



Pihlajalinna

**ANALYST MEETING
PRE-SILENT CALL Q1/2023**

24 MAR 2023

ACTUALS

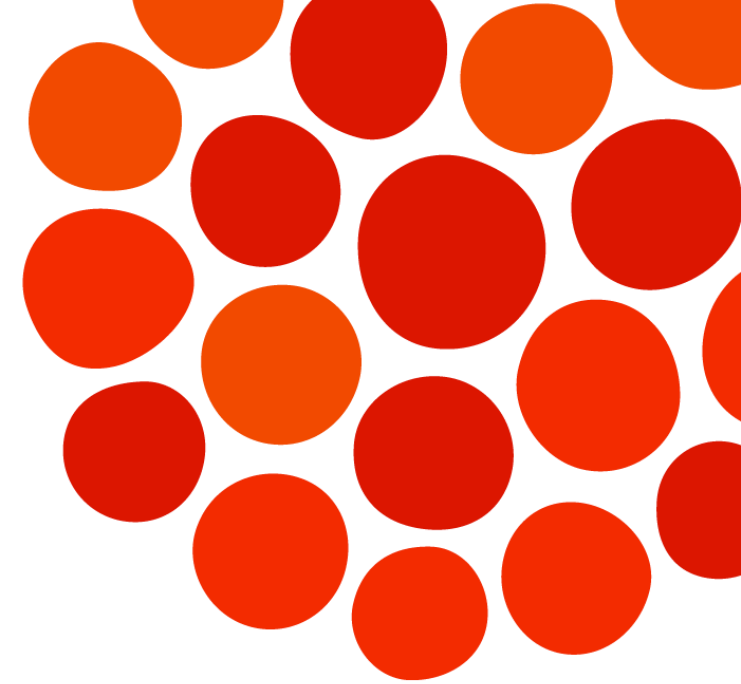
Changes in company's top management and new operating model

- Mikko Wirén interim CEO as of 9 March
 - The search for a new CEO is underway.
- Annual General Meeting 4 April – The Nomination Board proposes Kim Ignatius, Tiina Kurki and Jukka Leinonen would be elected as new members of the Board of Directors and Jukka Leinonen would be elected as the Chairman of the Board of Directors
- Pihlajalinna's organisation simplified and the composition of the management team changed after the change negotiations
 - As a result of the negotiations, 67 positions will be reduced, and the administrative duties of 27 employees will be adjusted.
 - Mergers of small occupational healthcare locations into larger locations in Pirkanmaa region and Oulu – Pihlajalinna will continue to assess its locations.
- Dental clinic divestment progress as planned. Will activate at the end of March 2023.
- Pihlajalinna issues EUR 20 million hybrid capital securities at 20 March.
- Pihlajalinna's measures to strengthen profitable growth and financial position continue, the effects of the measures will become evident gradually starting from the first quarter of 2023.



BEGINNING OF THE YEAR 2023

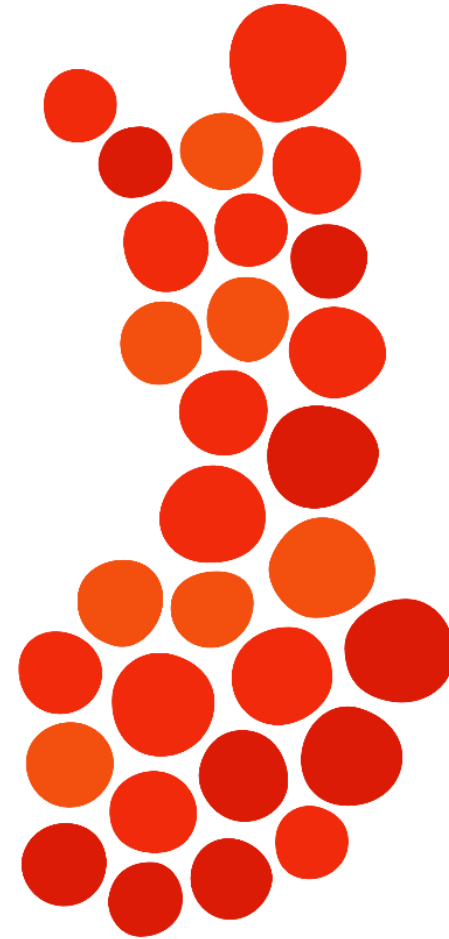
- The demand and the supply for health services has remained strong
- Covid-19 services high on Q1/2022, now ended
- Sick leave rate declining, but high employee expenses still burdening
 - Change negotiations impacts are materialising from the Q2/2023 onwards
- Increase in service prices are materialising gradually starting from the first quarter of 2023.
- Public services efficiency improvement programme is compensating inflationary effects
 - Inflation-adjusted service prices enter into force with a delay



