Pihlajalinna Q4/2024

CEO Tuomas Hyyryläinen
12 February 2025

Pihlajalinna

Q4/2024: Success in both segments

Comparable organic revenue growth
7.8 %

Revenue
182.5 Me
(183.0)

Adj. EBITA
15.4 Me
(9.9)

Operating cashflow
33.1 Me
(26.1)

Practitioners at the end of the period
2,145
(+2.0 %)

In Private Healthcare Services
12.0 %

Adj. EBITA-margin
8.4 %
(5.4)

EPS
0.38 e
(-0,25)

Private Healthcare Services
NPS 87
(78)

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2024: The Group's all-time high result was achieved with determined measures

Revenue
704.4 Me
(720.0)

Comparable organic revenue growth
7.8 %

In Private Healthcare Services
11.1 %

Adj. EBITA
55.2 Me
(37.8)

Adj. EBITA-margin
7.8 %
(5.2)

Operating cashflow
100.8 Me
(79.0)

Net debt/adj. EBITDA
2.9x
(4.4x)

EPS
1.13 e
(0.19)

The Board of Directors' proposal for DPS
0.38 e
(0.07)

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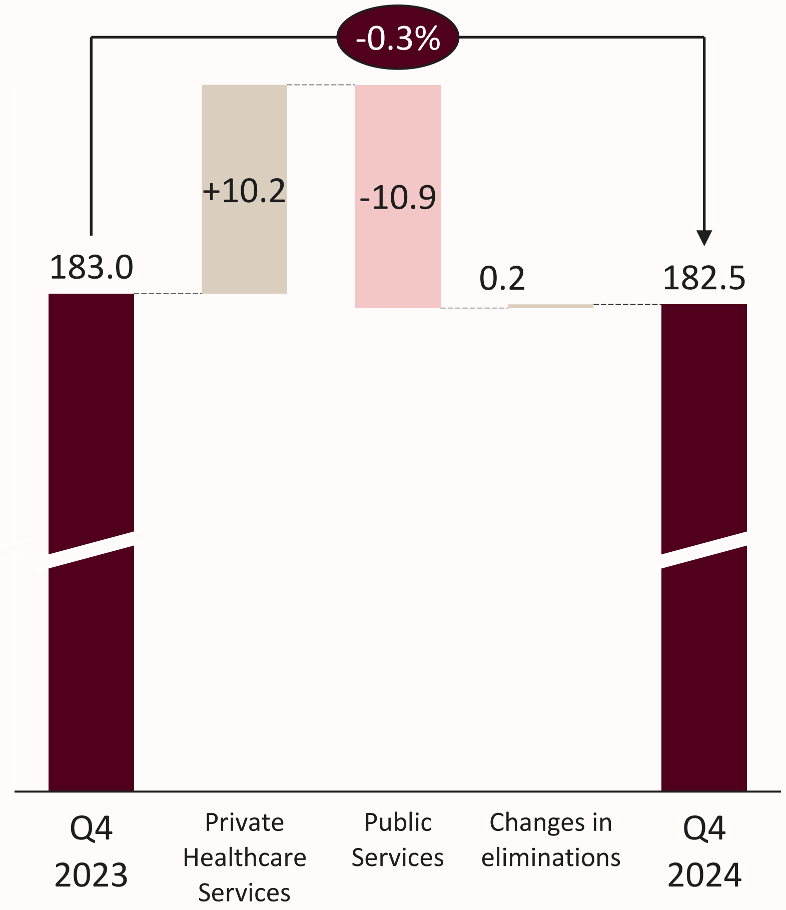
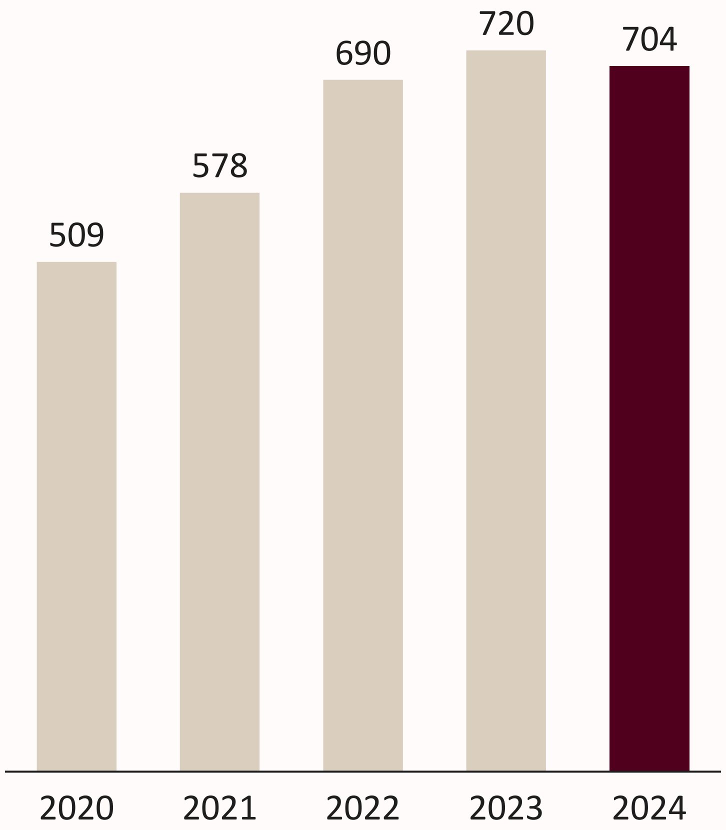
Comparable organic revenue growth* was strong in 2024, contractual changes in Public Services decreased revenue as expected

