



PIHLAJALINNA

Half Year Financial Report

January–June 2022

CEO Joni Aaltonen
12 August 2022



Q2 MAIN POINTS

Revenue increased considerably, Pihlajalinna Hospital's services have been integrated as a part of the expansion of service network

- Revenue amounted to EUR 173.7, an increase of 21.9 %
 - M&A transactions EUR 23.7 million, an increase of 16.6 %
 - Organic growth EUR 7.5 million, an increase of 5.3 %
- The customer volumes of Pihlajalinna's private clinics increased 69 %
 - Of all customer appointments 38 % took place via remote services, an increase of 31 %
- Adjusted EBITDA EUR 16.9 million, an increase of 6.2 %
- Adjusted EBITA EUR 7.3 million, a decrease of -18.6 %
- The preparation of wellbeing services counties continues – Pihlajalinna is involved as a strong partner



KEY FIGURES

	4–6/2022 3 months	4–6/2021 3 months	change %	1–6/2022 6 months	1–6/2021 6 months	change %	2021
Revenue, EUR million	173.7	142.5	21.9	336.8	282.4	19.3	577.8
Adjusted EBITDA, EUR million	16.9	15.9	6.2	33.3	31.1	7.2	65.3
Adjusted operating profit before the amortisation and impairment of intangible assets (EBITA), EUR million	7.3	8.9	-18.6	15.1	17.2	-12.6	37.3
Earnings per share (EPS), EUR	0.08	0.19	-60.3	0.31	0.39	-21.4	0.89
Gearing, %				312.6	176.0	77.6	158.8
Interest-bearing net debt, EUR million				374.4	207.1	80.8	194.7
Net debt/adjusted EBITDA, 12 months				5.5	3.2	71.6	3.0
Cash flow from operating activities, EUR million	20.3	12.6	60.5	35.8	23.3	53.6	56.9

Q2 2022 REVENUE BY CUSTOMER GROUP

Corporate customers

- Revenue EUR 56.0 million, an increase of 71.6 %
- The customer volumes of Pihlajalinna's private clinics increased by 64 % year-on-year and were 63 % higher than in 2019
- Sales to insurance company customers increased by EUR 17.0 million

Private customers

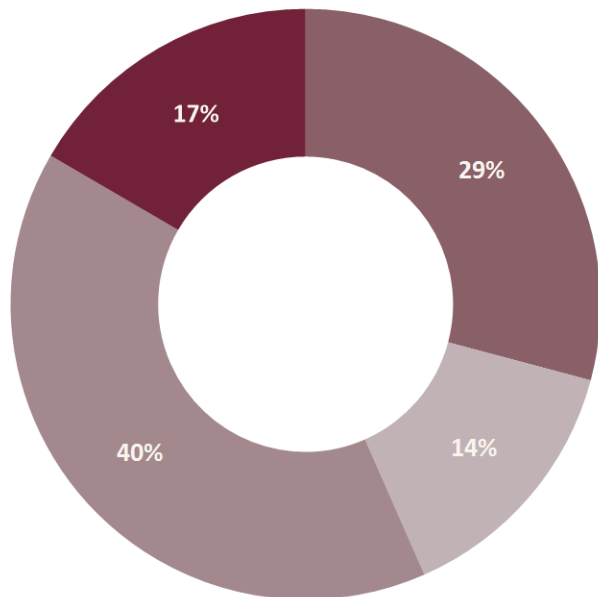
- Revenue EUR 27.4 million, an increase of 26.7 %
- The customer volumes of Pihlajalinna's private clinics increased by 28 % year-on-year and were 2 % lower than in 2019

Public sector

- Revenue EUR 108.8 million, an increase of 2 %, revenue from COVID-19 services decreased EUR 4.7 million
- Revenue from complete and partial outsourcing agreements increased due to the index adjustments stipulated by the agreements
- The customer volumes of Pihlajalinna's private clinics increased by 173 % year-on-year