Q&A



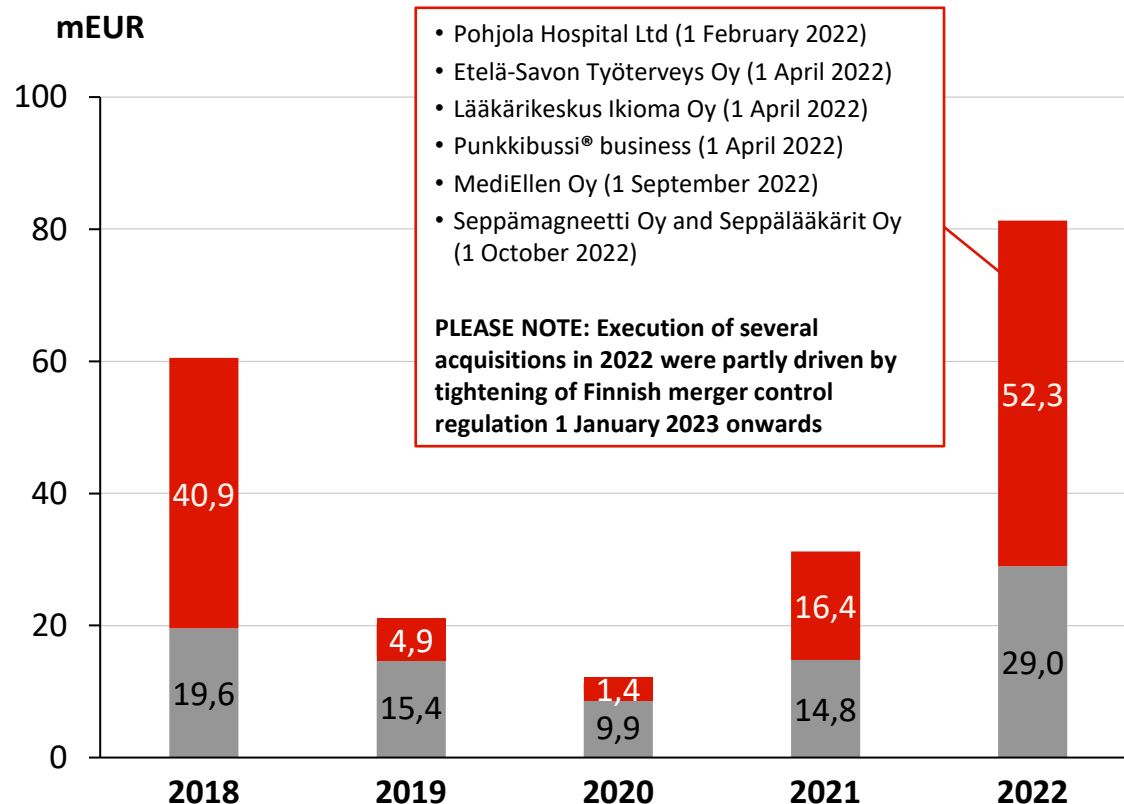
APPENDICES



ELEVATED LEVERAGE RATIOS DUE TO 2022 ACQUISITIONS AND CAPEX FOR ADDITIONAL CAPACITY

