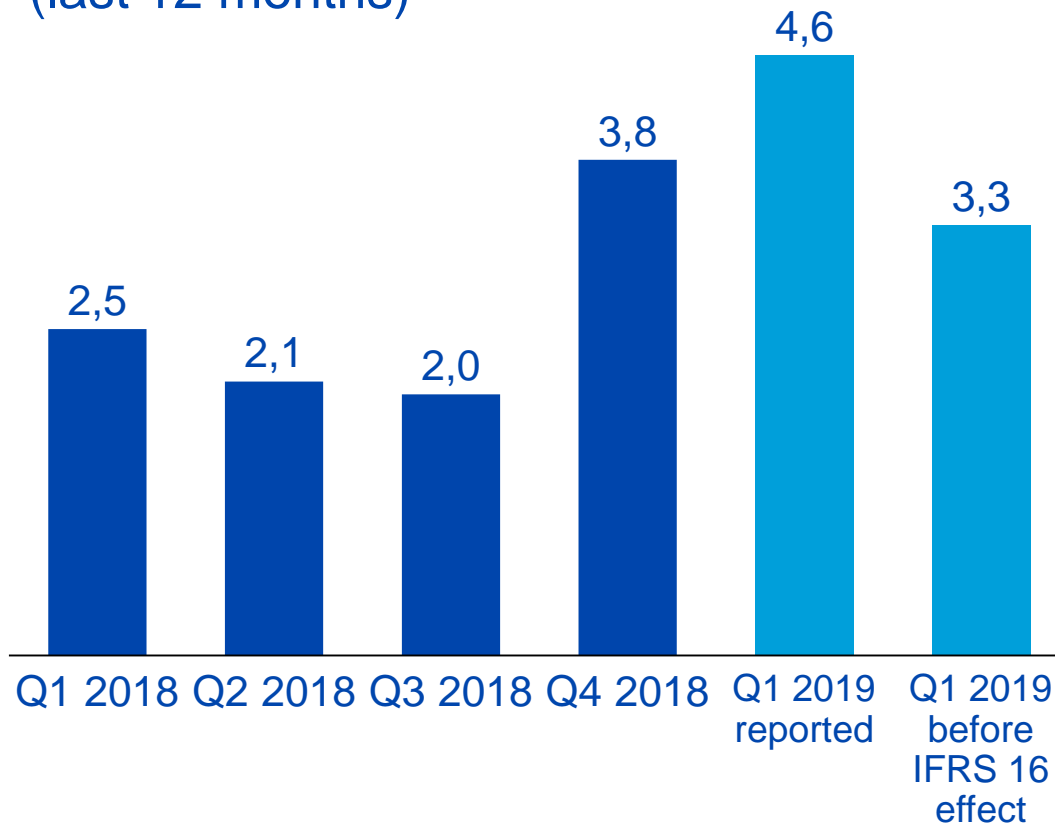
- Total assets of the Group amounted to EUR 1,390.1 million (EUR 931.3 million in March 2018). The growth was mainly attributable to the allocation of the purchase price to intangible assets in connection with the Attendo acquisition, the goodwill generated by the acquisition, and the adoption of IFRS 16. .
- Equity attributable to owners of the parent company totalled EUR 529.2 (484.9) million. The growth was mainly attributable to improved profitability.
- Gearing at the end of the review period was 108.8 (50.8) percent, and net interest-bearing debt amounted to EUR 575.7 (246.4) million . Adoption of IFRS 16 increased lease-related interest-bearing debt by EUR 191.9 million.