Revenue change Q4
MEUR



Revenue development
MEUR

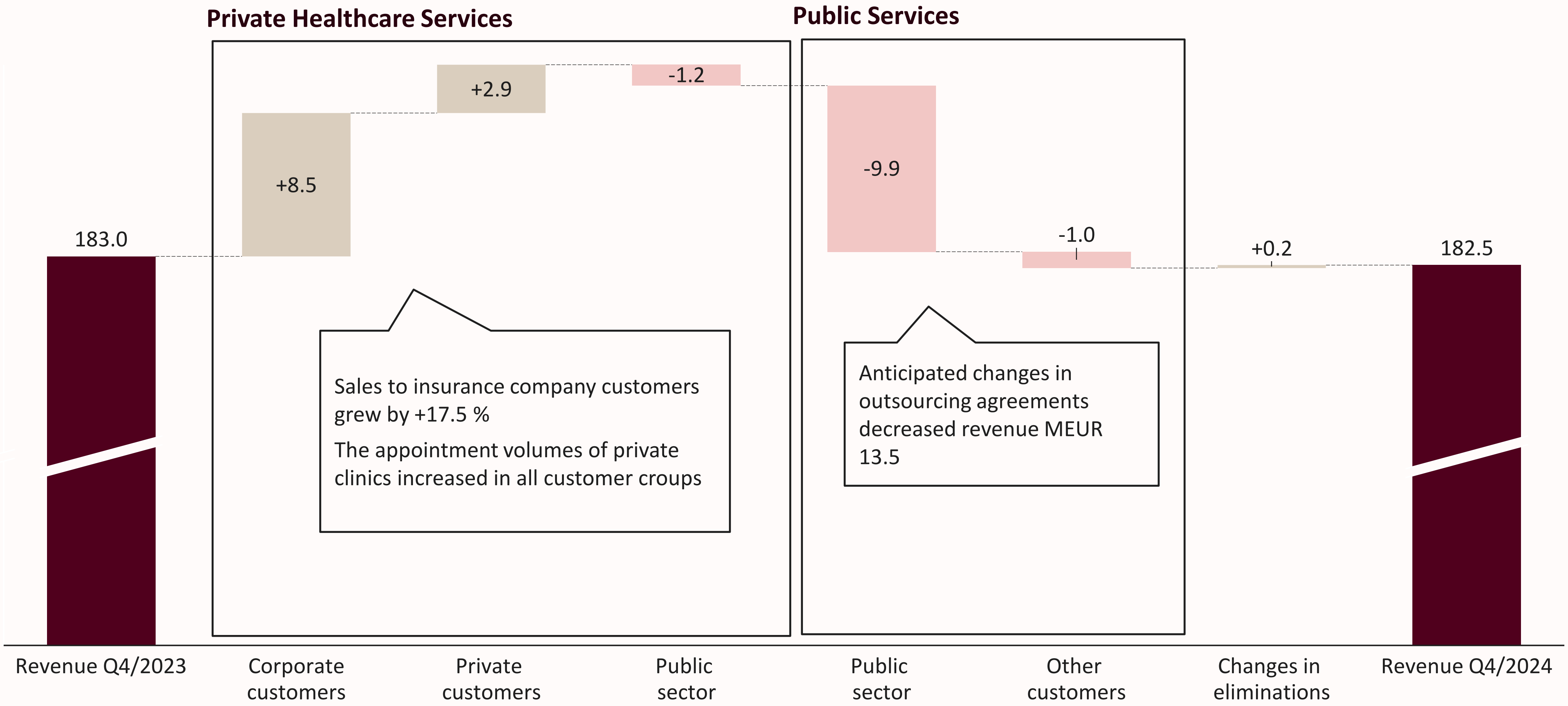


- Comparable organic revenue growth* was 7.8 % (MEUR +13.2)
- Comparable organic growth in Private Healthcare Services 12.0 %
- Good development in securing the supply and directing customer flow continued
- Contract changes in Public Services and the gradual transfer of the services agreement of Jämsän Terveys decreased revenue as expected: by MEUR 13.5 in Q4 and by MEUR 61.0 in 2024

