



# **Terveystalo**

## **Growing as a stronger business**

ILKKA LAURILA, CFO

16 FEB 2022

# Terveystalo – A leading Nordic platform for health and wellbeing

**8.0**

Mill.  
Customer  
visits in 2020

**25%**

Share of  
remote visits  
in 2021

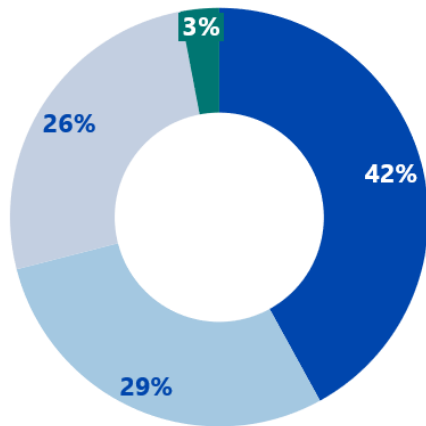
**1.3**

Mill.  
Individual  
customers in  
2021

**~360**

Locations in  
Finland

## 2021 revenue breakdown, %



■ Corporate ■ Public  
■ Private ■ Sweden and others

Feelgood (Sweden) was consolidated as of 1 July, 2021.

**~90% Fee for Service**

**1,155**

revenue,  
MEUR

**12.2%**

adj. EBITA,  
% of revenue

**~15,500**

professionals

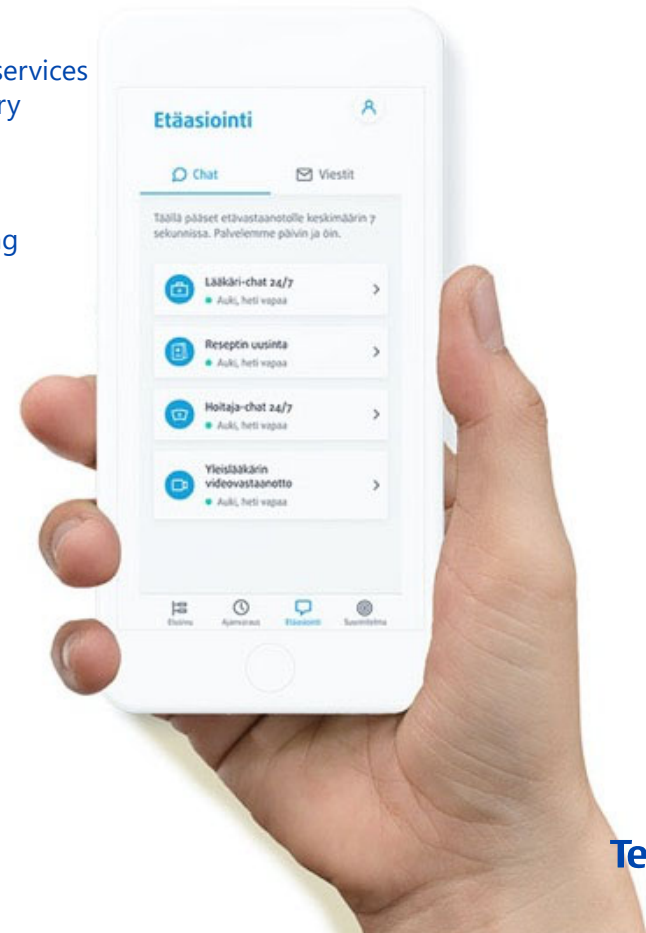
## Service portfolio

- Occupational health services
- Primary and secondary health care
- Wellbeing services
- Diagnostics
- Outsourcing & staffing

**24/7**

Digital  
Services with

**1.7 million**  
registered users



**Terveystalo**

# Terveystalo Group structure

Subsidiaries – operative business

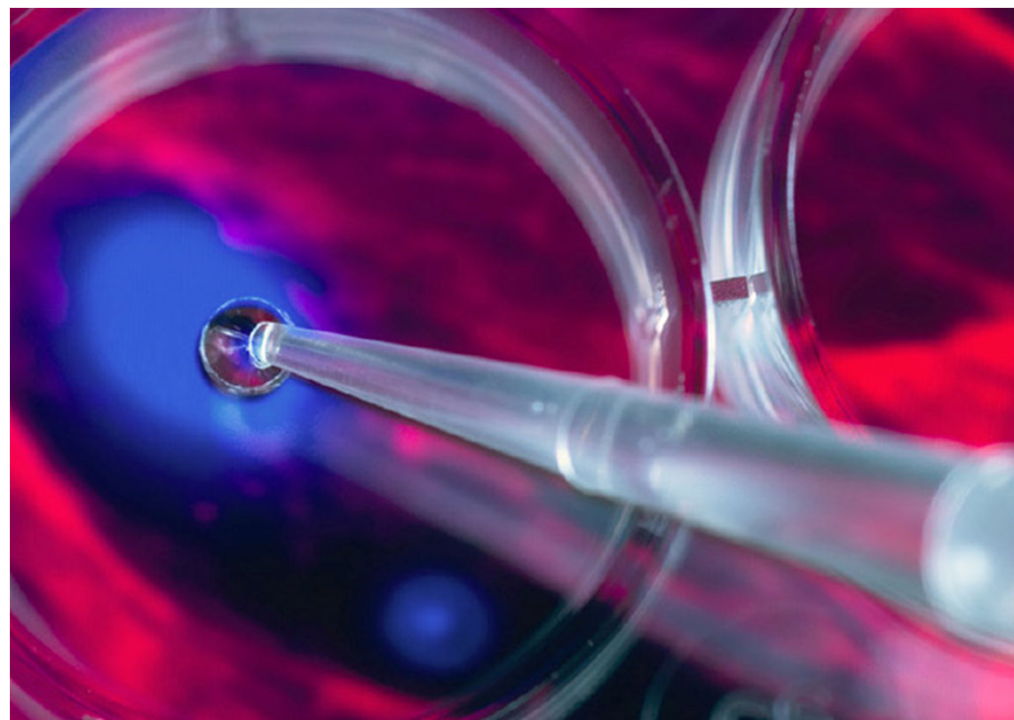
## Group Organization



- The Group's operative business activities are mainly carried out by:
  - Suomen Terveystalo Oy,
  - Terveystalo Julkiset Palvelut Oy,
  - Terveystalo Kuntaturva Oy in Finland
  - and by Feelgood Företagshälsovård AB in Sweden.
- Terveystalo Healthcare Oy is the Group's procurement company.

# Commercial paper program of EUR 100 million is a new source of funding to TTALO

- Terveystalo has signed an agreement for a domestic commercial paper program.
- Program size EUR 100 million.
- The company may issue commercial papers with a maturity of less than one year.
- The financing arrangement diversifies Terveystalo's financing base and supports the Group's normal working capital financing.
- Issuing company is Terveystalo Healthcare Holding Oy, the Terveystalo Group financing company



# Our purpose is to fight for a healthier life.

Our vision is to introduce the new era of health – with fewer sick days and more healthy, happy years – driven by data and Nordic know-how.

## Values

### HUMAN BEING AT THE CENTER

We take responsibility for the health and wellbeing of our fellow human beings, for the opportunity to live a good life. We work together to help our customer and our customer guides us in our renewal. We help each other and value all of our experts.



### STEERED BY MEDICAL SCIENCE

Everything we do is based on medical science and researched knowledge. All our decisions are steered by care efficacy and the well-being of our customers.



### FOR THE COMMON GOOD

We build health and wealth for the society and produce effective care efficiently. We share information and ignite discussion and create better healthcare for all: customers, professionals, and society.



## Strategic targets



THE PROFITABILITY LEADER IN THE NORDIC REGION IN PRIVATE HEALTH SERVICES.



PREFERRED BY CUSTOMERS AND PROFESSIONALS.

## How we do it



### THE SMARTEST PLATFORM IN THE INDUSTRY

We are able to provide our customers with the right service regardless of time, place, and channel, from the beginning of the treatment path to its end.



### THE CUSTOMER'S HEALTH PARTNER

We engage in dialogue with the customers, anticipate their needs and offer comprehensive wellbeing services.



### GROWTH IN NEW MARKETS

We grow in the Nordics and in digital services.

## Financial targets

- ✓ **Growth**  
At least 5% annual growth in revenue
- ✓ **Profitability**  
An adjusted EBITA margin of 12–13%
- ✓ **Indebtedness**  
Interest-bearing Net debt/Adjusted EBITDA not to exceed 3.5 times
- ✓ **Dividend**  
Distribute at least 40% of net profit as dividends annually



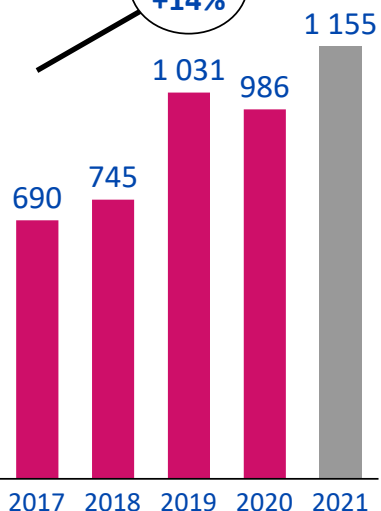
# Growing as a stronger business

<b>Strong finish to the year 2021</b>	<p>Good underlying demand despite Omicron surge</p> <p>Record high Covid-19 testing activity</p> <p>Supply bottlenecks compensated by ramping up digital offering</p>
<b>Strong core business is growing stronger</b>	<p>All financial targets were achieved</p> <p>Record high customer and employee satisfaction</p> <p>Over 1 million digital visits</p>
<b>More opportunities for growth</b>	<p>Strong demand drivers in core business</p> <p>Larger addressable market with our entry to Sweden</p> <p>Digital business offers new opportunities mid-term</p>