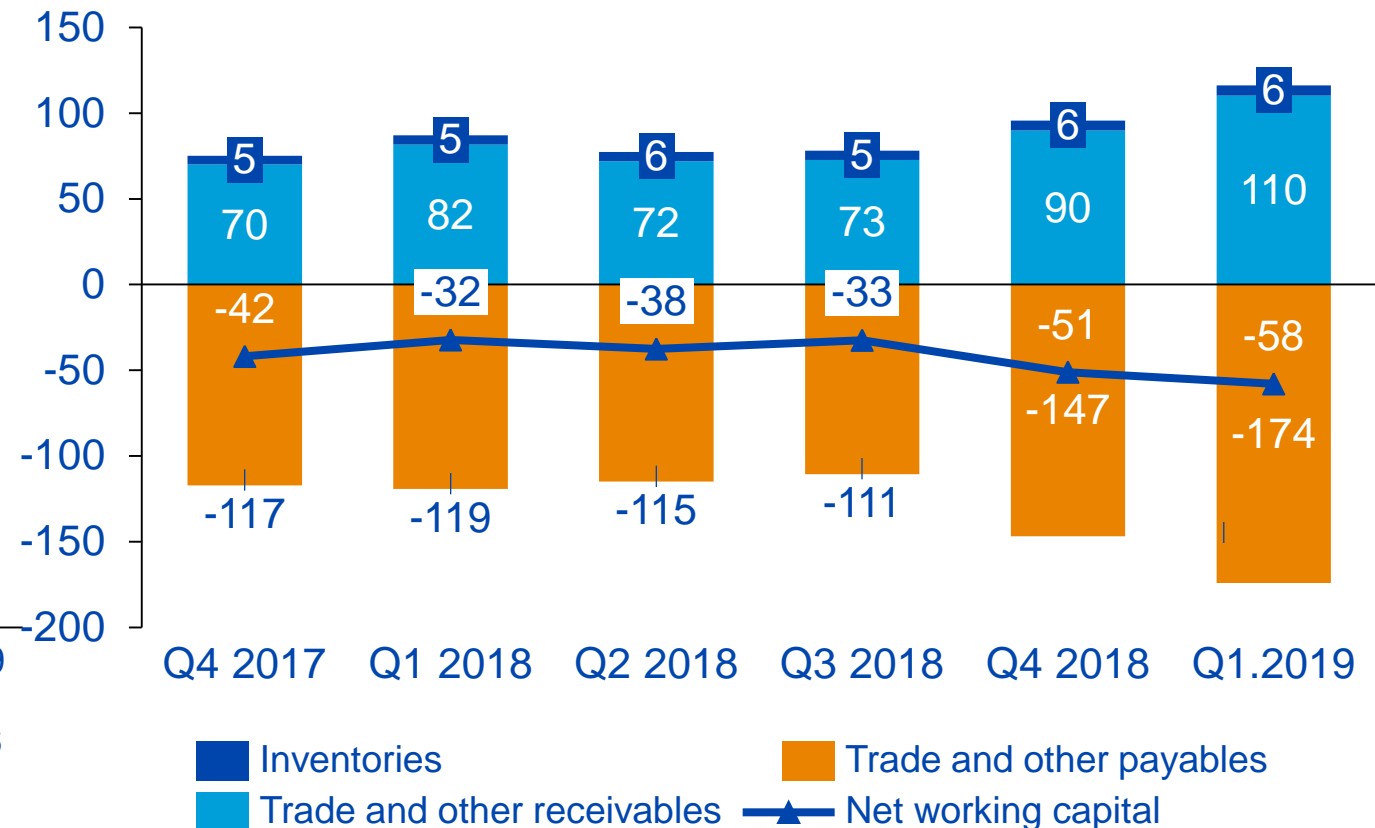
The financing of the Attendo deal and the adoption of IFRS 16 increased net debt

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Net debt/ adjusted EBITDA
(last 12 months)