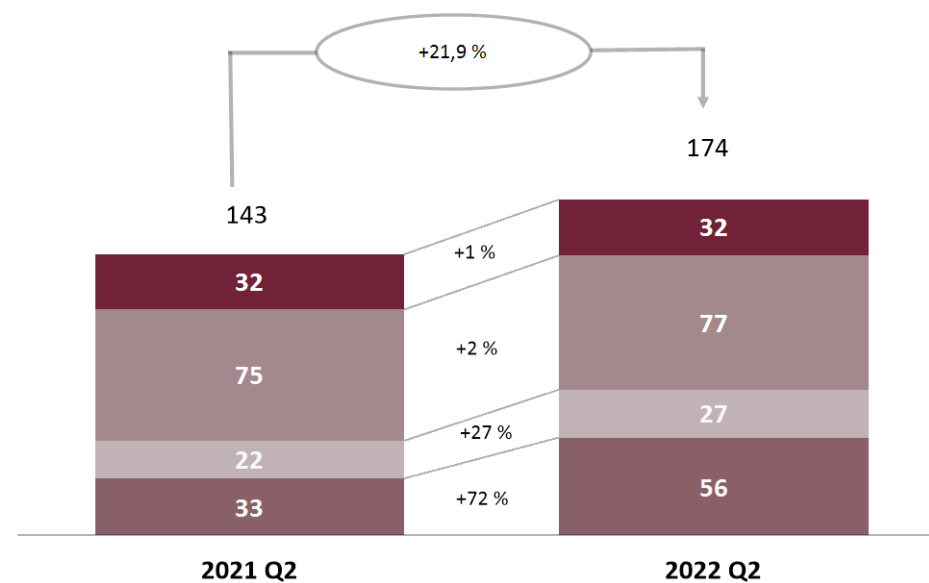
REVENUE BY CUSTOMER GROUP

REVENUE BY CUSTOMER GROUP Q2 2022, %



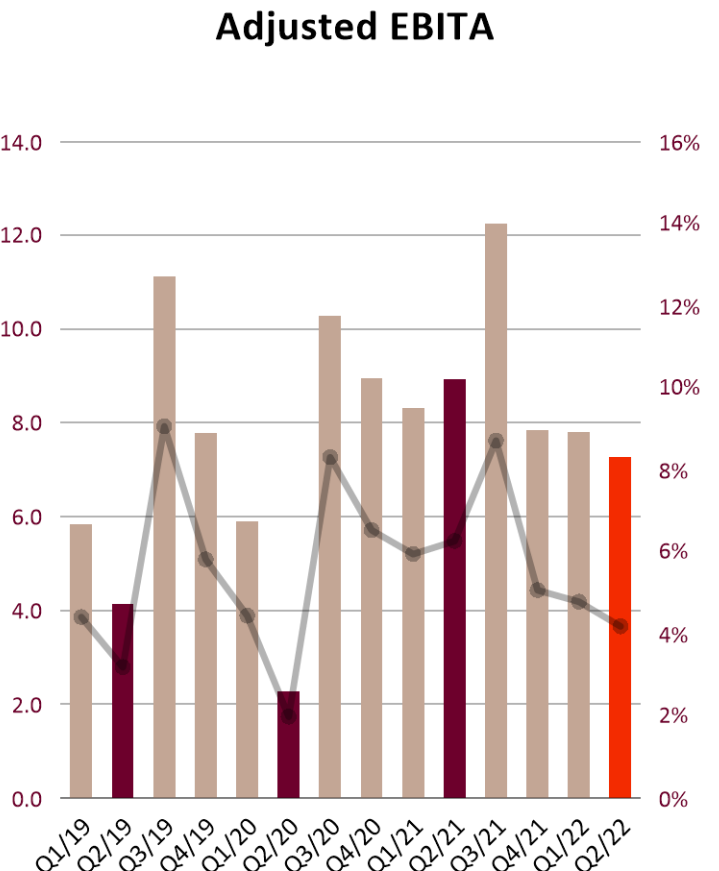
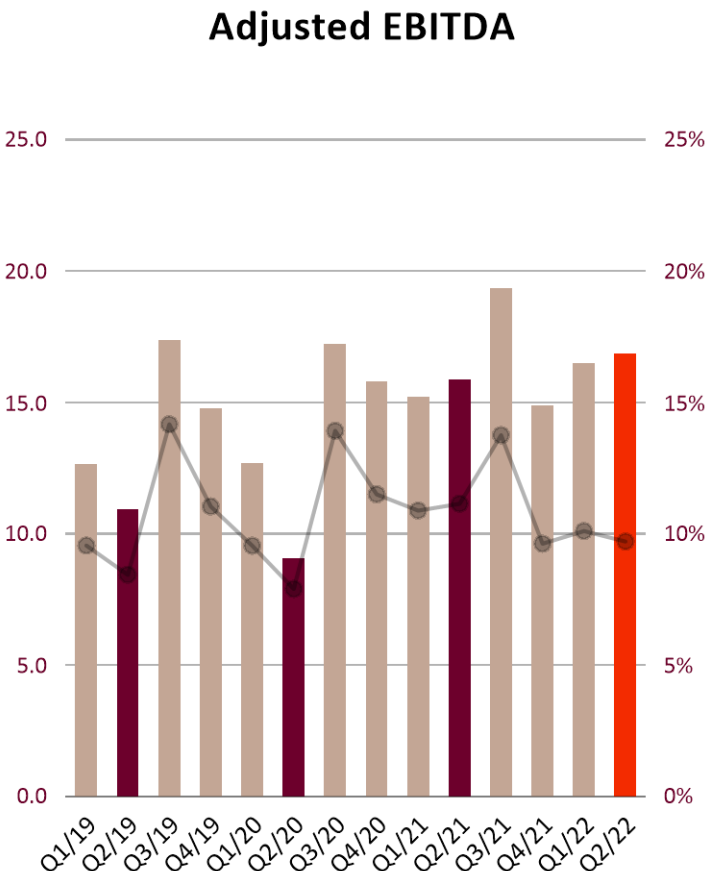