*The following items have been excluded from the comparison period revenue: the divestment of dental care services, the transfer of cost liability for demanding specialised care, the gradual transfer of Jämsän Terveys Oy's service agreement, other changes to outsourcing agreements and COVID-19 services.

Q4: Insurance and occupational healthcare sales compensated for the expected decline in Public Services' sales

Revenue by customer group Q4/2024, MEUR



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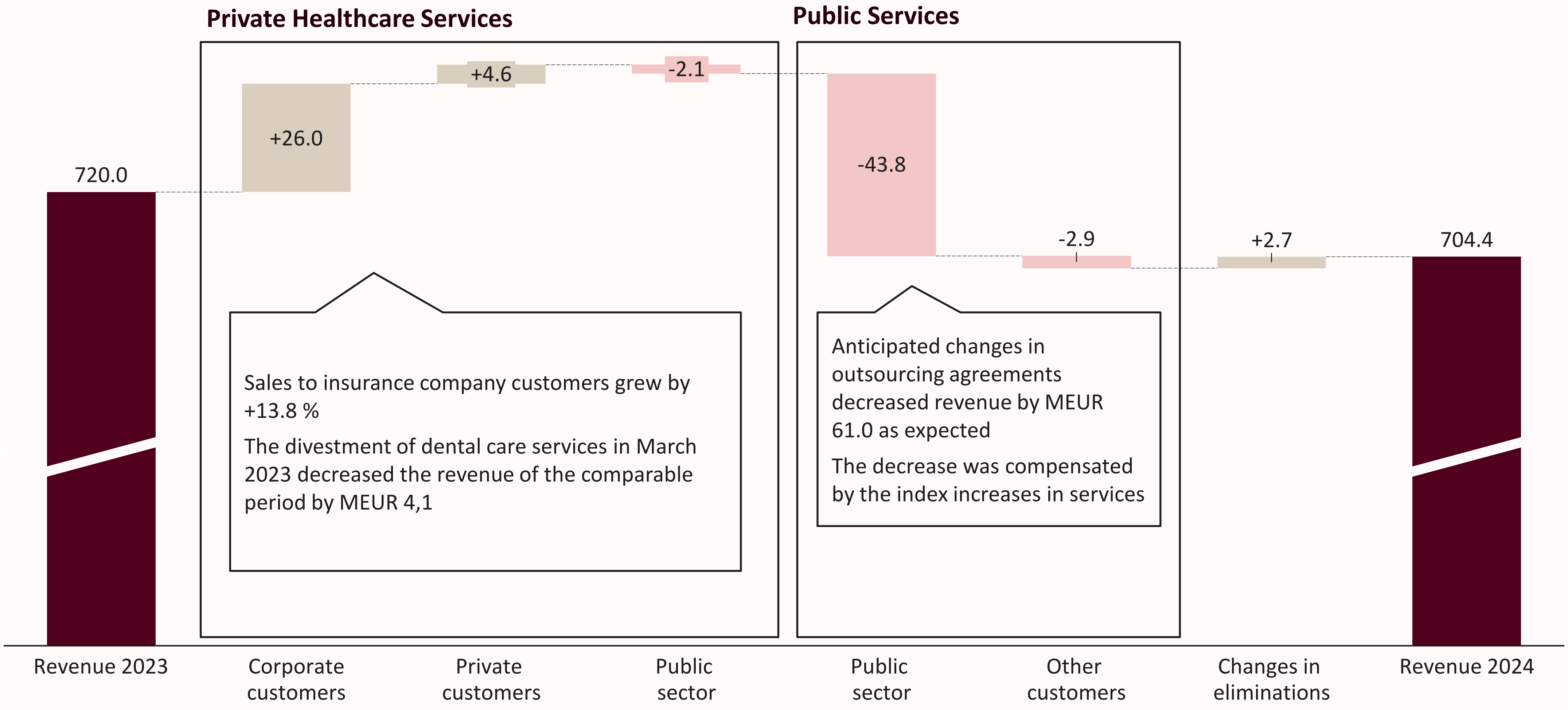
2024: The Group's revenue deacreased as a result of changes in outsourcing agreements as expected