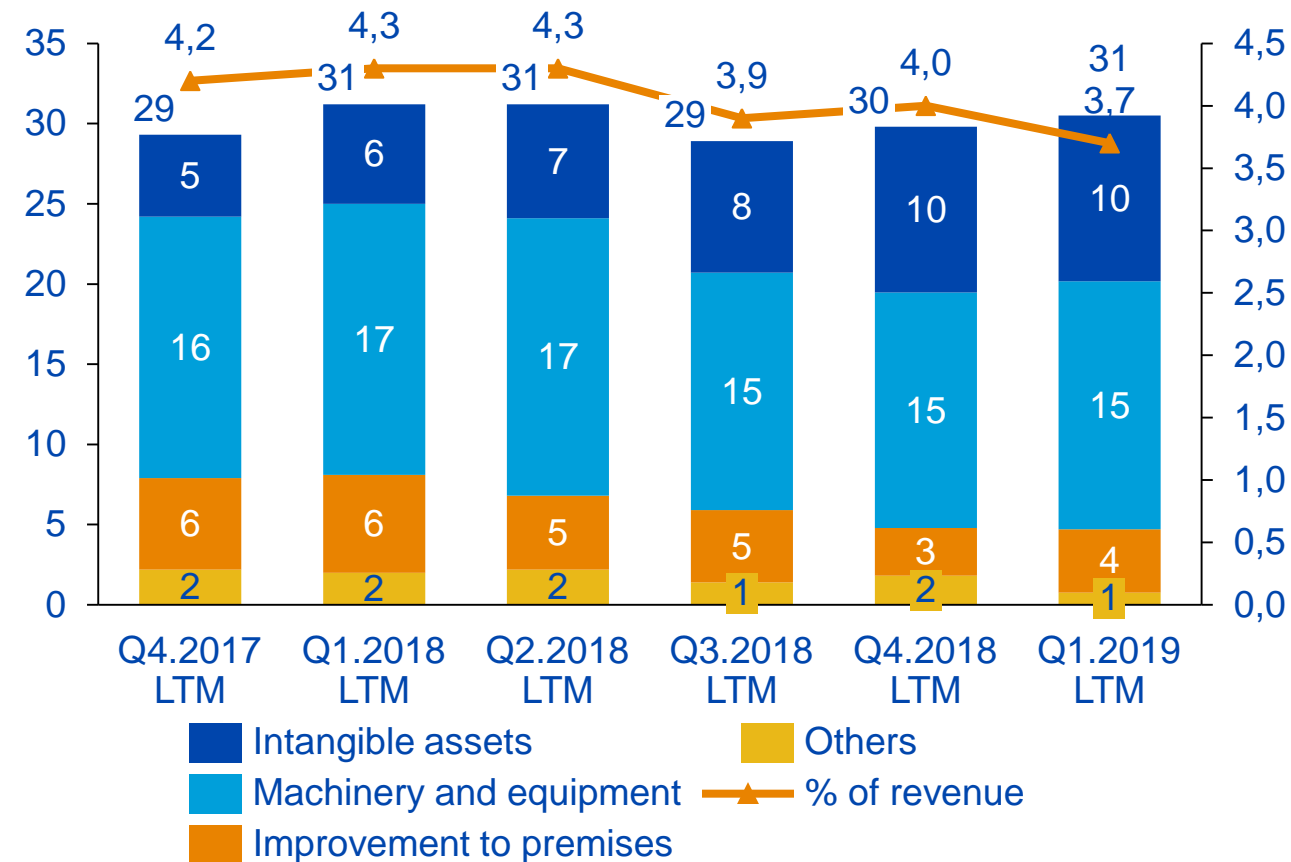


Operational efficiency is reflected in the negative