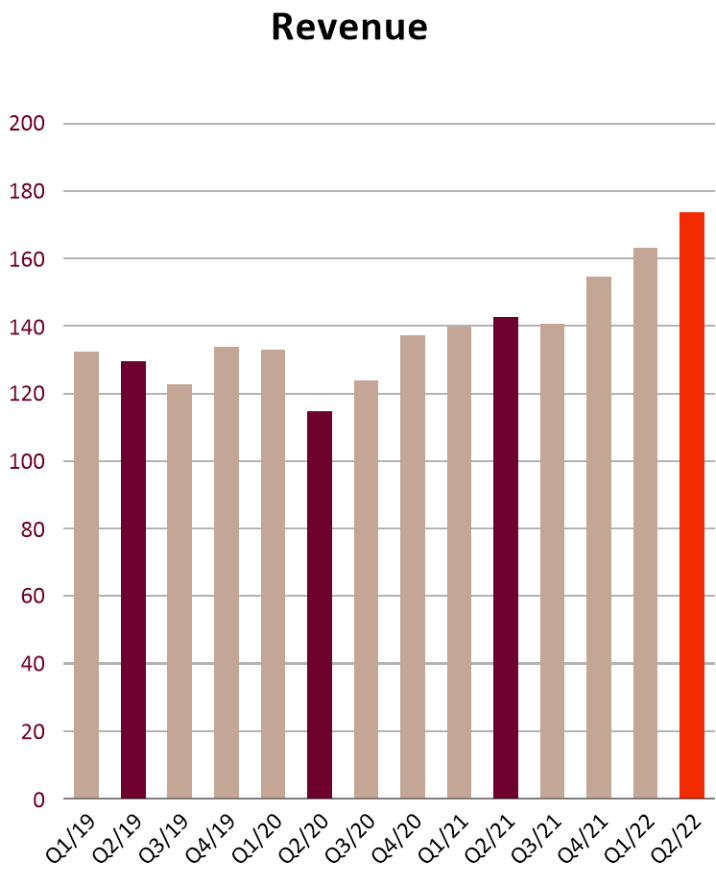
■ Corporate customers ■ Private customers ■ Complete and partial outsourcing ■ Other services to public sector