Revenue by customer group 2024, MEUR



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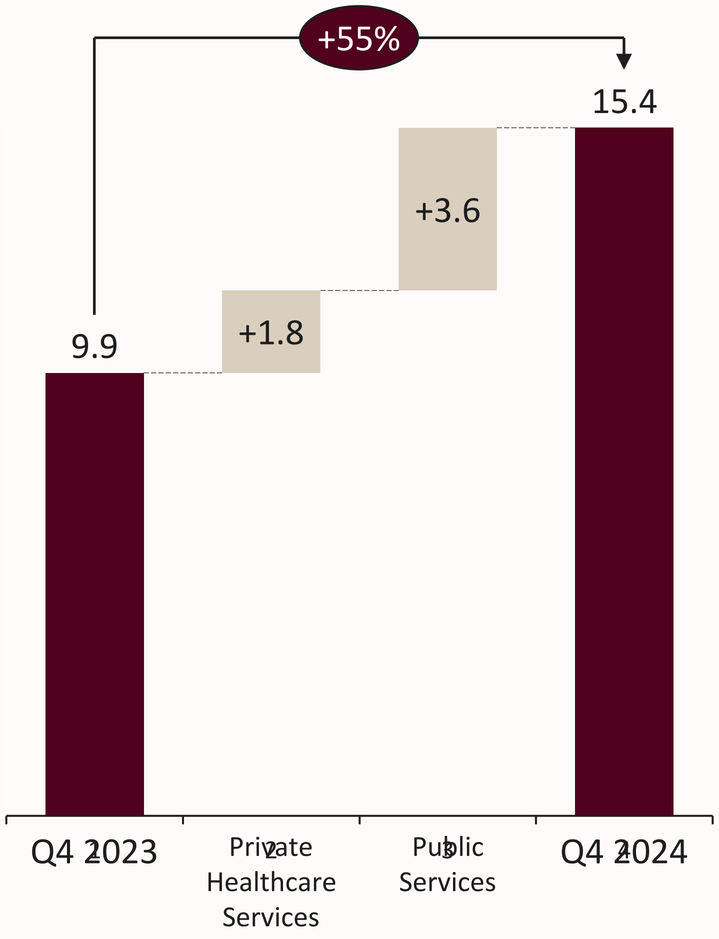
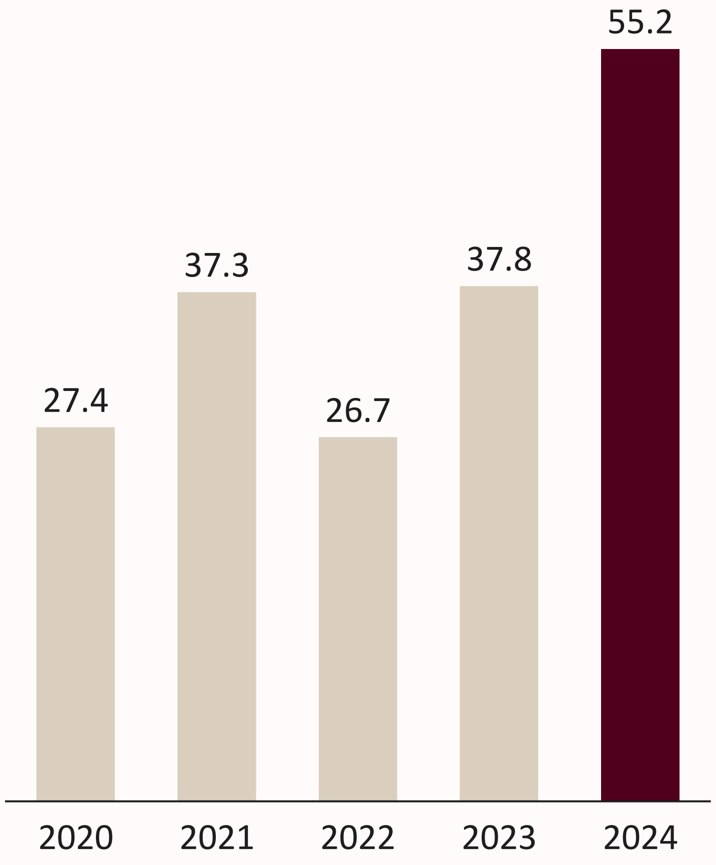
Profitability improved further in Q4, the Group's adj. EBITA was an all-time high in 2024

