



Q3/2024: PRE-SILENT NEWSLETTER

IR Newsletter is published four times a year, prior to the beginning of the silent period. The newsletter wraps up the latest quarter including most important releases published during the quarter, frequently asked questions by investors and upcoming IR-events. You can subscribe to the newsletter here:

<https://www.terveystalo.com/en/company/investors/reports-and-presentations/ir-newsletters/>

Terveystalo's silent period starts on 25 September 2024 and the Interim Report Q3/2024 will be published on 25 October 2024 at around 09.00 am EEST. Webcast will be held on the same day starting at 10.30 am EEST. The link to the webcast and the conference call information will be published later.

The most important releases during the quarter

6 September 2024: Terveystalo acquires Cityläkarna in Åland

Terveytalo is expanding its services in Åland by acquiring Cityläkarna Mariehamn Ab in Åland through a share deal. Established in 1990, the medical centre provides general and specialist medical services, psychology services and physiotherapy to occupational health and private customers. The company has one clinic in Mariehamn. The company employs around 30 professionals and its revenue in 2023 was approximately EUR 3 million.

All releases published by Terveystalo can be found in our [Newsroom](#).

Frequently asked questions in investor meetings

How has the demand-supply situation developed?

Demand for healthcare services in Finland has continued to be strong. The autumn flu season has started about 1.5 weeks earlier and stronger than usual. This has led to some increase in visits.

Demand from corporate and insurance customers has remained strong. The overall employment remains decent. However, significant changes could affect the demand for occupational health services in Finland.

Demand for out-of-pocket dental care services and massage services has been dampened by weaker consumer confidence and purchasing power.

The public-pay private-provision market is yet to see a broader increase in demand and new, smaller tenders have been limited to digital services.

In Sweden, the demand for occupational health services has been at a satisfactory level, while demand for organisation and leadership consultation and harmful use rehabilitation services has continued to be weak. The termination of public sector contracts at the beginning of the year has reduced revenue. 2024 is expected to remain challenging.

Terveytalo has continued to invest in the recruitment of professionals in Finland and supply is at good level. To strengthen supply, development efforts have been increasingly shifted towards solutions that enhance the work and productivity of professionals.

The long-term growth prospects for Terveystalo's addressable markets in Finland and Sweden are solid; the underlying demand is strong, and megatrends, such as the ageing population, digitalisation of healthcare, and lengthening queues in public healthcare, support growth in the future. As the most preferred employer, Terveystalo is well-positioned to drive growth going forward, supported by its strong market position.

How does inflation affect Terveystalo?

Inflation has levelled off compared to the comparison period.

During the spring, a new two-year collective agreement was negotiated for the private healthcare sector for the period 1 May 2024 - 30 April 2026, covering the largest group of employees at Terveystalo, nurses. In 2024, salaries were increased by 2.4 percent with a general and scale increase on 1 September 2024, plus there will be a one-off payment of 500 euros in December 2024 and a local instalment of 0.4 percent. In 2025, from 1 May 2025 to 30 April

2026 (12 months), salaries will be increased by a general and scaled increase, the amount and timing of which will be determined by the salary increase in certain benchmark sectors.

In other professions, wage inflation is also present. Most of the physicians who work in Terveystalo are private practitioners (approximately 96 percent), who are not in employment with the company. At the beginning of 2024, Terveystalo introduced a new remuneration model for private practitioners in occupational health, which enables more effective inflation management.

In addition, Terveystalo has implemented commercial initiatives to mitigate the effect of inflation as a part of the profit improvement program.

From 1 September 2024, the general VAT rate in Finland went up from 24 percent to 25.5 percent. The increase in the VAT rate is estimated to increase Terveystalo's costs by approximately EUR 2 million annually.

How has the profit improvement programme initiated in the Swedish business area in the last quarter of 2023 progressed and what is the target profitability level?

In the business area, a profit improvement programme was launched in the last quarter of 2023 with the aim of achieving a structural change in profitability in 2025. The target is to achieve a profitability level clearly above historical margins (~3-5%) with the current business, but it will not be as high as in Healthcare Services in Finland. The turnaround is being built systematically. The cost structure has been adjusted to reflect lower demand and the next phase of the programme will focus on increasing operational efficiency and commercial measures. We expect the impact of the programme to be reflected in a turnaround from the beginning of 2025 and a full run-rate effect to be realised during 2025.

What is Terveystalo's current approach to M&A?

In Sweden, our focus for the time being is on improving profitability through a profit improvement programme. Only when profitability has reached the target level can we explore expansion into services supporting occupational health. In Finland, where the market is more consolidated, the potential acquisition targets are smaller. During Q3, Terveystalo made a small acquisition in Åland, which shows that we are constantly monitoring the acquisition market and will not exclude the possibility of an acquisition if a suitable target that complements our service network and creates value comes along. There are currently no plans to expand into new geographic markets outside Finland and Sweden.

Financial reporting in 2024

In 2024, Terveystalo will publish financial information as follows:

Interim Report, 1 January – 30 September 2024

25 October 2024

The financial reports will be published at approximately 9:00 a.m. EET. Financial reports are published in Finnish and English. Terveystalo observes a silent period of 30 days prior to the publication of financial information.

Capital Markets Day 2024

Terveystalo will organise a Capital Markets Day for investors and analysts in Helsinki on Wednesday 4 December 2024. The event can be attended face-to-face at the premises or remotely via webcast. The actual invitation and a more detailed program for Terveystalo's Capital Markets Day will be distributed closer to the event.

Investor activities

Check Terveystalo's Investor Calendar for the upcoming [IR events](#).

Consensus

Check the latest [Vara consensus](#).

Terveystalo's IR Team

Terveystalo's IR Team is happy to help you with any questions.

Liisa-Maija Seppänen
Investor Relations Manager
Tel. +358 50 314 4455
liisa-maija.seppanen@terveystalo.com

Kati Kaksonen
Vice President, Investor Relations & Sustainability
Tel. +358 10 345 2034
kati.kaksonen@terveystalo.com

Terveystalo in brief

Terveystalo is the largest private healthcare service provider in Finland in terms of revenue and network. Terveystalo is also a leading occupational health provider in the Nordic region. We offer a wide variety of primary health care, specialized care, and well-being services for corporate and private customers and the public sector. Terveystalo's digital services are available 24/7, regardless of time and place. Health and well-being services are also provided by over 377 clinics across Finland. In Sweden, we offer occupational health services at 152 clinics. Terveystalo is listed on the Helsinki Stock Exchange.

In 2023, Terveystalo had approximately 1.2 million individual customers in Finland and the number of customer appointments was approximately 7.6 million. Terveystalo employs over 15,500 healthcare and well-being professionals. www.terveystalo.com