net working capital

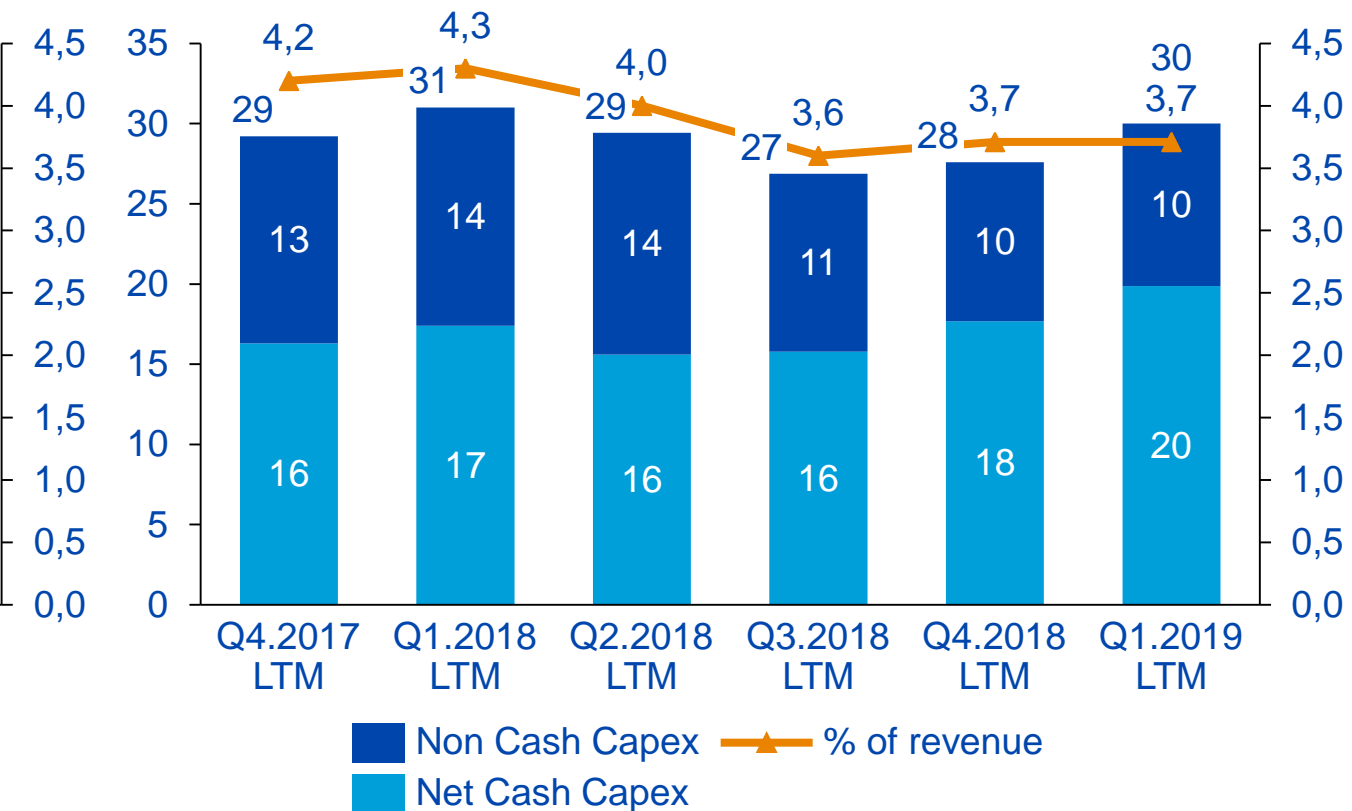


Investments (Excluding M&A)