Adjusted EBITA change Q4
MEUR



Adjusted EBITA development
MEUR



- The positive development in profitability continued in Q4, MEUR 15.4 (+55.3 %), the whole of the company year was an all-time high, MEUR 55.2 (+46.0 %)
- Adj. EBITA margin Q4 8.04 % (5.4 %)
- Adj. EBITA of Private Healthcare Services Q4 MEUR 9.5 (+24.1 %)
- Profitability was improved in particular by focusing on customer work and service processes and continued success in increasing supply
- Adj. EBITA of Public Services Q4 MEUR 5.9 (+161.5 %)
- Profitability was improved by contractual changes in outsourcing agreements and by adjusting operations to the needs of the wellbeing services counties

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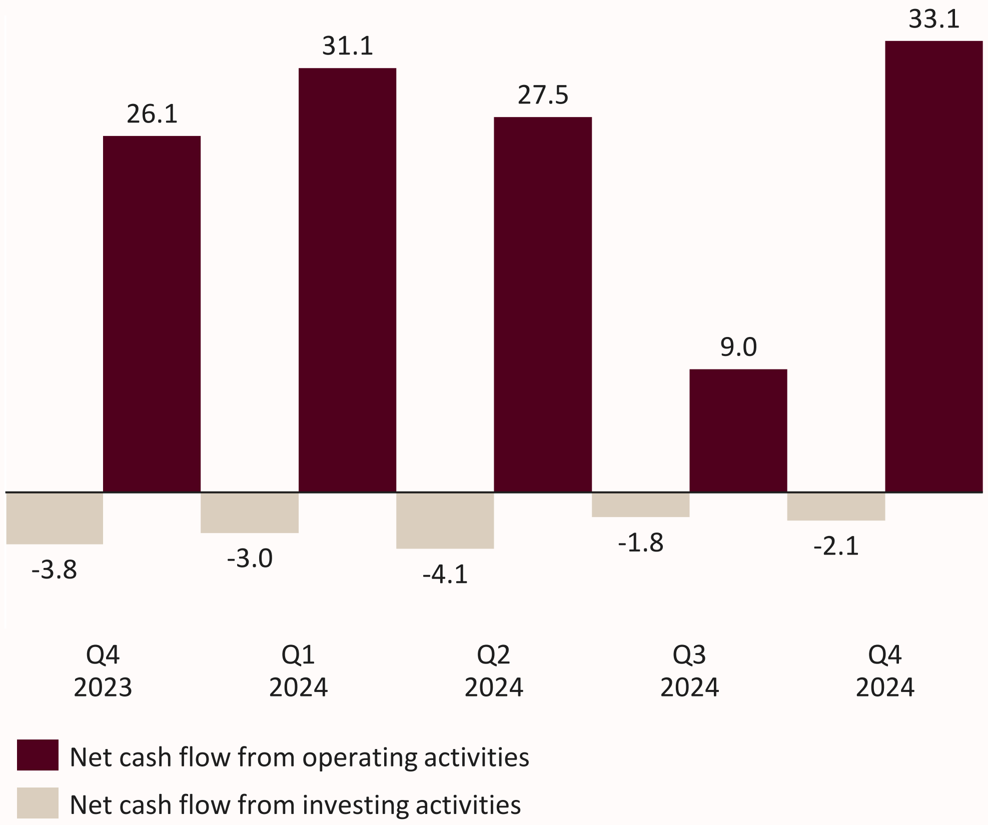
The financial position strengthened, the net debt / adj. EBITDA ratio fell below the strategy period target level