# Continued progress against financial and strategic objectives

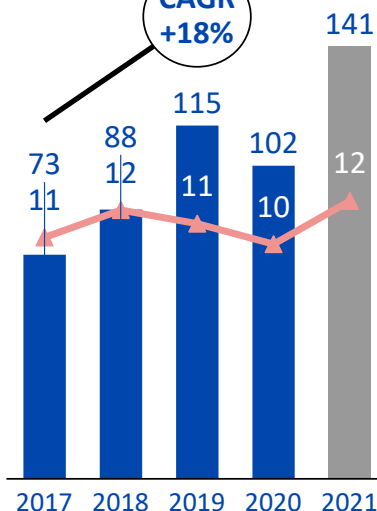
2021 REVENUE +17%

Y-O-Y  
CAGR  
+14%

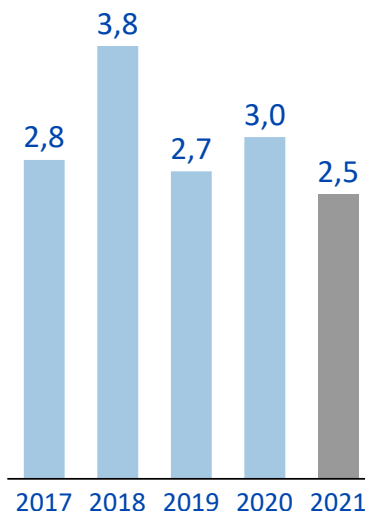


12% ADJ. EBITA  
MARGIN

CAGR  
+18%



NET DEBT/  
EBITDA 2,5



THE PREFERRED CHOICE BY CUSTOMERS  
AND PROFESSIONALS

**NPS 83**

RECORD HIGH CUSTOMER  
SATISFACTION



Industry Best  
Hospital & Health Care

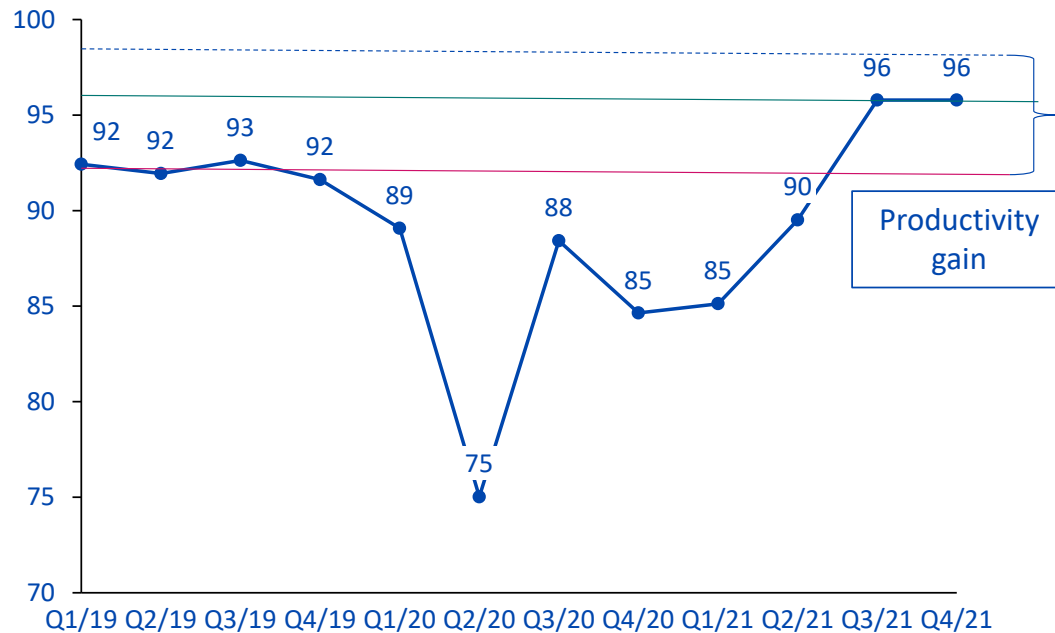
**Terveystalo**

By Health/Medicine professionals  
Finland's Most Attractive Employers 2021

# Strong operational performance to meet record high underlying demand

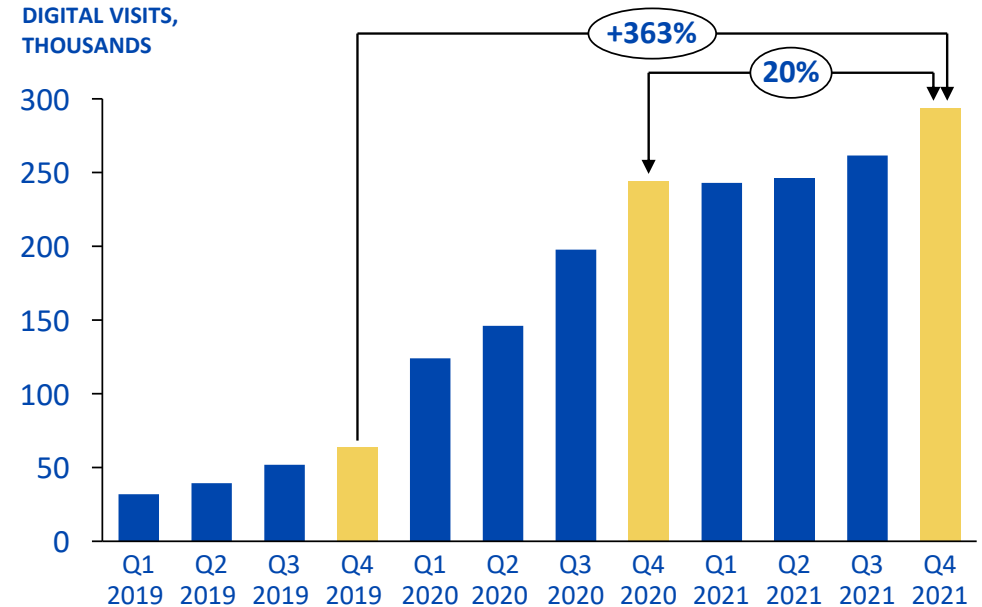
## WE WORK HARD TO RAMP UP THE SUPPLY TO MEET HIGH DEMAND

DOCTOR APPOINTMENT  
BOOKING RATE, %



## DIGITAL APPOINTMENTS FURTHER IMPROVE PRODUCTIVITY AND ACCESS TO CARE

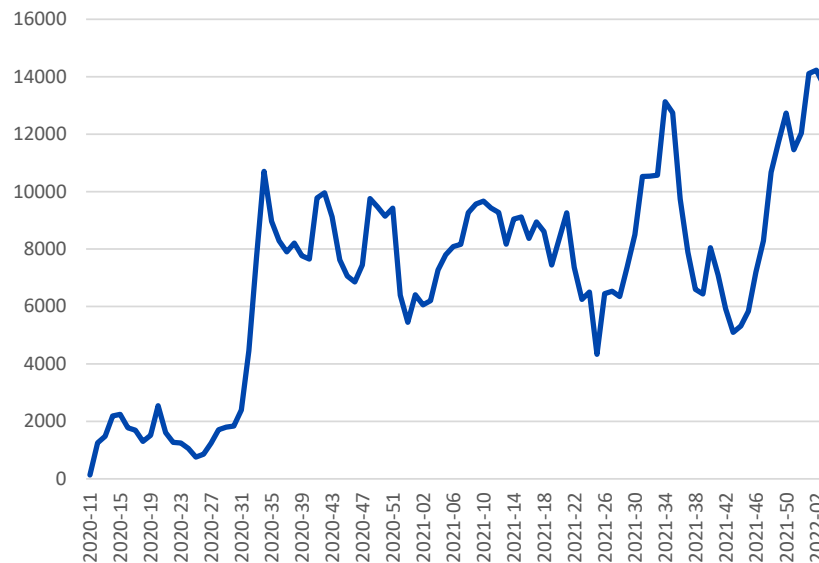
DIGITAL VISITS,  
THOUSANDS





# Covid-19 related services gave a further boost to the business

## RECORD HIGH TESTING ACTIVITY IN Q4



Source: <https://avoinraportointi.terveystalo.com/korona/>

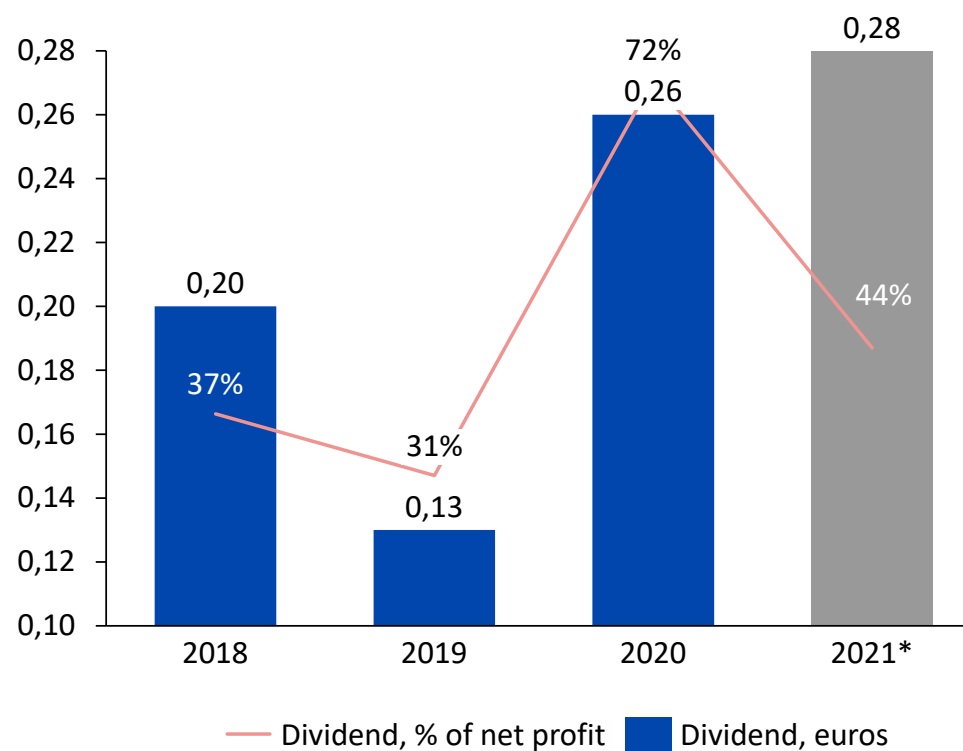
Note: Reporting does not include corporate co-operations.

- Terveystalo has gained market share in a highly competitive market.
- However, the unit prices of the tests have decreased due to the competition and the trend is expected to continue. Testing also requires a lot of human resources.
- Covid-19 tests are currently replacing some of the normal laboratory tests for infections – these volumes are expected to recover once the covid-19 testing winds down.