REVENUE BY CUSTOMER GROUP Q2 2022, EUR MILLION



■ Corporate customers ■ Private customers ■ Complete and partial outsourcing ■ Other services to public sector

CONSOLIDATED REVENUE AND PROFITABILITY, EUR MILLION



BUSINESS STRUCTURE AND PROFITABILITY

Complete and partial outsourcing, eliminated	Q2 2022	Q2 2021	change-%	H1 2022	H1 2021	change-%	2021	2020	2019
Revenue, EUR million	71.1	68.8	3.3	139.4	137.4	1.5	277.0	264.2	262.4
Adjusted EBITDA, EUR million	3.3	2.7	25.6	5.6	3.4	68.2	6.7	11.0	17.5
Adjusted EBITDA, %	4.7	3.9	21.6	4.0	2.4	65.7	2.4	4.2	6.7
Adjusted operating profit (EBIT), EUR million	2.6	1.9	34.5	4.1	1.9	118.6	3.7	8.2	15.1
Adjusted operating profit (EBIT), %	3.6	2.8	30.2	3.0	1.4	115.4	1.3	3.1	5.8
Adjusted EBITA, EUR million	2.7	2.0	32.7	4.3	2.1	108.1	4.1	8.5	15.4
Adjusted EBITA, %	3.7	2.9	28.4	3.1	1.5	105.0	1.5	3.2	5.9

BUSINESS STRUCTURE AND PROFITABILITY

Group excluding complete and partial outsourcing, eliminated	Q2 2022	Q2 2021	change-%	H1 2022	H1 2021	change-%	2021	2020	2019
Revenue, EUR million	113.1	84.8	33.4	218.3	167.1	30.6	343.7	282.0	290.8
Adjusted EBITDA, EUR million	13.5	13.2	2.3	27.7	27.8	-0.2	58.6	43.8	38.2
Adjusted EBITDA, %	12.0	15.6	-23.4	12.7	16.6	-23.6	17.1	15.5	13.1
Adjusted operating profit (EBIT), EUR million	2.7	5.2	-49.1	7.1	12.0	-41.0	26.6	12.7	6.3
Adjusted operating profit (EBIT), %	2.4	6.2	-61.9	3.2	7.2	-54.8	7.7	4.5	2.2
Adjusted EBITA, EUR million	4.6	6.9	-33.5	10.8	15.2	-29.0	33.3	18.9	13.4
Adjusted EBITA, %	4.1	8.2	-50.2	4.9	9.1	-45.6	9.7	6.7	4.6

PIHLAJALINNA'S OUTLOOK FOR 2020

Pihlajalinna's full year consolidated revenue is expected to increase substantially, and full year adjusted operating profit before the amortisation and impairment of intangible assets (EBITA) is expected to be on a par with 2021.

Due to Pohjola Hospital integration and efficiency improvement programs in municipal companies, the adjusted EBITA from the first half of the year stayed below the bar of the previous year as anticipated.

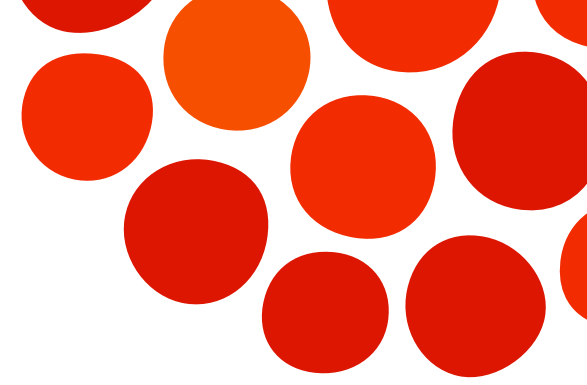
The acquisition of Pohjola Hospital will increase consolidated revenue by at least EUR 50 million in the financial year 2022.

Revenue from COVID-19 services is expected to decline from the level of 2021.

In 2022, Pihlajalinna will focus on the integration of Pohjola Hospital operations to be a seamless part of its Medical Center for All of Finland - concept.