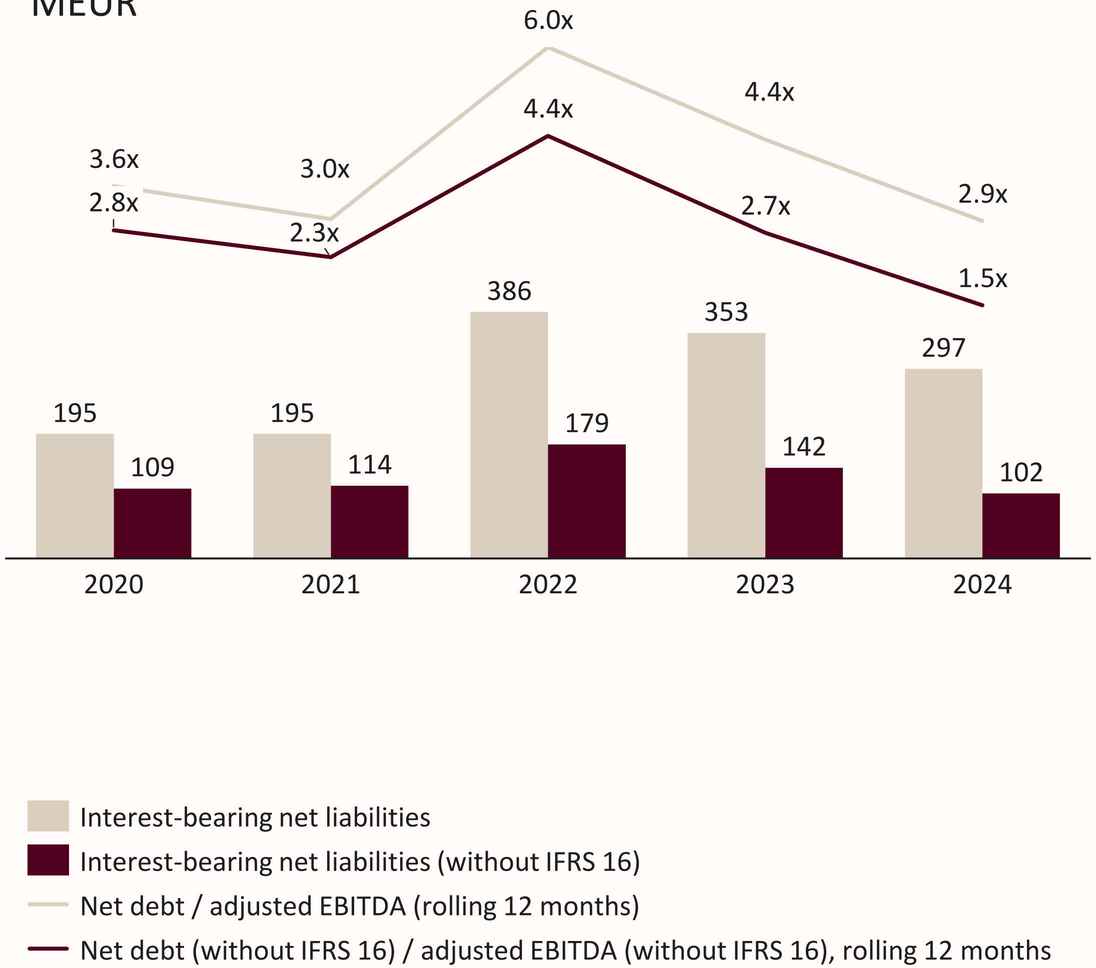
Cash flow from operating activities and investments