# Opportunities for value creating capital allocation have improved

**OUR DIVIDEND POLICY IS TO DISTRIBUTE AT LEAST 40% OF EARNINGS PER SHARE IN DIVIDENDS**

- A dividend of EUR 0.28 (0.26) per share is proposed, corresponding 44% (72%) of earnings
- Thanks to our strong balance sheet, are well positioned to invest in growth.



\*Proposed dividend

# Financial performance

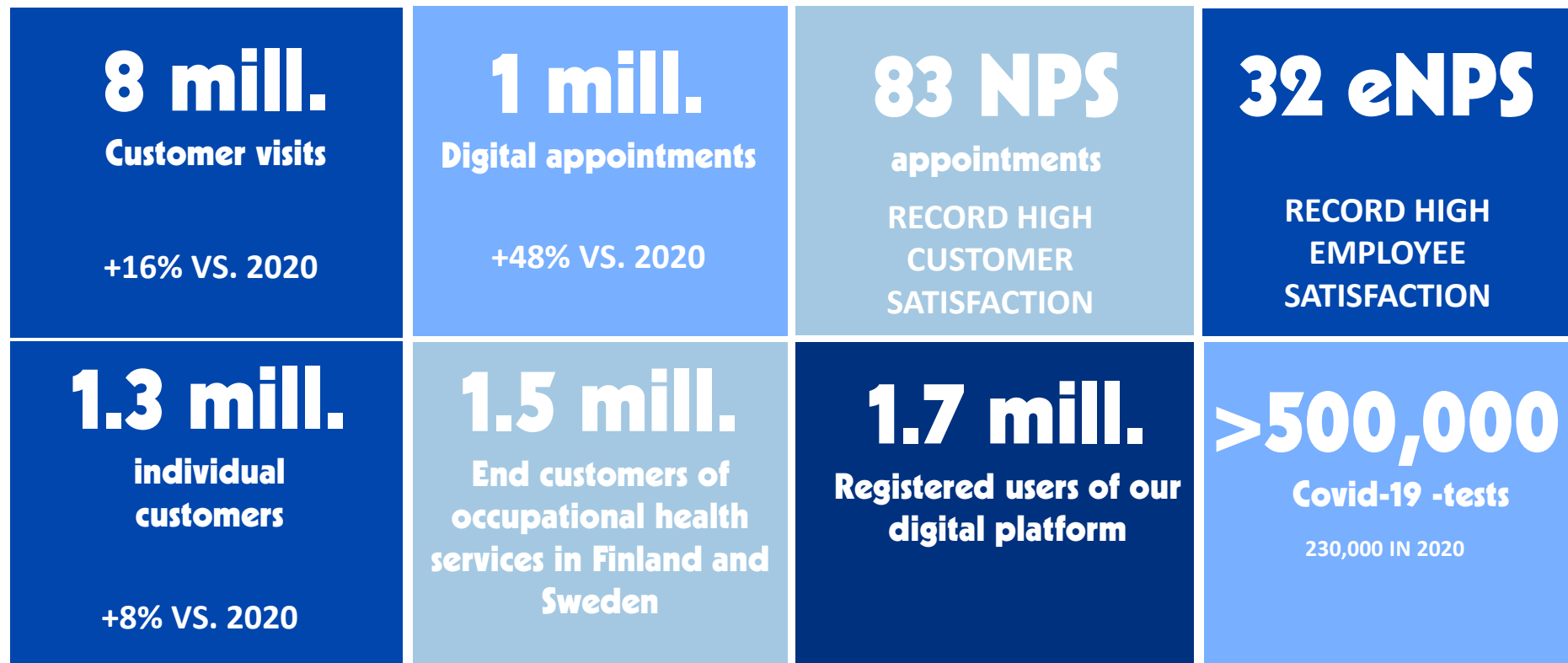
# Growing as a stronger business also means stronger financials

<b>Strong revenue growth and profitability – financial targets achieved</b>	Full year 2021 revenue EUR 1,155 million, + 17% y-o-y Full year 2021 Adj. EBITA EUR 141 million, +38.4% y-o-y and 12.2% of revenue
<b>Disciplined financial strategy and growing financial strength – capacity to invest in growth</b>	Net debt / adj. EBITDA 2.5x Cash flow from operating activities EUR 195 million
<b>Continued investments in digital platform</b>	Gross capex 4.1% of revenue (excluding M&A)

# All financial targets exceeded in 2021

	Growth	Profitability	Capital structure	Dividend
Target	Annual revenue growth of at least 5% through organic growth and acquisitions	Adjusted EBITA margin of at least 12–13% in the medium to long term	The net debt/adjusted EBITDA ratio of 3.5x or less	The target is to distribute a minimum of 40% of net profit as dividends annually.
Achievements in 2021	Revenue +17% to EUR 1,155 million	Adj. EBITA margin 12% of revenue	Net debt/adjusted EBITDA 2.5x	A dividend of EUR 0.28 per share is proposed, 44% of the net profit for the financial period