Gross capex, M€ and %- of revenue

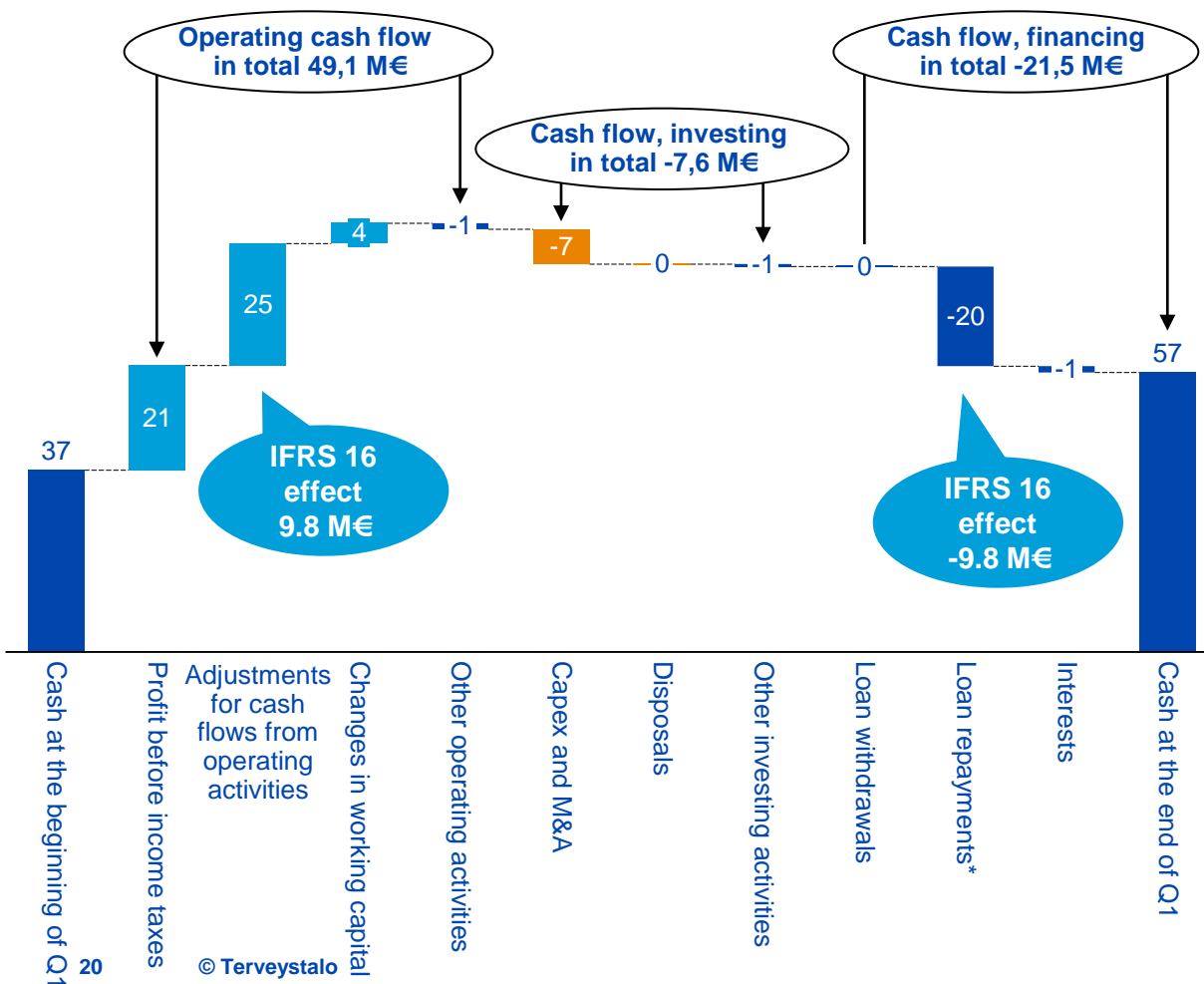


Net capex, M€ and %- of revenue

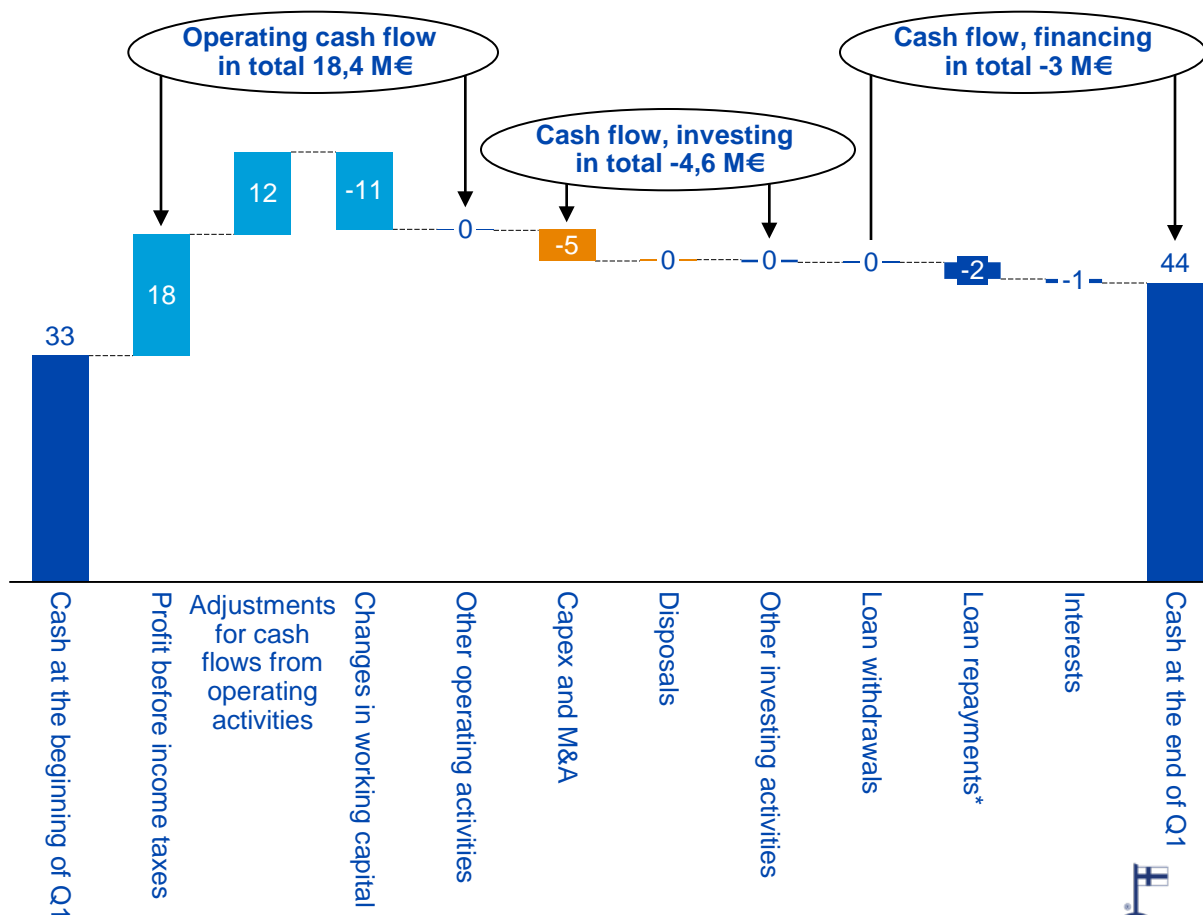


Strong operating cash flow, IFRS 16 visible in the operating cash flow and cash flow from investing activities

Q1 2019



Q1 2018



*) includes repayments of loans, finance lease liabilities and payment of hire purchase liabilities

Financial reporting and upcoming IR events

Financial reporting

- Half-Year Report for January–June 2019 on Thursday, 8 August 2019
- Interim report for January–September 2019 on Thursday, 31 October 2019

Conferences and seminars

- Roadshow in Paris & Frankfurt 16-17 May
- Roadshow in Stockholm 21 May
- Handelsbanken Nordic Mid/Small Cap Seminar in Stockholm 5 June
- Nordea Healthcare seminar in Helsinki 11 June



Q & A



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Key Figures

M€	1-3/2019	1-3/2018	Change, %	2018
Revenue	267,8	197,5	35,6	744,7
Adjusted EBITDA ^{1) 2)}	47,8	30,8	55,4	108,9
Adjusted EBITDA, % ^{1) 2)}	17,9	15,6	-	14,6