Maintaining profitability on a par with 2021 will require success in increasing supply, realization of the planned synergies of the acquisitions, and successful implementation of efficiency improvements in municipal companies.





**Strategy is progressing
as planned**

TRENDS AND MEGATRENDS INFLUENCING OUR INDUSTRY



Sustainability (social and ecological sustainability)



The digital transformation continues



Healthcare reform



Urbanization continues



Increasing inequality



Growth and concentration of wealth



The population is ageing



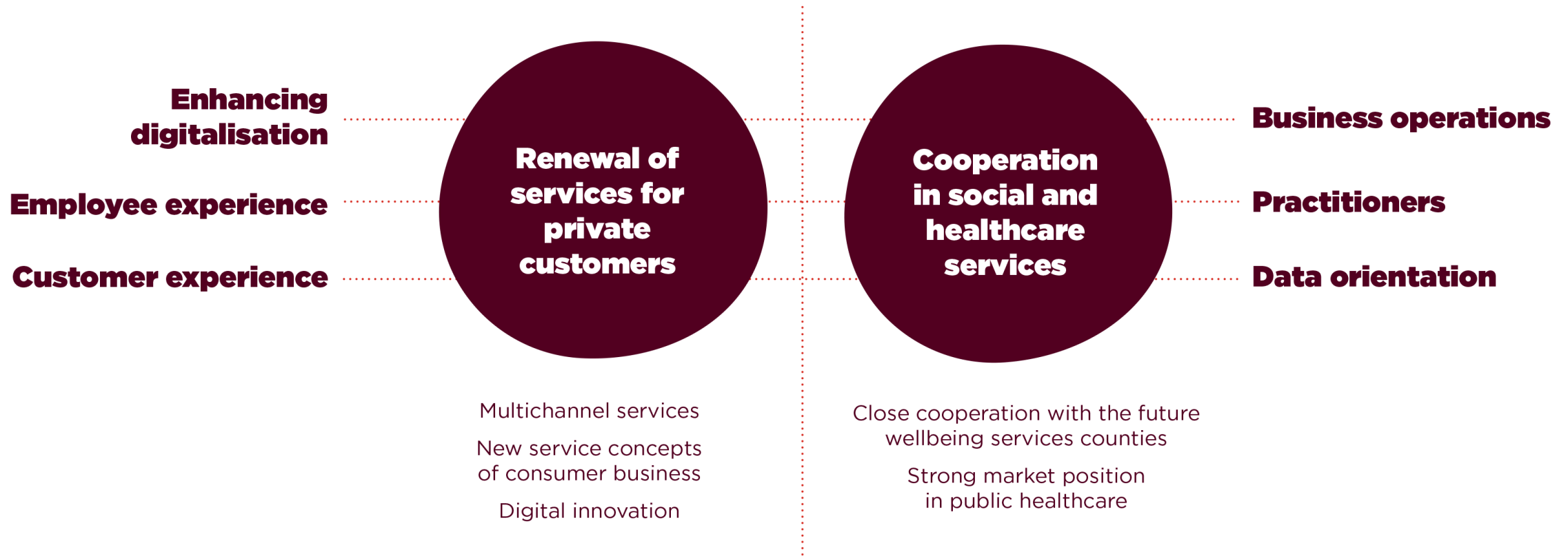
Health remains a strong trend



Lifestyle diseases are increasing

PIHLAJALINNA'S STRATEGY 2021-2025

STRATEGIC PRIORITIES



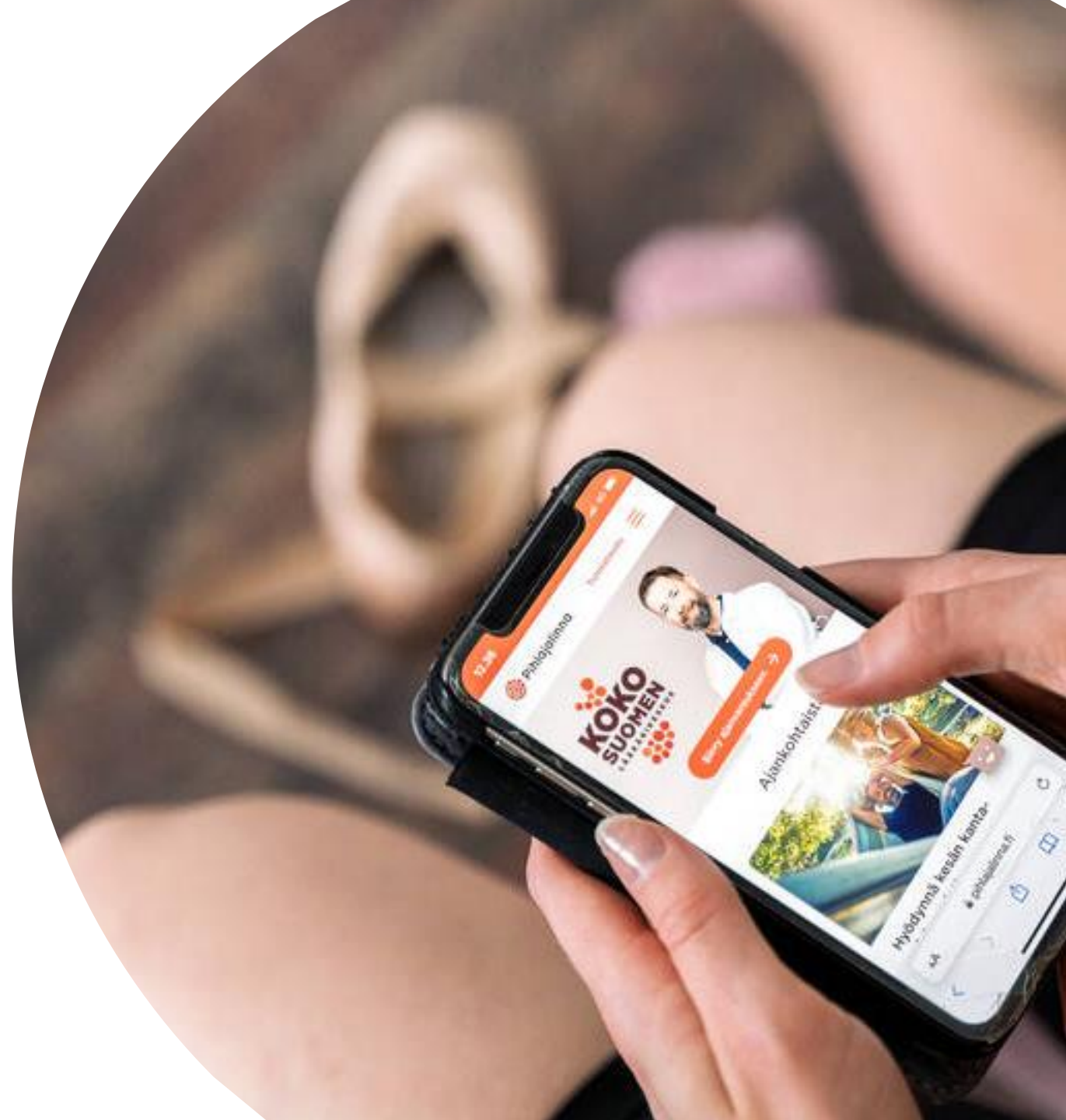


THE GROWTH OF SERVICE OFFERING AND OPERATING LOCATIONS NETWORK