# Strong operational performance

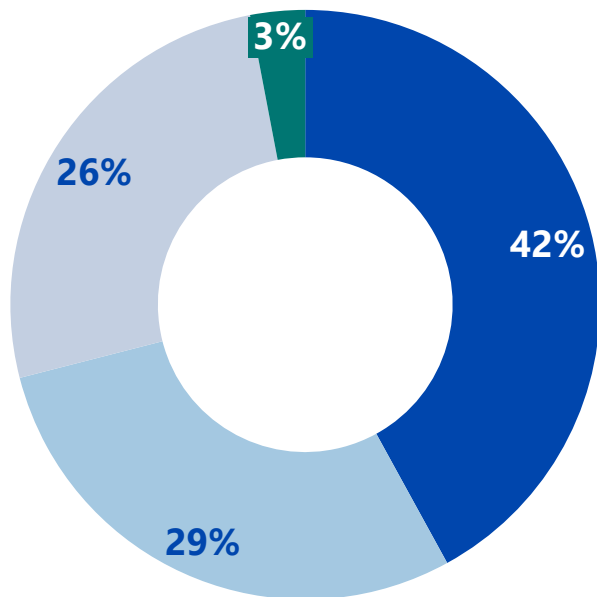


THE FIGURES DO NOT INCLUDE SWEDEN UNLESS OTHERWISE STATED



# Strong growth in core business in 2021

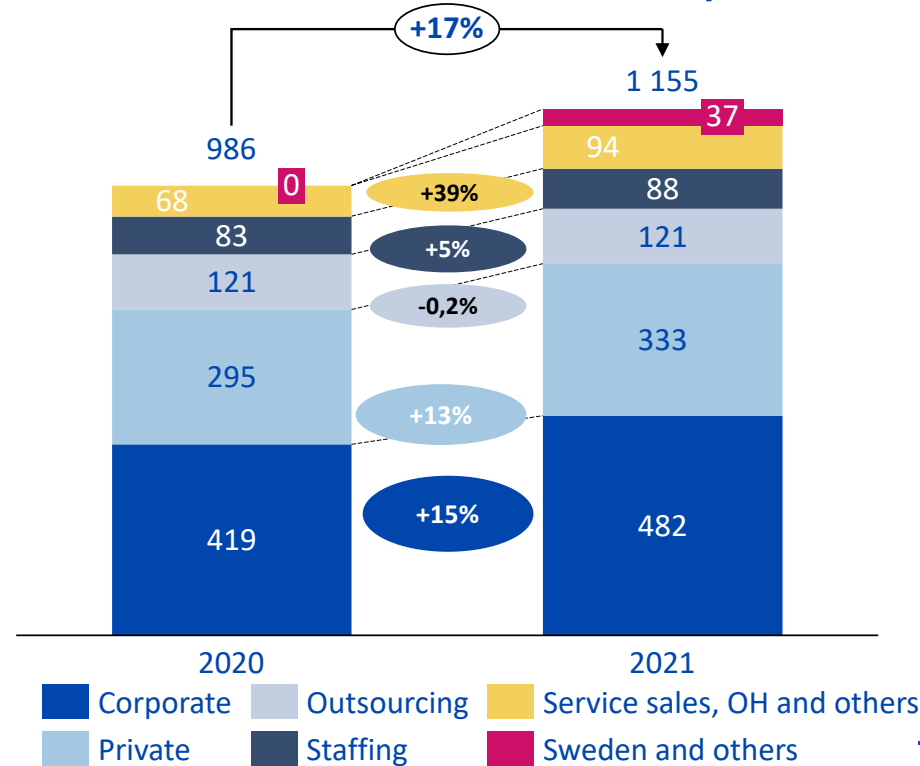
2021 REVENUE BREAKDOWN, %



■ Corporate    ■ Private    ■ Public    ■ Sweden and others

*Feelgood (Sweden) was consolidated as of 1 July, 2021.*

2021 REVENUE BREAKDOWN, M€

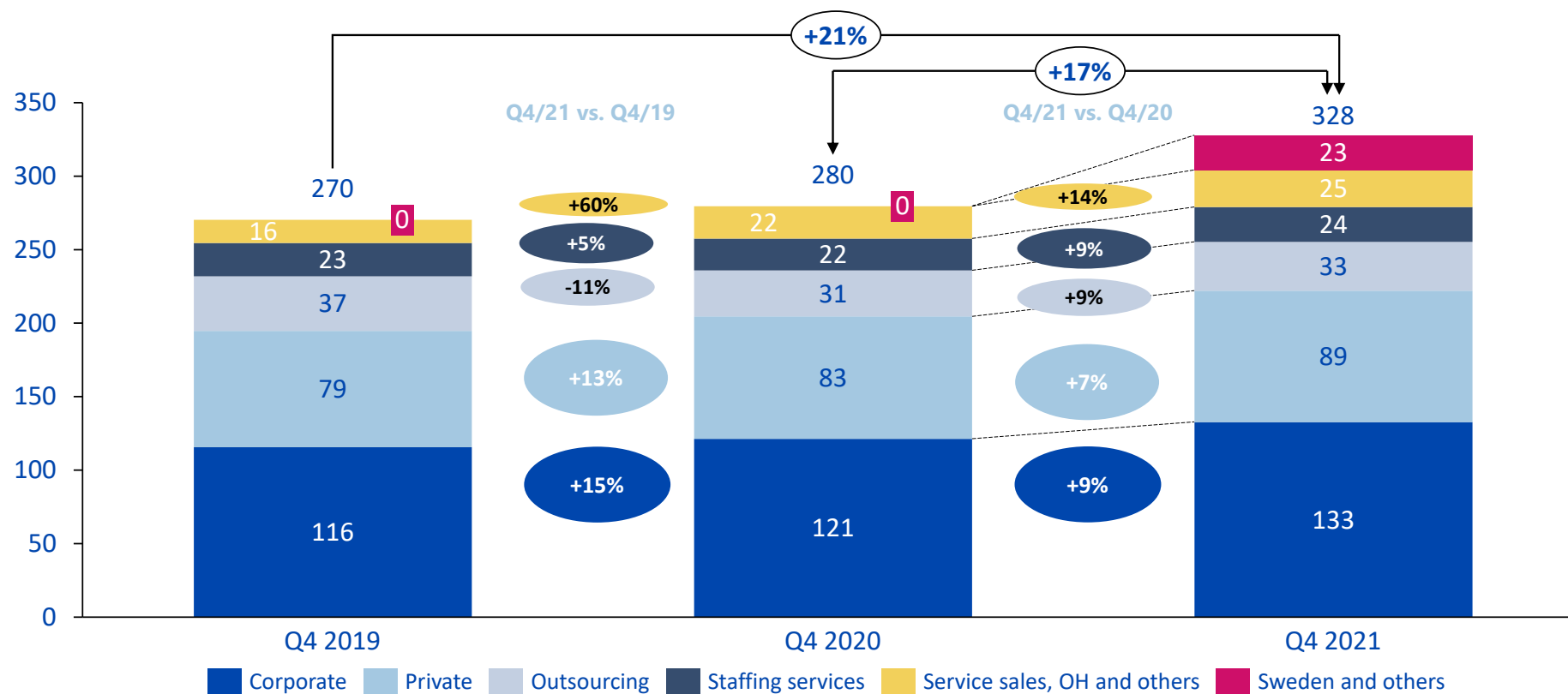


■ Corporate    ■ Private    ■ Outsourcing    ■ Staffing    ■ Service sales, OH and others    ■ Sweden and others

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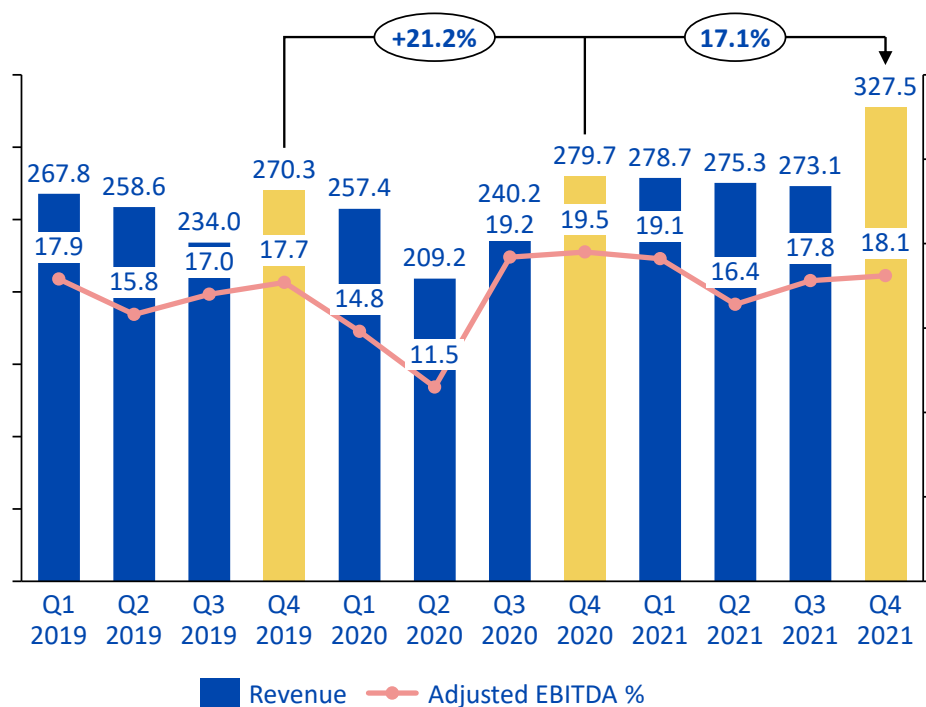
# High growth continued in Q4

Q4/21 revenue distribution compared to Q4/19 ja Q4/20, M€

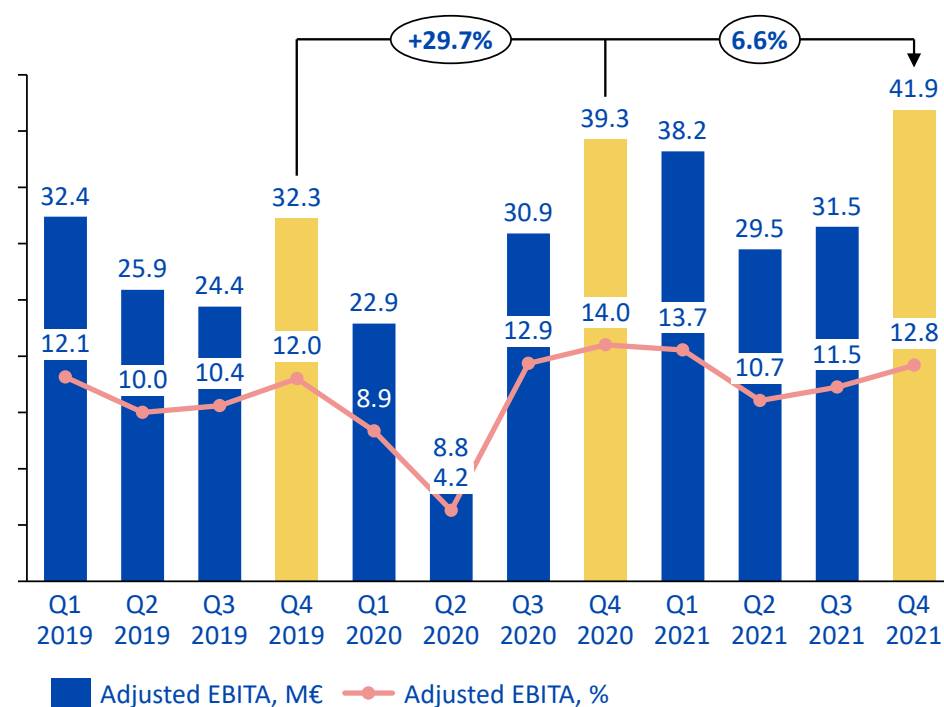


# Profitability reached our targeted level

## REVENUE, MEUR AND ADJUSTED EBITDA\*-%



## ADJUSTED EBITA\*, MEUR AND %



## COVID-19 related services increased personnel costs, cost savings in place in the comparison period

M€	10-12/2021	10-12/2020	Change %	2021	2020	Change %
Revenue	327.5	279.7	17.1	1 154.6	986.4	17.1
Other operating income	1.2	0.8	61.6	3.4	2.7	25.3
Purchase of materials	-10.4	-9.6	8.9	-34.8	-35.5	-1.9
Change in inventories	-0.4	-0.9	-54.2	-0.6	1.3	-147.4
External services	-125.1	-112.4	11.3	-453.4	-413.4	9.7
Employee benefit expenses	-109.8	-84.6	29.9	-378.2	-310.2	21.9
Rents. leases and premises	-4.7	-3.8	23.3	-18.1	-16.3	11.3
IT expenses	-8.2	-6.8	20.0	-29.7	-25.2	17.9
Other operating expenses	-11.9	-8.6	38.0	-41.3	-31.5	31.0
EBITDA	58.2	53.7	8.3	201.8	158.3	27.4
Adjustments*	1.0	0.8	20.0	4.3	4.5	-4.3
Adjusted EBITDA	59.1	54.5	8.4	206.1	162.8	26.6
EBIT	33.9	30.8	10.1	110.1	67.2	64.0

Variable costs

Semi-fixed costs. scalable on a unit level

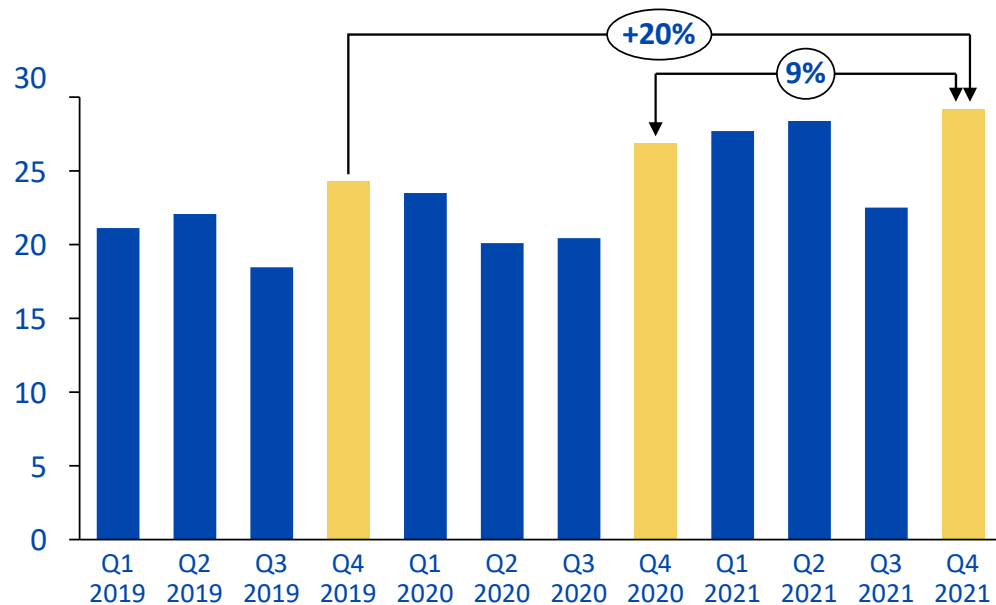
Fixed costs. scalable on a group level

18 \*ADJUSTMENTS ARE MATERIAL ITEMS OUTSIDE THE ORDINARY COURSE OF BUSINESS, AND THESE RELATE TO ACQUISITION RELATED EXPENSES. RESTRUCTURING RELATED EXPENSES. GAIN /LOSSES ON SALE OF ASSETS (NET). STRATEGIC PROJECTS AND OTHER ITEMS AFFECTING COMPARABILITY.