Adjusted EBITA ^{1) 2)}	32,4	25,6	26,7	87,7
Adjusted EBITA, % ^{1) 2)}	12,1	13,0	-	11,8
EBIT ²⁾	24,9	20,0	24,8	75,4
Profit for the period ^{2) 3)}	17,2	27,3	-36,7	68,7
Net debt ²⁾	575,7	246,4	133,7	413,3
Net debt/Adjusted EBITDA (LTM) ^{1) 2)}	4,6	2,5	-	3,8
ROE, % ¹⁾	10,5	6,9	-	14,2
Equity ratio, % ^{1) 2)}	38,1	52,2	-	44,1
Gearing)% ^{1) 2)}	108,8	50,8	-	80,8
EPS ^{2) 3)}	0,14	0,21		0,54
Operating cash flow ²⁾	49,1	18,4		100,6
Personnel (end of period)	6 893	4 396	56,8	6 018
Private practitioners (end of period)	4 885	4 553	7,3	4 877
Number of working days	63	63	-	251

Before IFRS 16 impact (comparable), EUR million	1-3/2019	1-3/2018	Change, %	2018
Adjusted EBITDA ¹⁾	38,0	30,8	23,5	108,9
Adjusted EBITDA, % ¹⁾	14,2	15,6	-	14,6
Adjusted EBITA ¹⁾	32,1	25,6	25,4	87,7
Adjusted EBITA, % ¹⁾	12,0	13,0	-	11,8
Adjusted net debt	383,8	246,4	55,8	413,3
Adjusted net debt/adjusted EBITDA) (last) 12 months ^{1) 4)}	3,3	2,5	-	3,8

1) Alternative performance measure. Additional information in note 14.