MEUR



Interest-bearing net debt

MEUR



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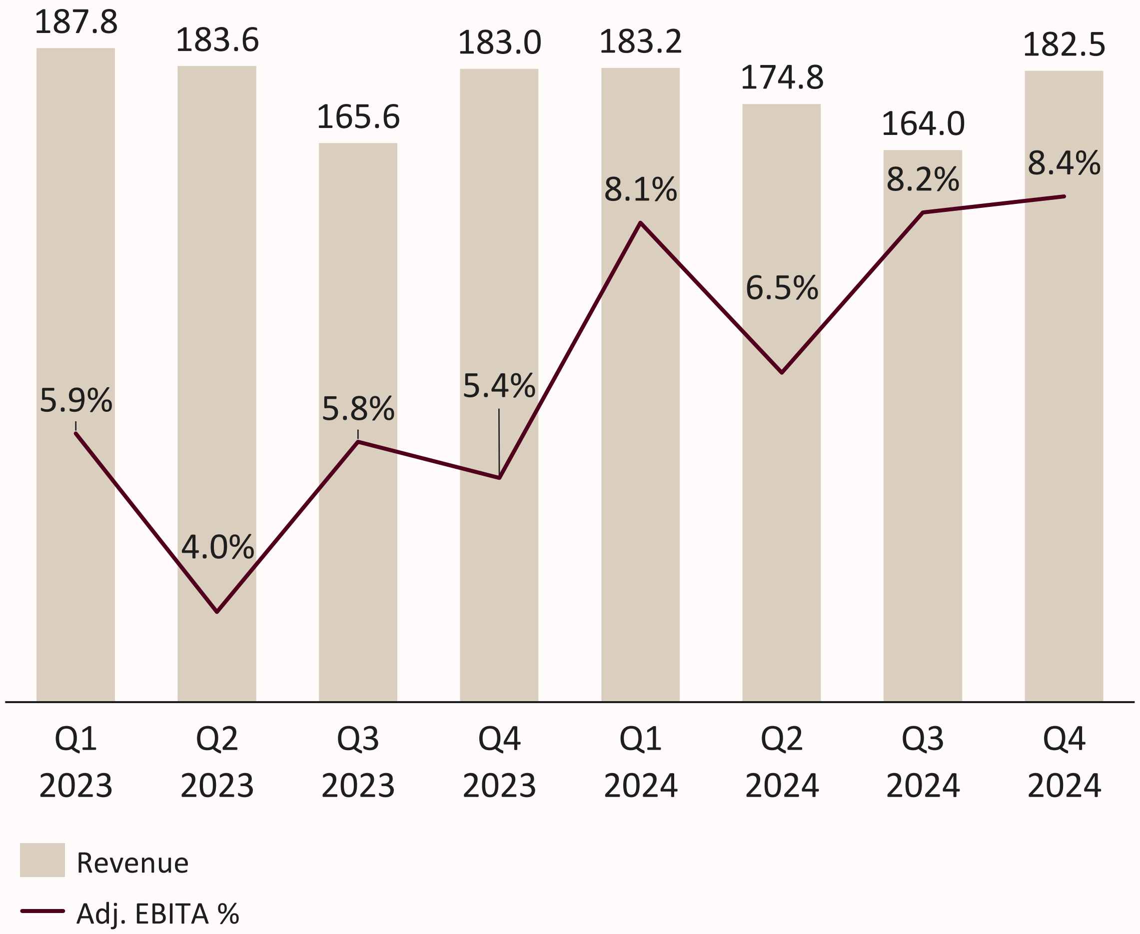
2024: Profitability gradually strengthened as a result of the long-term operational development

- Commercial measures and changes in pricing
- Outsourcing contract changes and adaptation programs to meet the needs of the wellbeing services counties
- Management of customer relationship and conversion in care paths
- Systematic strengthening of supply management
- Development of service processes in customer work and invoicing
- Management of contracts in occupational healthcare to strengthen more impactful customer work
- Economies of scale in procurement