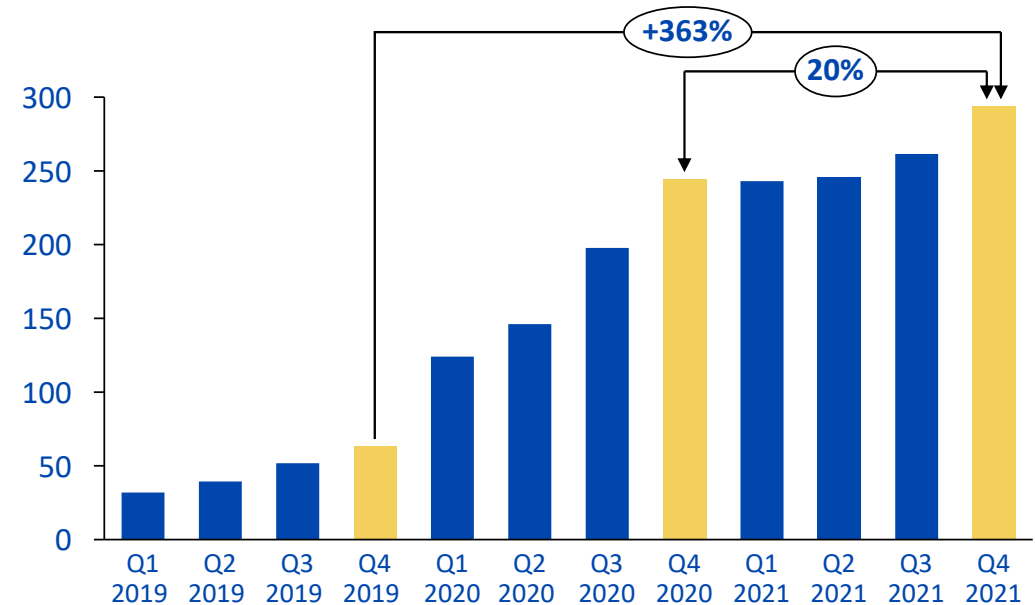
Terveystalo

# Strong trend in well-being and digital visits continued

WELL-BEING SALES, MEUR

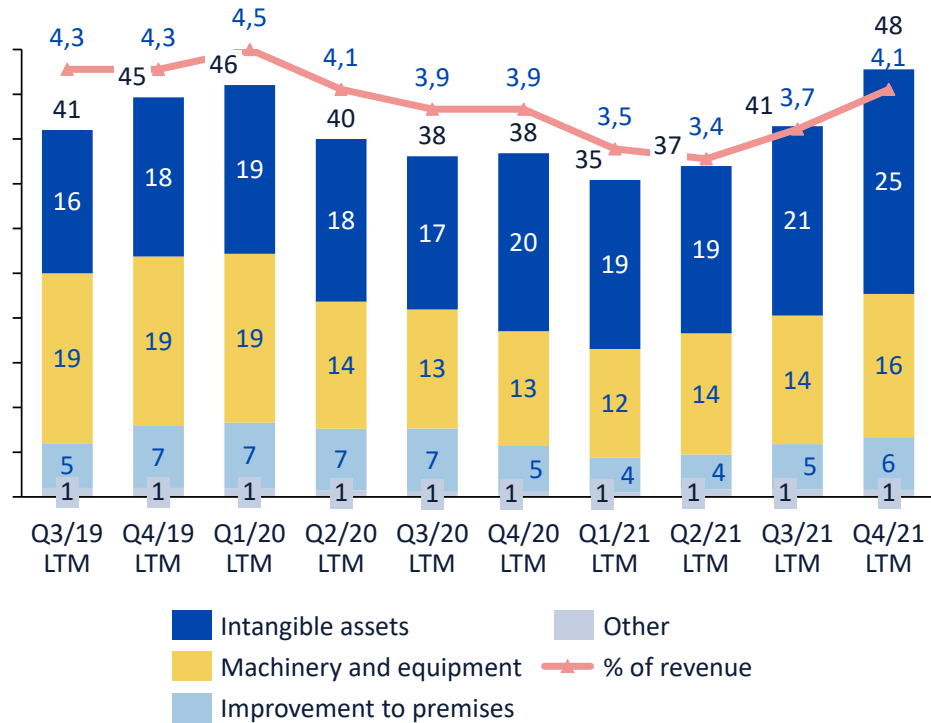


DIGITAL VISITS, THOUSANDS

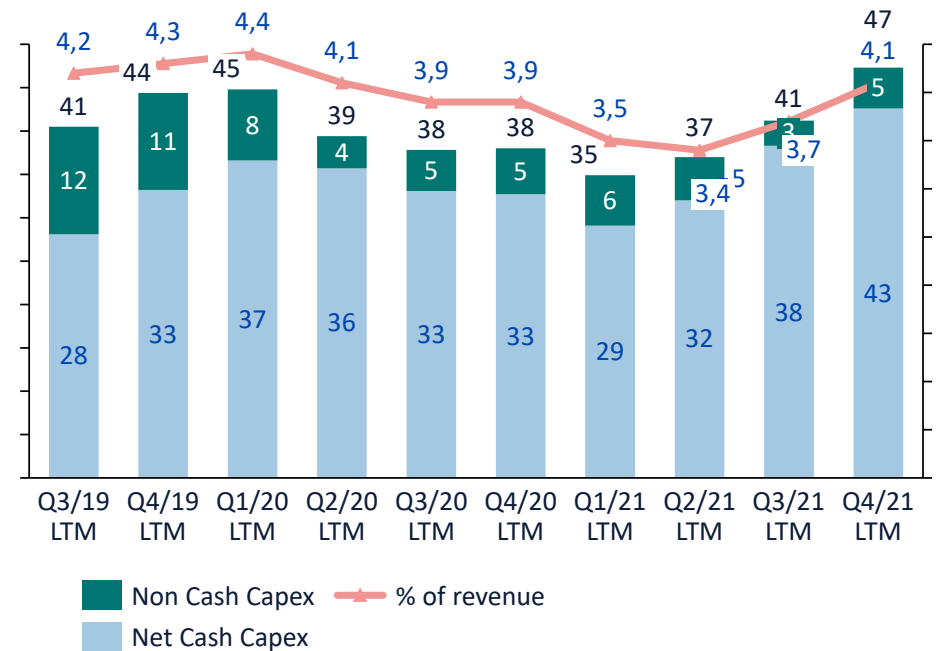


# We continue to invest in our digital platform

## GROSS CAPEX, MEUR AND %- OF REVENUE



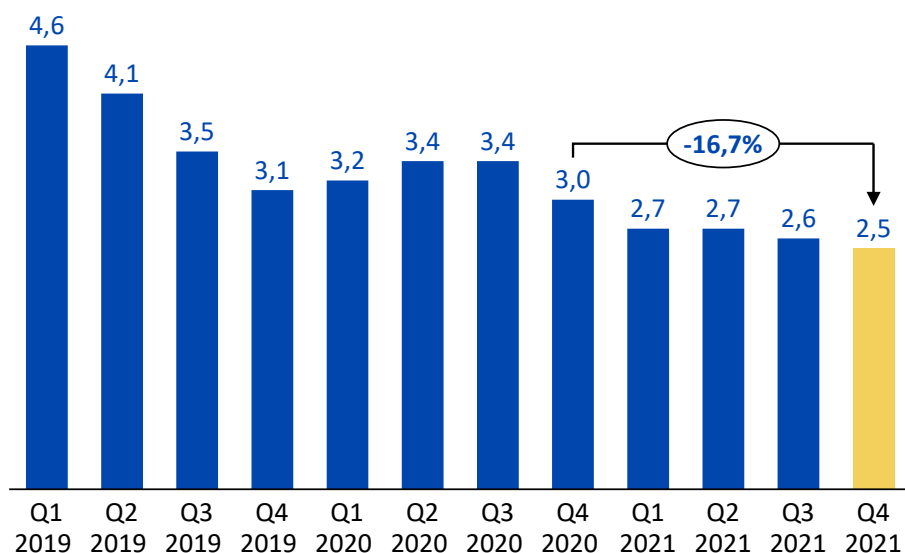
## NET CAPEX, MEUR AND %- OF REVENUE



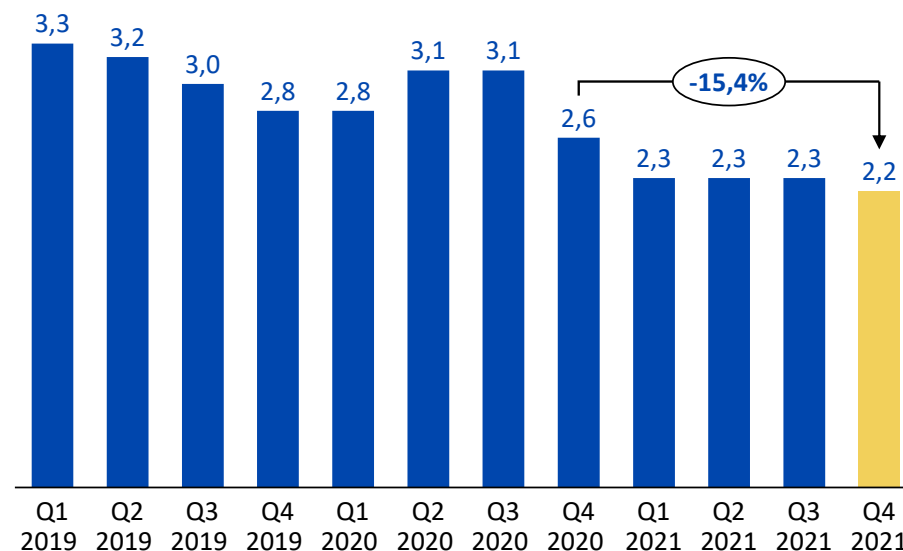


# Disciplined financial strategy and growing financial strength – capacity to invest in growth

NET DEBT/ADJUSTED EBITDA (LTM)