2) Not comparable because of the adoption of IFRS 16

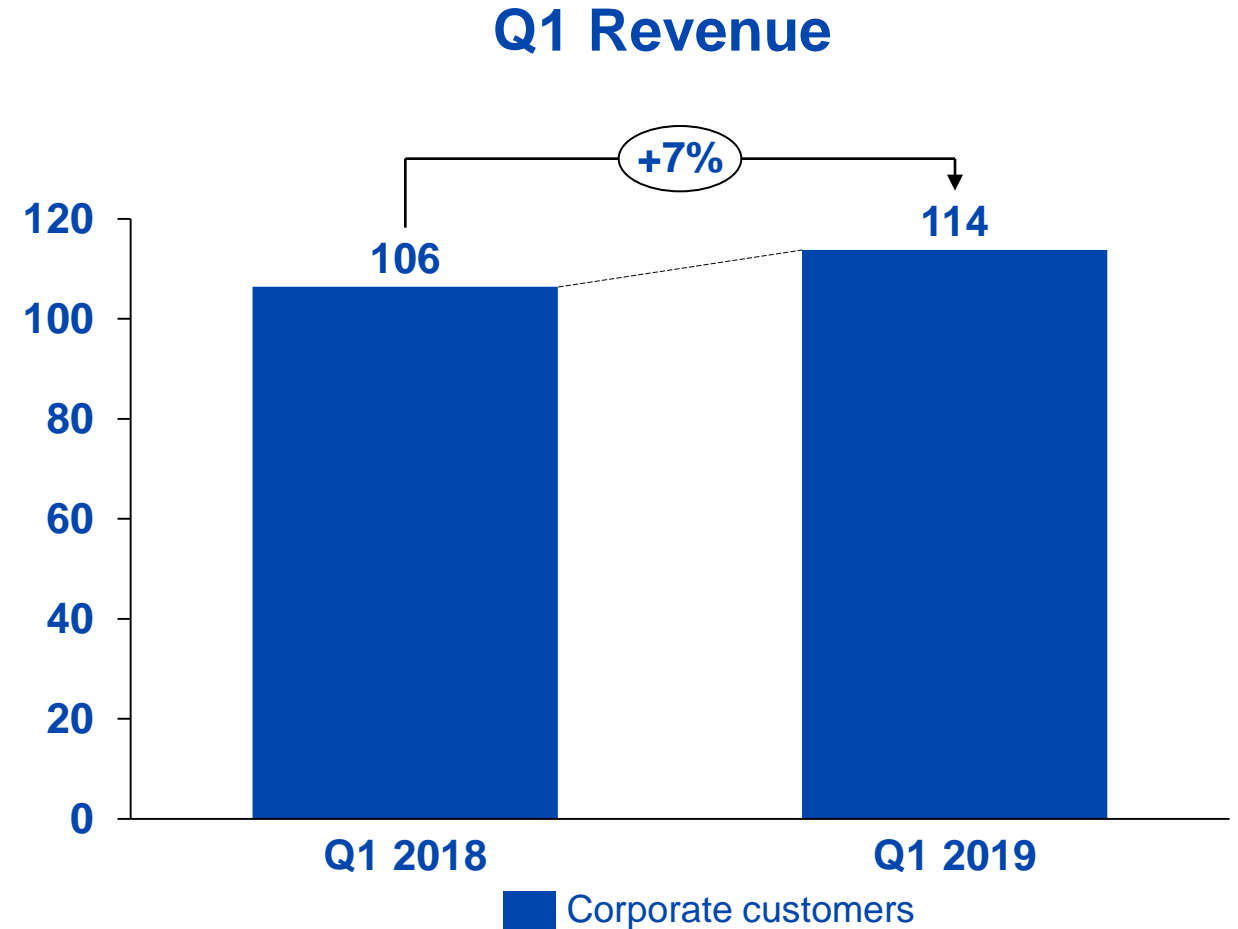
3) The result of the reference period includes a retrospective adjustment of deferred tax for the first quarter of 2018.