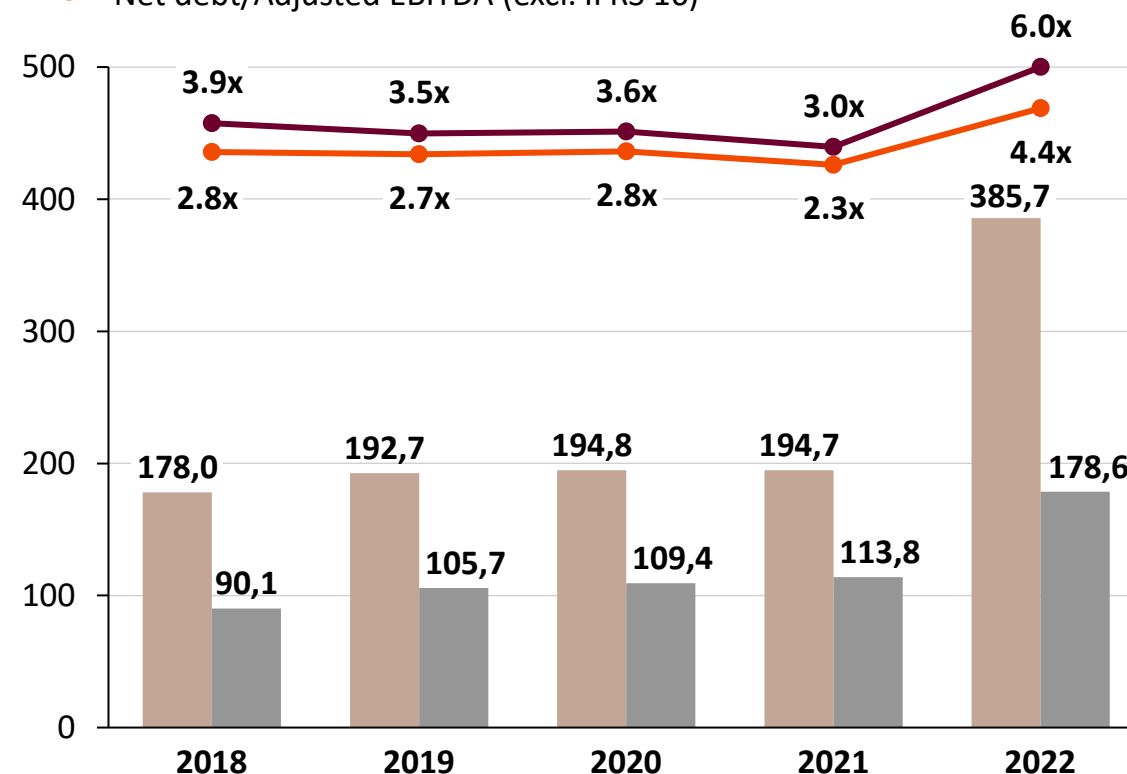
Gross investments, mEUR

- Acquisitions
- Capital expenditure (gross, organic)



