



## **Q4/2024: 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 15 January 2025 and the Financial Statements Release 2024 will be published on 14 February 2025 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

### 2 December 2024 Stock Exchange Release: Terveystalo updates its medium-term financial targets

Terveystalo's Board of Directors has approved the company's updated financial targets and dividend policy for the medium term. All targets have been updated to reflect the company's improved performance and focus on value creation. Terveystalo's updated financial targets and dividend policy are as follows:

#### **Profitable growth:**

EPS to grow on average by 10% p.a.

We expect faster earnings per share growth in 2025, as fewer items affecting comparability are expected

#### **Moderate leverage ratio:**

Net debt to EBITDA not to exceed 2.5x

Indebtedness may temporarily surpass the target level, particularly in conjunction with acquisitions

#### **Attractive dividends:**

At least 80% of net result to be distributed as dividends

The dividend proposal must consider the company's long-term potential and financial status

### 25 November 2024 Inside information: Profit warning - Terveystalo raises its profitability guidance for 2024

Terveystalo raises its profitability guidance for 2024. The guidance for revenue remains unchanged.

"In quarter performance so far has been stronger than our forecasts, thanks to a strong demand and further improved operational efficiency. Our earnings improvement continues, and we forecast full-year 2024 adjusted EBITA margin to be 12.5-13.1%," commented Ville Iho, President and CEO of Terveystalo.

#### **New guidance for 2024:**

Terveystalo expects its full-year 2024 revenue to grow (2023: EUR 1,286 million) and adjusted EBITA to be 12.5-13.1 percent of revenue (2023: 9.8 percent). The estimates are based on the third quarter of 2024 projections for inflation, consumer demand and employment, and above-average morbidity. The performance improvement program has significantly exceeded its initial target, and the measures are having an impact faster than previously estimated. The estimates include an annual decrease of approximately EUR 10 million in revenue in the Portfolio Businesses segment's outsourcing business. The Sweden segment's revenue is expected to decline due to macro weakness and the exchange rate is expected to remain stable. The estimates include the increase in the VAT rate that has entered into force, the salary increases based on the collective labour agreement for nurses, as well as a one-off payment impacting all personnel costs in the fourth quarter. The estimates do not include material acquisitions or divestments.

### 9 December 2024 Stock Exchange Release: Proposals of the Shareholders' Nomination Board of Terveystalo for the Annual General Meeting 2025

The Shareholders' Nomination Board of Terveystalo has submitted to the Board of Directors its proposals for the Annual General Meeting 2025.

#### **Proposal on the number of members of the Board of Directors and its composition**

The Shareholders' Nomination Board proposes to the Annual General Meeting that the number of members of the Board of Directors shall be seven (7).

The Shareholders' Nomination Board proposes, for a term that ends at the end of the Annual General Meeting 2026, that Kari Kauniskangas, Sofia Hasselberg, Ari Lehtoranta, Carola Lemne, Kristian Pullola, Matts Rosenberg and Teija Sarajärvi are re-elected as members of the Board.

The Nomination Board recommends that Kari Kauniskangas be re-elected as the Chairman of the Board and that Matts Rosenberg be re-elected as the Board's Vice Chairman.

All candidates have given their consent to the position and the Nomination Board has assessed all candidates to be independent of the company. Kari Kauniskangas, Sofia Hasselberg, Ari Lehtoranta, Carola Lemne, Kristian Pullola, and Teija Sarajärvi are also independent of major shareholders. Matts Rosenberg is not considered to be independent of major shareholders due to his main occupation as the CEO of Rettig Group.

The biographical details of the Board members proposed for re-election can be found at the company website: <https://www.terveystalo.com/en/company/investors/corporate-governance/board-of-directors>  
[Read the full release](#)

## **9 December 2024 Press Release: Terveystalo to provide the Digital Service Platform for the Lapland Wellbeing Services County**

The Lapland Wellbeing Services County's regional council decided on 13 November 2024 to select Terveystalo as the provider of its digital service platform.