Adj. EBITA % margin

MEUR

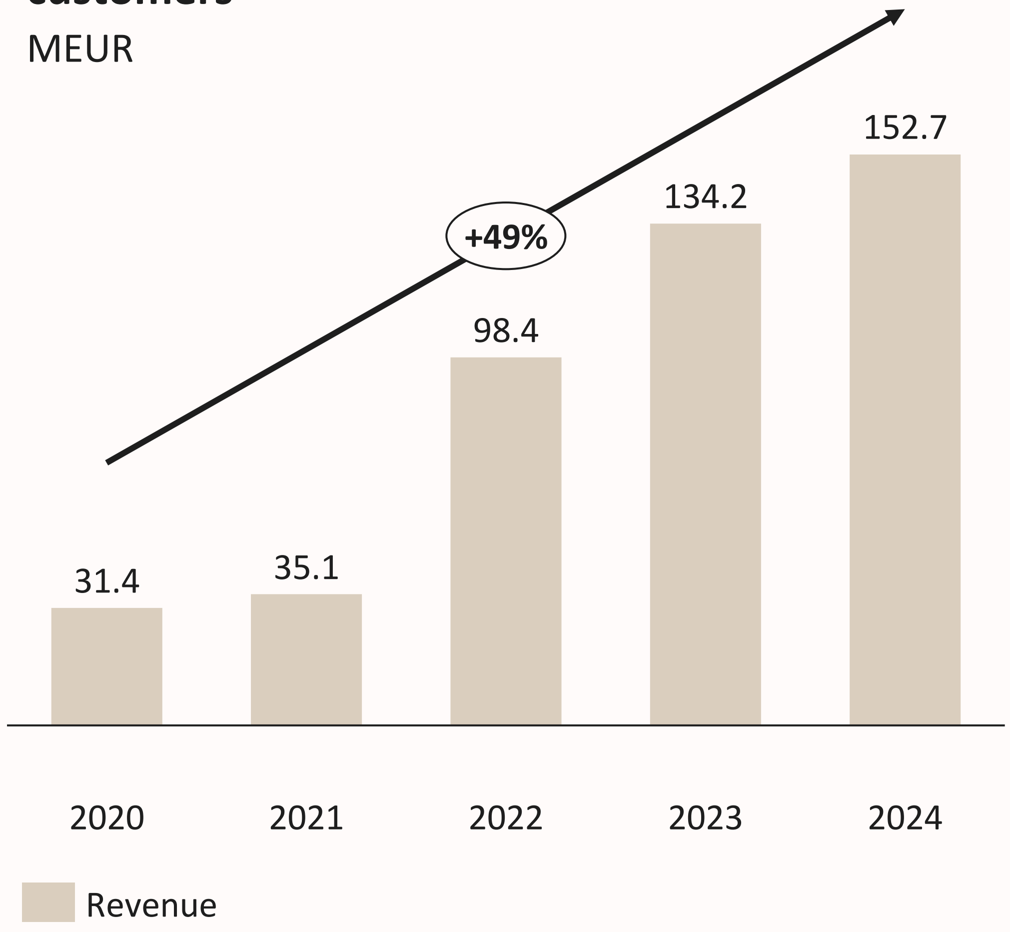


2024: The partnership with insurance companies deepened, sales to a new record

- During the year, insurance company partnerships and cooperation models were strengthened
- In December, the cooperation with the insurance company If was announced
- Operating models are developed in close cooperation so that treatment is fast, appropriate, high-quality and cost-effective
- The focus is on high-quality customer services, customer experience and overall cost effectiveness
- Cooperation with the five largest insurance companies, Pihlajalinna operates guidance to treatment in close partnership at Pohjola Terveysmestari and FenniaHoitaja

Revenue development of insurance company customers

MEUR



New methods for preventive healthcare and overall cost effectiveness

- Effectiveness-based Pihlajalinna Sydänkaista remote service care path was among the top three in the Finnish Medical Association's quality award final
- By supporting the patient group, recurrence of heart or brain infarction is prevented in up to 40% of cases
- Based on patient data, it is possible to identify risk groups and reduce morbidity preventively
- The costs for society and the employer will be significantly reduced, as the need for specialised medical care and early retirement will be reduced
- Commercialised for, among other things, occupational healthcare, e.g. at Stora Enso as part of effectiveness-based occupational healthcare services for identified risk groups

Pihlajalinna's outlook for 2025

In 2025, Pihlajalinna will focus on organic growth especially in Private Healthcare Services, and continued improvement in profitability.

- The Group estimates consolidated revenue to remain on a par with the previous year's level (EUR 704.4 million in 2024)
- The Group estimates the adjusted operating profit before the amortisation and impairment of intangible assets (EBITA) to increase to at least 9 per cent of revenue (7.8 per cent in 2024)

The Group estimates demand to remain stable. Slow economic growth may affect Pihlajalinna's service demand and financial result more than expected.

Summary: The development of organic* revenue and profitability remained strong, the result for the whole year was the best of all times

- Comparable organic revenue growth* remained strong, 7.8%, in Private Healthcare Services 12.0%
- Profitability and financial position strengthened throughout the year. Adj. EBITA MEUR 55.2 (+46.0%) was an all-time high, and the net debt / adj. EBITDA ratio fell below the strategy period target level, 2.9x (4.4x)
- Employee and customer satisfaction developed well throughout the year
- Determined measures towards strengthening the profitability are progressing as planned. The operation develops consistently, and results are generated in the long term
- The Board of Directors proposes, in accordance with the dividend policy, a dividend of EUR 0.38 (0.07) per share for the financial year ending on 31 December 2024

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*The following items have been excluded from the comparison period revenue: the divestment of dental care services, the transfer of cost liability for demanding specialised care, the gradual transfer of Jämsän Terveys Oy’s service agreement, other changes to outsourcing agreements, COVID-19 services and transfers between segments.

Q&A

Thank you!

Upcoming events:

- AGM: 24 April 2025
- Q1/2025: 30 April 2025
- H1/2025: 24 July 2025
- Q3/2025: 31 October 2025

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