NET DEBT/ADJUSTED EBITDA (LTM), EXCL. IFRS16



ADJUSTED NET DEBT/ADJUSTED EBITDA (LAST 12 MONTHS),  
EXCLUDING IFRS 16

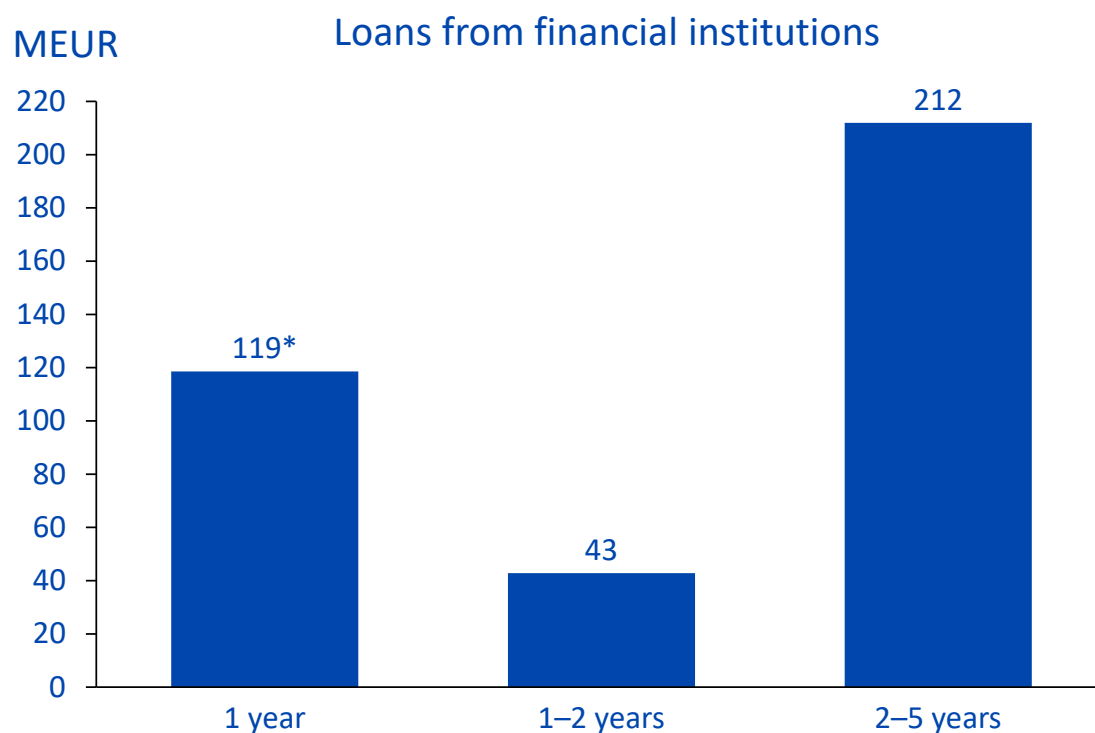
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# Feelgood has been consolidated since the end of June 2021

MEUR	31.12.2021	31.12.2020
<b>ASSETS</b>		
Property, plant and equipment	72.0	67.6
Right of use assets	172.5	172.4
Goodwill	848.6	781.8
Other intangible assets	175.2	152.2
Other assets	142.1	109.3
Cash and cash equivalents	38.1	77.1
<b>TOTAL ASSETS</b>	<b>1,448.6</b>	<b>1,361.0</b>
<b>EQUITY AND LIABILITIES</b>		
<b>TOTAL EQUITY</b>	<b>608.9</b>	<b>571.4</b>
Interest bearing liabilities	378.8	389.5
Lease liabilities	178.5	178.4
Other liabilities	282.5	221.7
<b>TOTAL LIABILITIES</b>	<b>839.7</b>	<b>789.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,448.6</b>	<b>1,361.0</b>

- Cash and cash equivalents EUR 38.1 (77.1) million
- Total assets EUR 1 448.6 (1 361.0) million
- Equity attributable to owners of the parent company EUR 608.9 (571.4) million
- Net debt EUR 519.0 (490.9) million
- Net debt / adjusted EBITDA 2.5 (3.0)
- A new (in Q2) short-term financing agreement of EUR 70 million, all of which was drawn down during the year.
- The financing agreement includes an option to defer repayment until 2023.
- The company plans to replace the financing agreement with a long-term financing agreement during 2022.

# Debt maturity profile. Funding mainly based on Term loans from financial institutions

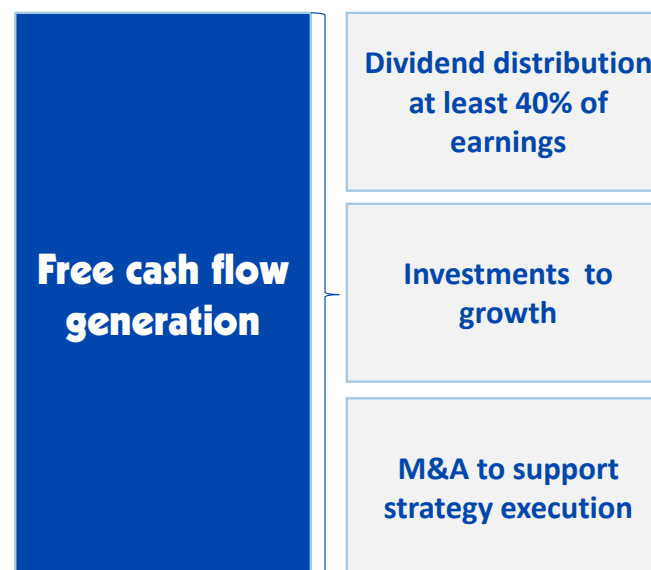
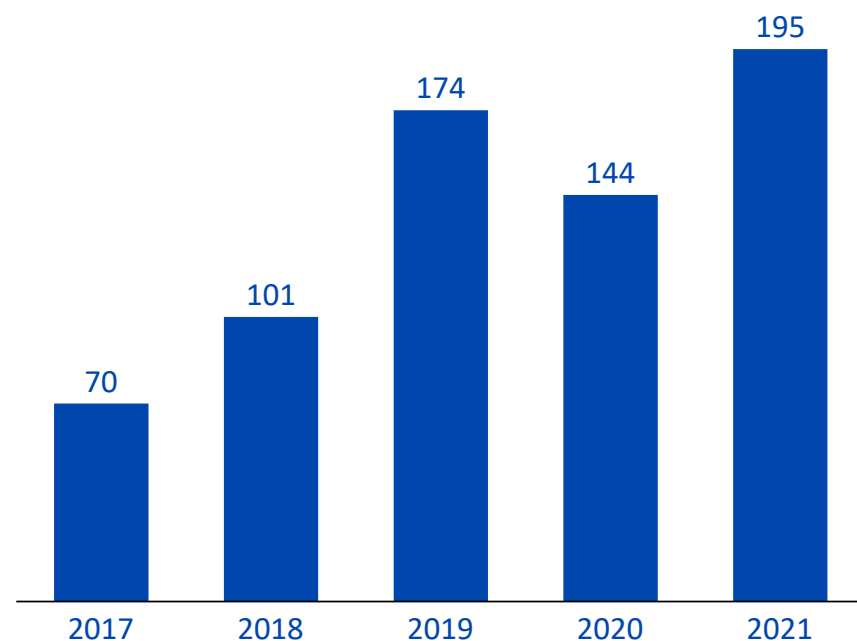


*\* Includes a EUR 70 million loan drawn for the Feelgood acquisition, which will be refinanced during 2022. The financing agreement includes an option to deferring the payment until 2023. The Group plans to replace the agreement with a long-term financing agreement during 2022.*

- Commercial paper program is a new source of funding to TTALO
- Cash and cash equivalents at the end of the financial period amounted to EUR 38.1 million.
- At the end of the financial period, the unused part of credit based on financing agreements and bank accounts with a credit facility amounted to EUR 55.5 million.

# Strong cash flow funds our growth, further investments and increasing dividend

## OPERATING CASH FLOW



# Outlook

## Outlook – The next 6 months vs. last 6 months

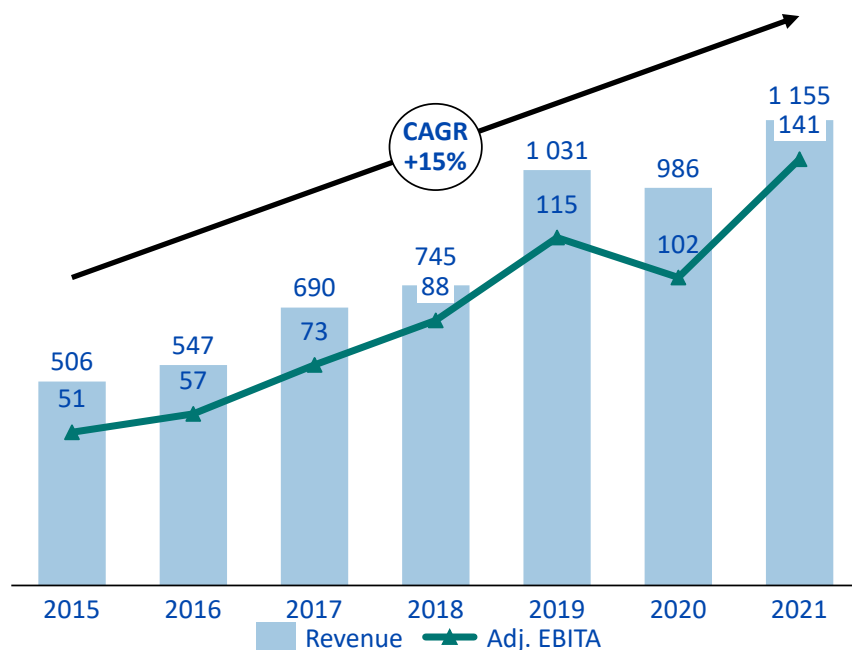
Market environment	<ul style="list-style-type: none"><li>• The market environment has normalized and the demand for health services is broad and very solid. However, growth is restricted by supply.</li><li>• The demand for services related to COVID-19 is expected to remain good. However, predicting the volume is difficult.</li><li>• The overall demand for health services is expected to remain at a high level.</li><li>• The demand for digital services is expected to continue to grow.</li></ul>
Corporate customers	<ul style="list-style-type: none"><li>• Demand from corporate customers for preventive and statutory occupational health services is expected to develop favorably.</li><li>• Demand for medical care is strong.</li><li>• Significant changes in the employment rate may be reflected in the underlying demand.</li></ul>
Private customers	<ul style="list-style-type: none"><li>• Overall demand is expected to remain strong in the private customer segment.</li><li>• Significant changes in consumer confidence may be reflected in the underlying demand.</li></ul>
Public sector	<ul style="list-style-type: none"><li>• Demand from the public sector is expected to remain strong in occupational health, service sales, and staffing services.</li><li>• Revenue from the outsourcing business is expected to remain stable.</li></ul>
Sweden	<ul style="list-style-type: none"><li>• Demand in the Swedish occupational health market is expected to develop favorably due to pent-up demand in the wake of the pandemic.</li><li>• However, the spreading of the Omicron variant and new restrictions have again resulted in uncertainty of demand in the short term.</li></ul>