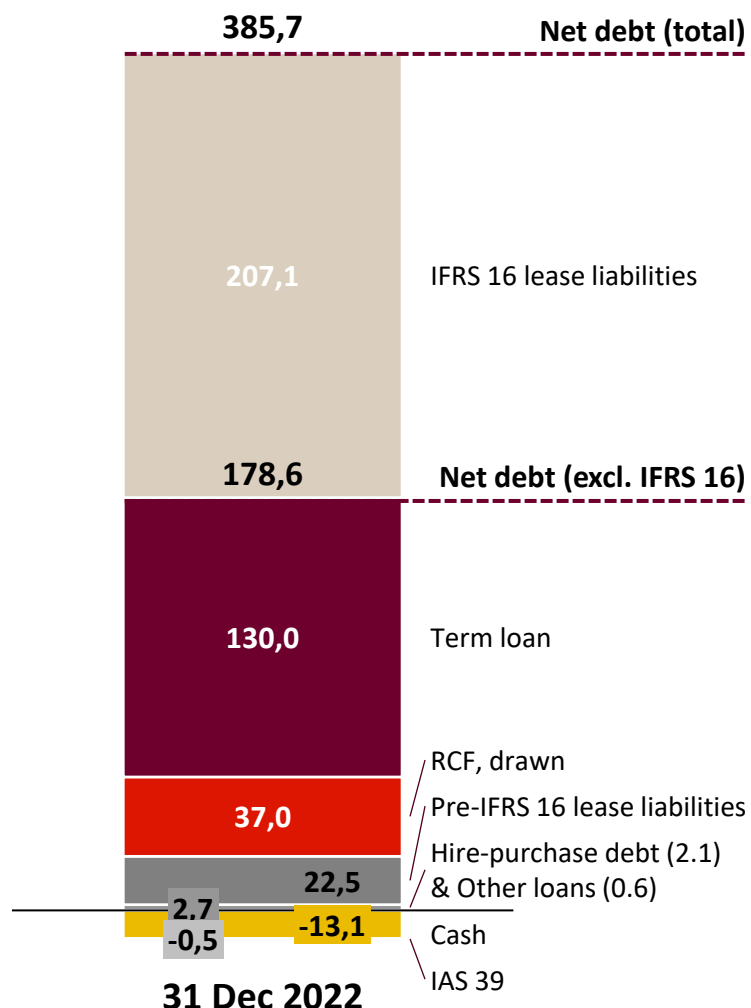
Leverage, mEUR

- Net debt
- Net debt (excl. IFRS 16)
- Net debt/Adjusted EBITDA
- Net debt/Adjusted EBITDA (excl. IFRS 16)



FUNDING STRUCTURE AS OF 31 Dec 2022

Breakdown of interest-bearing debt

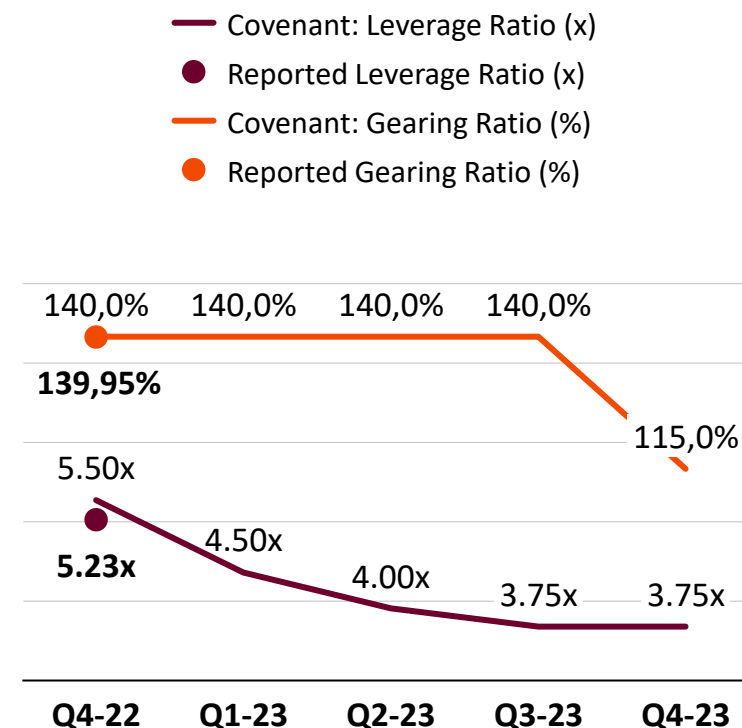


Loan facilities & Use of Proceeds from issuance

- Committed loan facilities & maturities*:
 - Sustainability-linked term loan and revolving facilities agreement dated 22 March 2022:
 - 130 mEUR term loan (bullet)
 - 70 mEUR revolving credit facility, of which 33.0 mEUR undrawn
 - Unsecured
 - Maturities: 22 March 2025 + 1 year extension option subject to bank approvals
 - Lenders: Danske Bank, OP Corporate Bank, Swedbank
 - Bilateral overdrafts (with 1 month notice period): 10 mEUR, fully undrawn
- Liquidity reserves: 56.1 mEUR, of which
 - Cash: 13.1 mEUR
 - Undrawn loan limits: 43.0 mEUR
- Use of proceeds from hybrid note issuance: general corporate purposes, incl. among others, repayments of RCF drawings