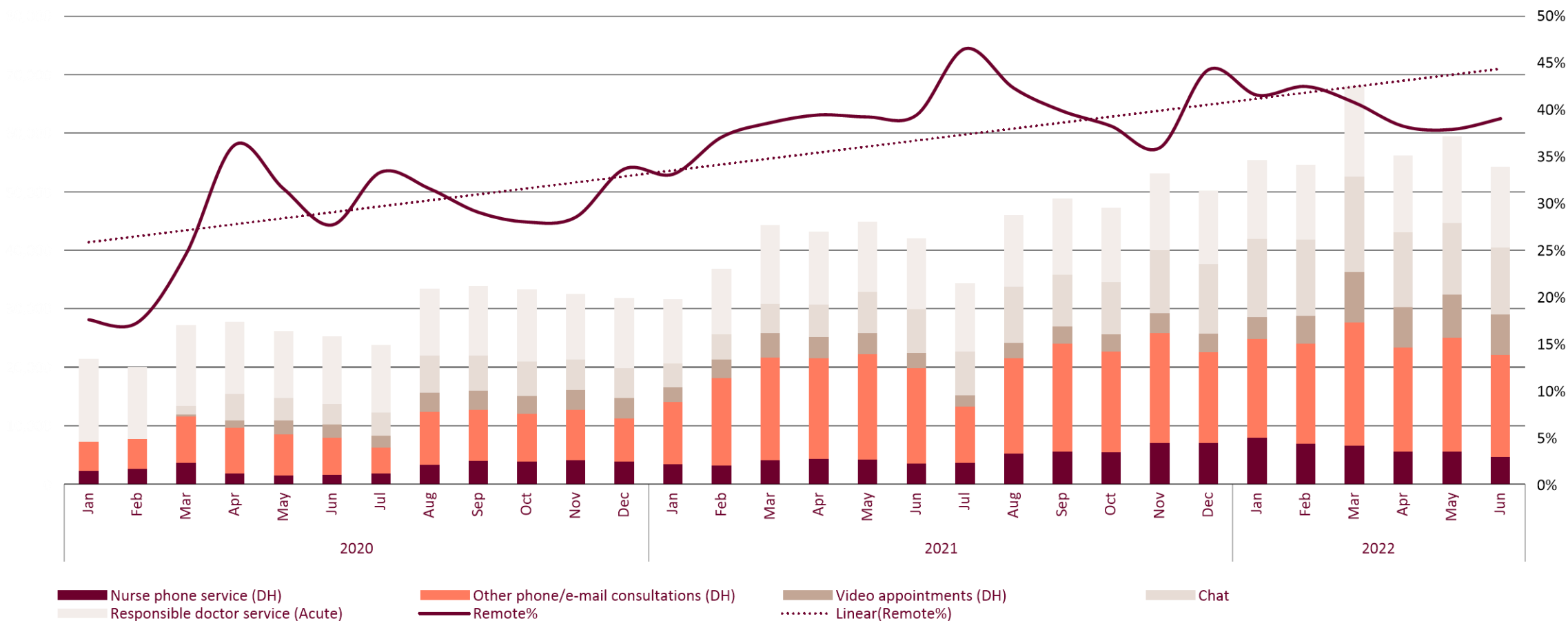
- The integration of the services of Pohjola Hospital was completed
 - The centralization of surgical operations at the former Pohjola Hospital clinics in Oulu, Turku and Kuopio, and in July, Helsinki
- Increasing the share of specialised care services
- Strengthening the occupational healthcare and private clinic services: the purchase of Etelä-Savon Työterveys Oy and Lääkärikeskus Ikioma Oy
- The acquisition of Punkkibussi® business
- Four new private clinics during the first half of the year: in Lahti, Espoo, Vantaa and Rovaniemi
- M&A transactions that will take place during the autumn: Seppälääkärit Oy and Seppämagneetti Oy, a majority interest in MediEllen Oy

REMOTE SERVICES

- The number of remote service appointments increased by 31 % year-on-year
- The number of remote paediatrician appointments increased in particular – nearly 70 % growth compared to the first quarter
- The profitability of remote services improved year-on-year due to higher volumes
- Strong digital expertise supports the healthcare and social welfare reform: the first agreements concerning the implementation of the digital assessment of the need for care for the new wellbeing services counties have already been signed



REMOTE SERVICE APPOINTMENTS



SUMMARY



- 1 Considerable growth in revenue, +21,9 %
- 2 The number of practioners and employees increased
- 3 The expansion of service network progressed as planned
- 4 The share of specialised care services increased

Q&A





Thank You!

Upcoming events

Interim Report
January–September
4 November 2022

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