**More opportunities for growth**

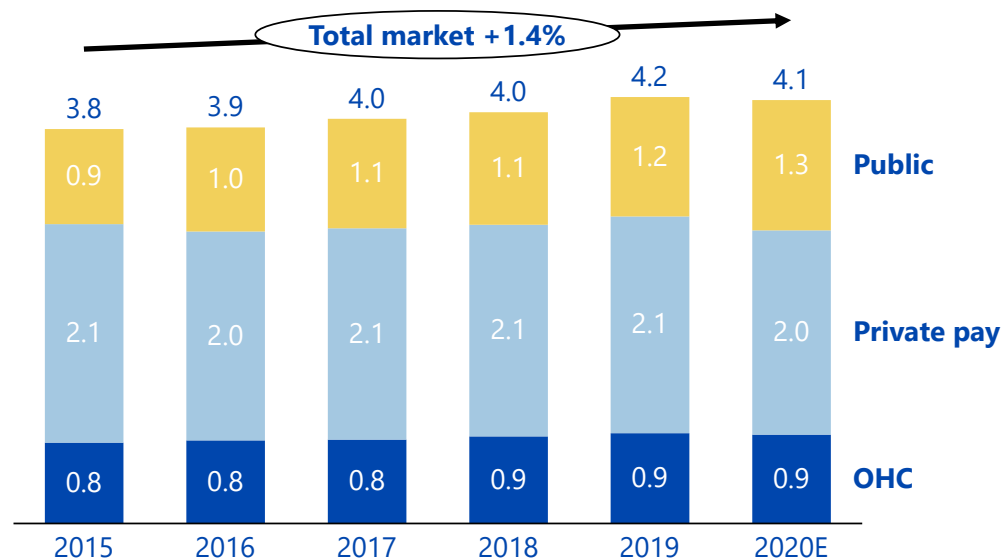


# We have grown profitably in our core business with industry leading margins, outpacing market growth significantly

TERVEYSTALO CAGR 2015-2021

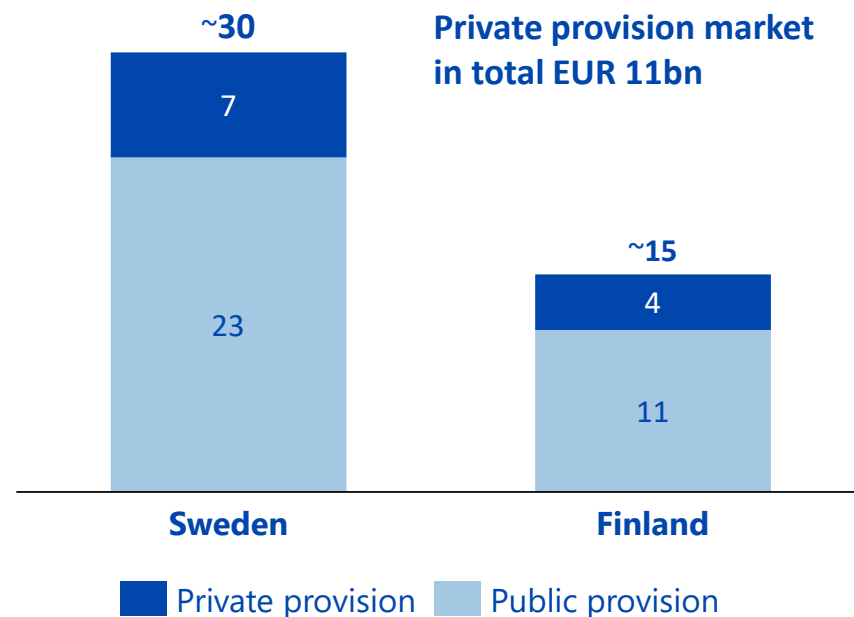


TERVEYSTALO'S ADDRESSABLE MARKET 2015-2020, €BN



# Expansion to Sweden offers more opportunities for capital allocation and growth

## LARGER ADDRESSABLE MARKET



## MULTIPLE GROWTH AVENUES IN SWEDEN

- ☐ Organic and in-organic growth in occupational health
  - ☐ Positive organic development, 3 acquisitions completed so far
- ☐ Introducing new value adding services in all payor groups
- ☐ Care-chain co-ordination and integration

# New opportunities to scale our proprietary digital suite

Digital health is already mainstream in our business

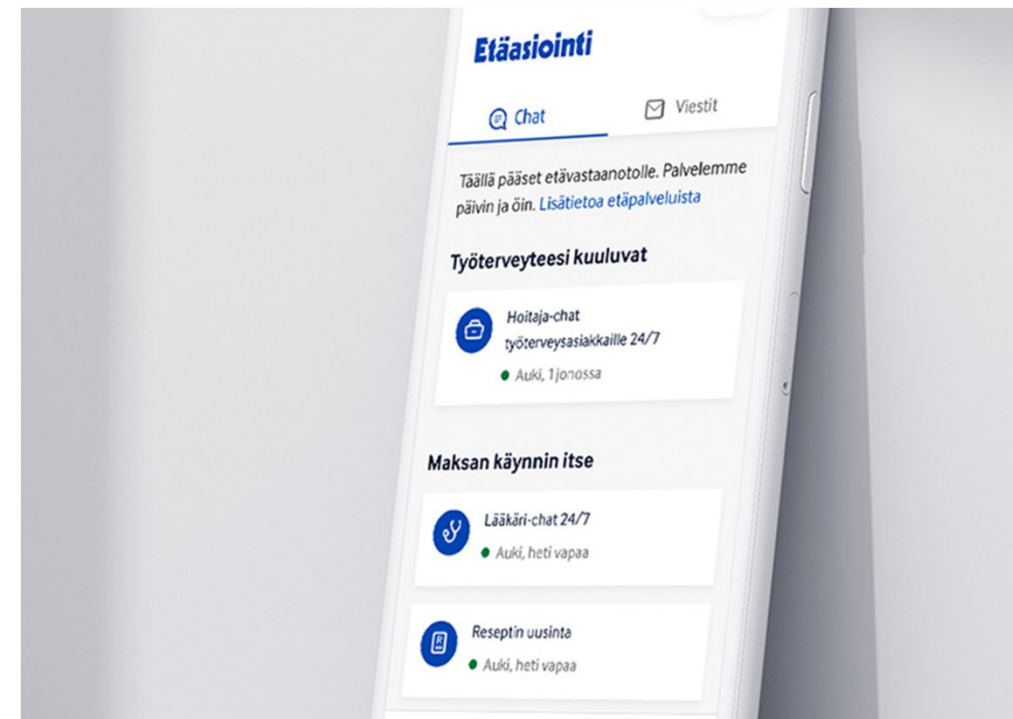
Clear synergy potential in scaling our digital capabilities across our different markets

## 2 new growth areas emerging:

- Public sector demand for a white label digital suite

- In-bound demand from European 3. parties which we can look to commercialize

Our medium to long term target is to further accelerate the growth of our digital business



# Growing as a stronger business

<b>Strong finish to the year 2021</b>	Good underlying demand despite Omicron surge Record high Covid-19 testing activity Supply bottlenecks compensated by ramping up digital offering
<b>Strong core business is growing stronger</b>	All financial targets were achieved Record high customer and employee satisfaction Over 1 million digital visits
<b>More opportunities for growth</b>	Strong demand drivers in core business Larger addressable market with our entry to Sweden Digital business offers new opportunities mid-term

# Q&A



# Terveystalo

Kohti parempaa.



# Appendix

# The issuer, Terveystalo Healthcare Holding Oy has a strong balance sheet

Tase 31.12.2021		EUR Milj.
<b>Vastaavaa</b>		
Pysyvät vastaavat		
Sijoitukset saman konsernin yrityksiin		519
Vaihtuvat vastaavat		183
<b>Vastaavaa yhteensä</b>		<b>702</b>
<b>Vastattavaa</b>		
Oma pääoma		420
Vieras pääoma		
Pitkäaikainen vieras pääoma		
Lainat rahoituslaitoksilta		210
Lyhytaikainen vieras pääoma		
Lainat rahoituslaitoksilta		70
Muu lyhytaikainen vieras pääoma		2
<b>Vastattavaa yhteensä</b>		<b>702</b>

# The largest registered shareholders on December 31, 2021

Name	Number of shares	% of shares	Votes	% of votes
Varma Mutual Pension Insurance Company	22,151,945	17.30	22,151,945	17.30
Rettig Group AB	21,153,191	16.52	21,153,191	16.52
Pohjola Insurance Ltd	8,530,332	6.66	8,530,332	6.66
Hartwall Capital	8,431,690	6.59	8,431,690	6.59
OP Life Assurance Company Ltd	7,112,915	5.56	7,112,915	5.56
Elo Mutual Pension Insurance Company	4,392,951	3.43	4,392,951	3.43
Ilmarinen Mutual Pension Insurance Company	3,882,000	3.03	3,882,000	3.03
Mandatum Life Insurance Company	3,436,209	2.68	3,436,209	2.68
Local Tapiola Mutual Insurance Company	2,600,000	2.03	2,600,000	2.03
Åbo Akademi University Foundation	1,816,242	1.42	1,816,242	1.42
Ten largest, in total	83,507,475	65.22	83,507,475	65.22