Loan covenants incl. amended levels

- According to original loan facilities agreement dated 22 March 2022 and waiver agreements dated 30 September 2022 and 29 December 2022, financial covenants (maintenance-based) are as follows:



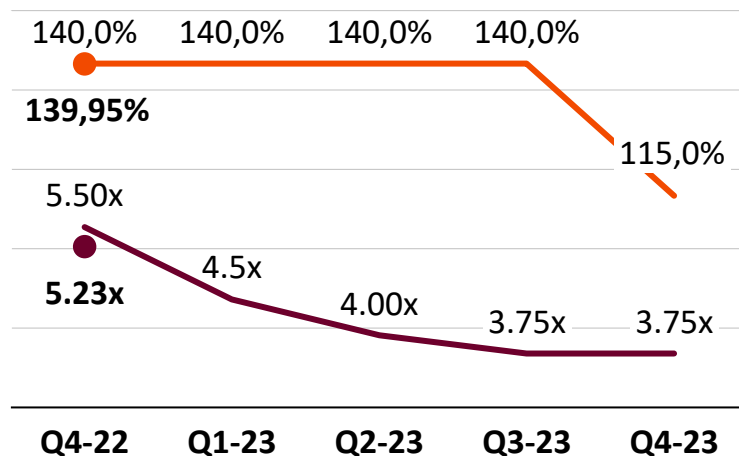
*In addition to the committed facilities, the financing arrangement includes an opportunity to later increase the total amount by EUR 100 million (to EUR 300 million), subject to separate decisions on a supplementary loan from the funding providers.

CALCULATION OF COVENANTS ACCORDING TO SFA (FROZEN GAAP, AGREED EXCEPTIONAL ITEMS)

Loan covenants incl. amended levels

- According to original loan facilities agreement dated 22 March 2022 and waiver agreements dated 30 September 2022 and 29 December 2022, financial covenants (maintenance-based) are as follows:

- Covenant: Leverage Ratio (x)
- Reported Leverage Ratio (x)
- Covenant: Gearing Ratio (%)
- Reported Gearing Ratio (%)



Calculation of Reported Leverage Ratio (x) and Reported Gearing (%)

1 000 eur	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Group pro forma LTM EBITDA*	42 580	39 861	36 243	30 469
Agreed Exceptional Items LTM	2 867	2 944	3 312	3 694
(i) all fees, costs, transfer taxes & expenses (M&A)				
(ii) Restructuring Costs				
(iii) Cloud Computing				
pro forma LTM EBITDA	45 447	42 805	39 555	34 163
Borrowings*	156 417	179 912	194 333	193 619
less contingent consideration	0	-350	-350	-1 907
TOTAL DEBT	156 417	179 562	193 983	191 711
Group Cash	-6 470	-12 300	-11 826	-13 128
TOTAL NET DEBT	149 947	167 262	182 156	178 584
TOTAL NET DEBT TO EBITDA	3,30x	3,91x	4,61x	5,23x **
= LEVERAGE RATIO covenant level	4,00x	4,00x	5,00x	5,50x
Consolidated Equity*	127 788	123 545	130 081	127 602
TOTAL NET DEBT TO CONSOLIDATED EQUITY	117,3 %	135,4 %	140,0 %	139,95 % **
= GEARING RATIO covenant level	140 %	140 %	160 %	140 %

* Frozen GAAP (excl. IFRS 16 lease liabilities, including pre IFRS 16 lease liabilities)

** If Hybrid Bond would have been in place Q4 2022, Leverage would have been 4,66x and Gearing 108,1%



Thank You!

Upcoming events

- Interim Report January–March:
Friday, 28 April 2023
- Half Year Financial Report January–June:
Friday, 11 August 2023
- Interim Report January–September:
Friday, 3 November 2023

Pihlajalinna Plc's Annual General Meeting is scheduled for Tuesday, 4 April 2023.

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