The municipalities in Lapland have a long tradition of developing digital services. According to the Lapland Wellbeing Services County's strategy, the county aims to unify digital services into a significant service channel and integrate service processes. The adoption of this digital platform plays a key role in achieving these goals.

For residents of Lapland, the digital platform means that social and healthcare matters can, in the future, be managed through a single application, such as on a mobile phone. For example, service guidance and various remote consultations can be facilitated via the platform. Residents can also use the platform to contact professionals and seek advice on a wide range of issues. Many concerns and interactions can be handled entirely remotely.

Terveystalo's platform and solutions are now branded as "Terveyskumppani" (Health Partner). As the Health Partner for wellbeing services counties, Terveystalo focuses particularly on the development of digital services. In addition to Lapland, Terveystalo also provides digital platforms for the wellbeing services counties of Satakunta, Southwest Finland, and South Ostrobothnia.

## **28 November 2024 Press Release: Over EUR 15 million investment in Lahti, Terveystalo to open a new medical centre and hospital**

Terveystalo will open a new medical centre and hospital in the Trio shopping centre in Lahti at the end of 2026. This over EUR 15 million redevelopment project represents a significant regional investment. The new facility will provide Lahti residents with a wider range of healthcare services and quicker access to care in a location with excellent transport connections. The new Terveystalo will be situated in the heart of Lahti, occupying over 4,000 square metres across four floors in Trio.

Most of Terveystalo's current operations in Lahti will relocate to this new location under one roof. The medical centre and hospital currently located at Aleksanterinkatu 13, physiotherapy services from Aleksanterinkatu 26, and occupational health services from Hämeenkatu will all move to Trio. However, Terveystalo's dental services will remain at their current location on Torikatu.

Terveystalo is also undertaking other major facility projects. The expansion of Terveystalo's hospital in Helsinki's Kamppi district will be completed in spring 2025. Meanwhile, a new eight-storey medical centre and hospital are under construction in Kupittaa, Turku, which will be Terveystalo's largest real estate project to date.

Stock Exchange 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 supply and booking rates are at a good level. The autumn flu season started about 1.5 weeks earlier than usual and morbidity has been above average. This 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. In particular, demand for out-of-pocket dental care services and massage services have been dampened by weaker consumer confidence and purchasing power, although a slight pick-up in demand was seen during the quarter. Only smaller tenders for digital services have been seen in the publicly funded market.

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 2024 has reduced revenue.

Terveystalo has continued to invest in the recruitment of professionals and was successful in steadily increasing supply. 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 one of the most preferred employers, 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 2024, 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 was 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 programme.

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 in the Swedish business area progressed and what is the target profitability level?

In the business area, a profit improvement programme was launched in the last quarter of 2023. The objective of the profit improvement programme is to achieve an annual run-rate EBITA improvement of at least SEK 120 million during 2025. The turnaround is being built systematically. The cost structure has been adjusted to reflect lower demand and the effects of the measures began to be reflected, among other things, in a decline in wage costs in the third quarter of the year. 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. In Finland, we are 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 and Annual General Meeting in 2025

In 2025, Terveystalo will publish financial information as follows:

Financial statements release 2024		14 February 2025
Annual Report 2024	-	Week 11
Interim Report, 1 January 1 – 31 March, 2025		25 April 2025
Half-yearly Report, 1 January – 30 June, 2025		17 July 2025
Interim Report, 1 January – 30 September, 2025		23 October 2025

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.

Terveystalo Plc's Annual General Meeting (AGM) is planned to be held on Tuesday 8 April 2025. The meeting will be convened by the company's Board of Directors separately at a later date.

## Capital Markets Day 2024

Terveystalo's Capital Markets Day 2024 was held on 4th of December 2024 in Helsinki. You can find the presentation materials and recording of the webcast here: [Capital Markets Day 2024 | Terveystalo](#).

## Investor activities 2025

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.

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## 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](http://www.terveystalo.com)