4) LTM EBITDA includes only one quarter impact of the Attendo acquisition



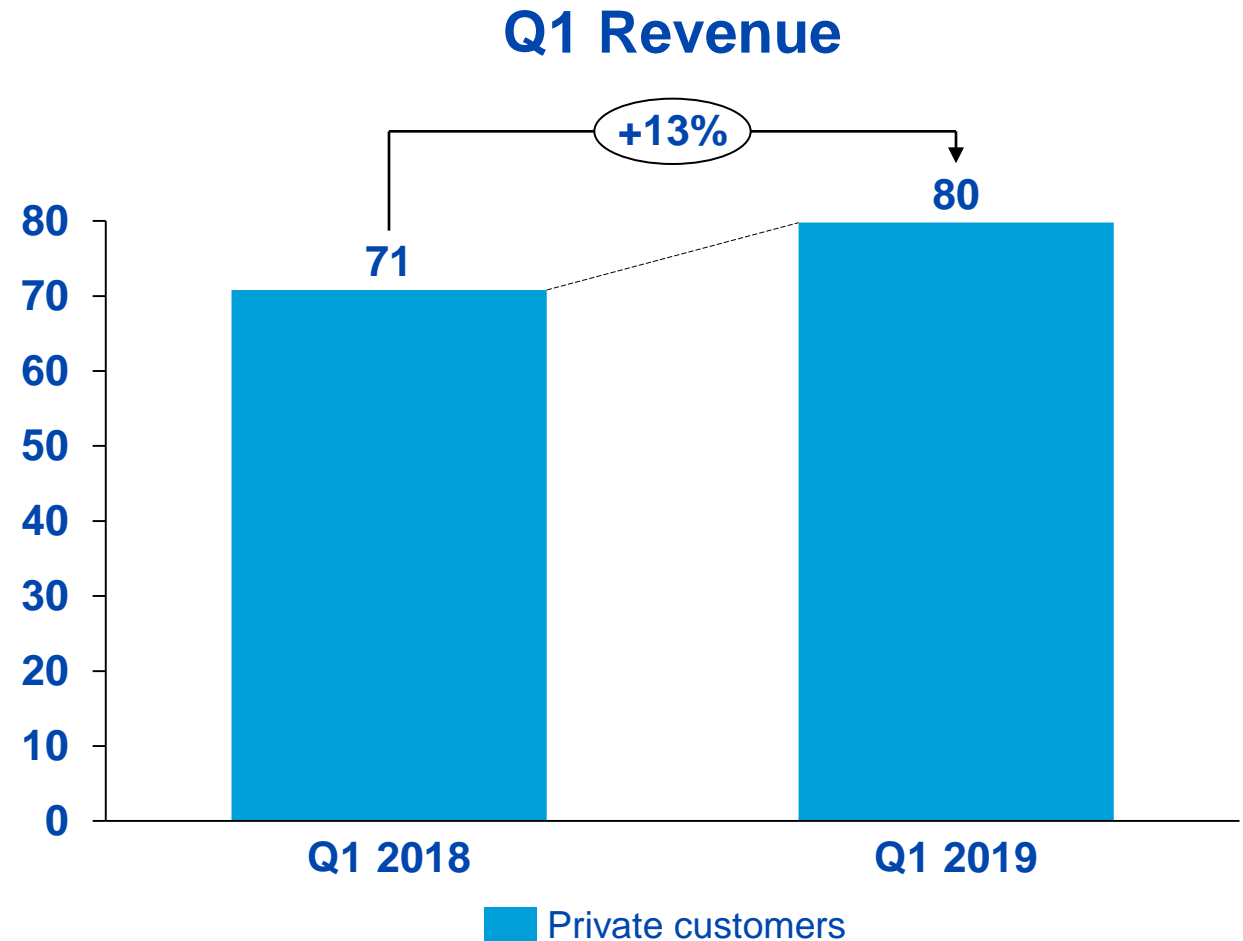
Corporate customer group saw growth in preventive and well-being services

- Revenue grew by 6.9 per cent and 6.0 per cent excluding Attendo.
- Sales of preventive occupational health services and well-being services continued to develop favorably, which increased average sales per end customer.
- Demand for digital services showed strong growth.
- Demand for illness-related appointments, on the other hand, decreased y-o-y.
- The number of occupational health end customers increased slightly y-o-y.



Private customer group revenue

- Revenue increased by 12.6 percent, 3.7 excluding Attendo.
- Strong demand particularly for oral healthcare services as well as well-being and digital services and the acquisition of oral healthcare and well-being businesses increased the revenue.
- The amount of private services used by occupational health customers was flat y-o-y.
- The number of physician's appointments offered decreased y-o-y, but the increase in appointments offered with other healthcare professionals compensated for the decrease.



Strong growth in public customer group continued

- Strong organic growth continued, revenue excluding Attendo increased by 9.6 percent.
- In addition to the acquisition of Attendo's Health Services, factors contributing to the growth of sales included new outsourcing agreements in Tervola and in Iisalmi Hospital, as well as the steady growth of occupational health services and other service sales.

Q1 Revenue