# Key figures

Terveystalo Group, MEUR	10-12/ 2021	10-12/ 2020	Change, %	2021	2020	Change, %
Revenue	327.5	279.7	17.1	1,154.6	986.4	17.1
Adjusted EBITDA, * 1)	59.1	54.5	8.4	206.1	162.8	26.6
Adjusted EBITDA, % * 1)	18.1	19.5	-	17.8	16.5	-
EBITDA 1)	58.2	53.7	8.3	201.8	158.3	27.4
EBITDA, % 1)	17.8	19.2	-	17.5	16.1	-
Adjusted EBITA * 1)	41.9	39.3	6.6	141.0	101.9	38.4
Adjusted EBITA, % * 1)	12.8	14.0	-	12.2	10.3	-
EBITA 1)	40.9	38.5	6.3	136.7	97.4	40.3
EBITA, % 1)	12.5	13.8	-	11.8	9.9	-
Adjusted EBIT * 1)	34.8	31.6	10.3	114.4	71.6	59.7
Adjusted EBIT, % * 1)	10.6	11.3	-	9.9	7.3	-
EBIT	33.9	30.8	10.1	110.1	67.2	64.0
EBIT, %	10.3	11.0	-	9.5	6.8	-
Return on equity (ROE), % 1)	-	-	-	13.6	8.2	-
Equity ratio, % 1)	-	-	-	42.2	42.1	-
Earnings per share (EUR)	0.20	0.18	15.5	0.63	0.36	75.9
Net debt	-	-	-	519.0	490.9	5.7
Gearing, % 1)	-	-	-	85.2	85.9	-
Net debt/adjusted EBITDA (last 12 months) 1)	-	-	-	2.5	3.0	-
Total assets	-	-	-	1,448.6	1,361.0	6.4
Adjusted EBITDA (last 12 months), excluding IFRS 16*1)	-	-	-	156.9	118.0	33.0
Net debt, excluding IFRS 16	-	-	-	340.6	312.4	9.0
Adjusted net debt/adjusted EBITDA (last 12 months), excluding IFRS 16*1)	-	-	-	2.2	2.6	-
Average personnel in person-years	-	-	-	5,643	4,900	15.2
Personnel (end of period)	-	-	-	9,805	8,253	18.8
Private practitioners (end of period)	-	-	-	5,754	5,057	13.8
Responsibility						
Quality index <sup>2)</sup>				94.6	94.2	0.4
Net Promoter Score (NPS), appointments				83.0	82.8	0.2
Employee Net Promoter Score (eNPS)				32	18	77.8
Mixed waste intensity <sup>3)</sup>				6.42	6.00	6.7

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

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

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

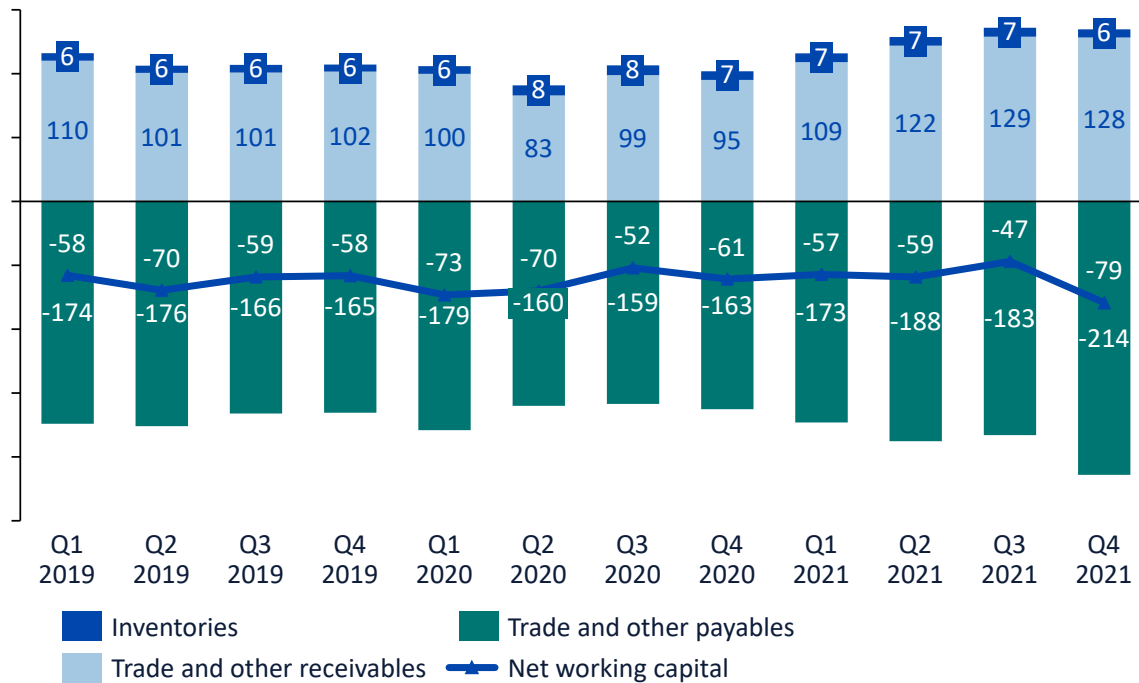
3) Amount of mixed waste (metric tons) relative to total revenue (100 million)

# Feelgood AB – key figures

SEK, thousand	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21
Revenue	204,393	213,110	138,429	220,230	208,448	185,825	125,102	204,733	193,469	206,243
EBITDA	24,371	28,626	-1,612	34,157	24,155	18,486	-464	38,926	20,775	27,167
EBIT	12,921	16,570	-13,704	21,594	11,184	2,778	-13,004	21,787	4,854	11,048
Result before taxes	12,010	15,563	-14,648	20,381	10,301	1,940	-13,814	20,005	3,639	10,136
EBITDA-margin	11.9 %	13.4 %	-1.2 %	15.5 %	11.6 %	9.9 %	-0.4 %	19.0 %	10.7 %	13.2 %
EBIT-margin	6.3 %	7.8 %	-9.9 %	9.8 %	5.4 %	1.5 %	-10.4 %	10.6 %	2.5 %	5.4 %

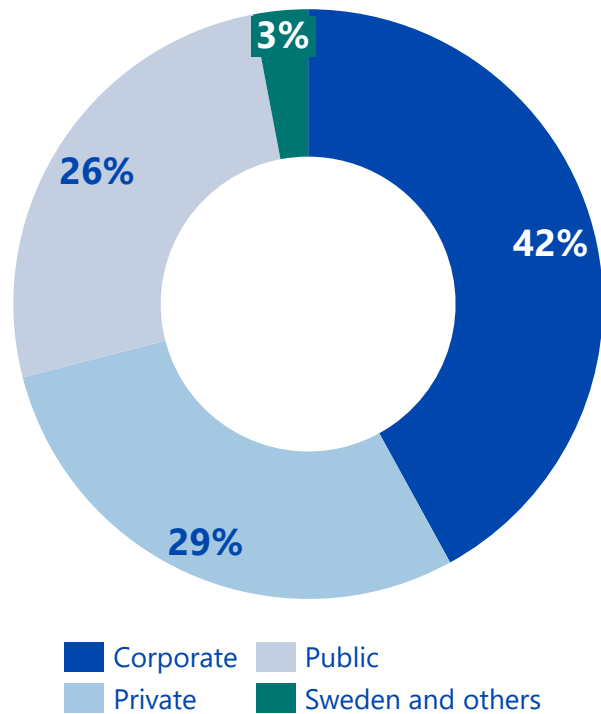
# Operational efficiency is reflected in the negative net working capital

NET WORKING CAPITAL

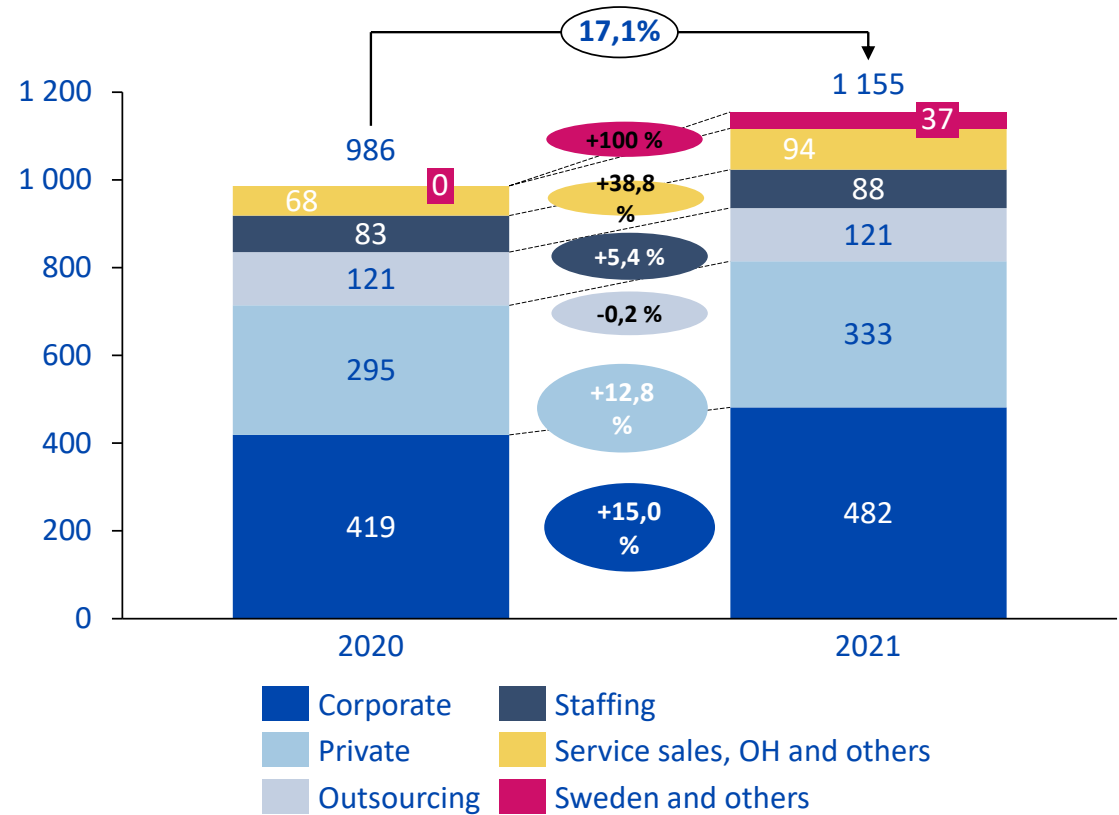


# Full year revenue grew 17% y-o-y, and 21% vs. 2019

2021 revenue breakdown, %



2021 revenue breakdown, M€



Feelgood (Sweden) was consolidated as of 1 July, 2021.