Pihlajalinna

Pihlajalinna
Capital Markets Day

9 May 2025

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Speakers & Agenda

Pihlajalinna's strategy

Tuomas Hyyryläinen
CEO

Q&A

Effective care pathways: Reformer of customer-driven, effective care pathways

Sari Riihijärvi
EVP, Chief Medical Officer

The most committed partner for insurance companies' and corporations' success

Anu Kallio
EVP, Private Healthcare services

Skilled and experienced partner for the wellbeing services counties

Seppo Kariniemi
EVP, Public services

Q&A
+

The most attractive corporate culture in the industry

Mika Videman
EVP, People and Culture

Pihlajalinna's digital services: effective care pathways and professional tools

Lauri Muhonen
EVP, Chief Information Officer

Financial review

Tarja Rantala
EVP, Chief Financial Officer

Q&A

Pihlajalinna's strategy

Tuomas Hyyryläinen
CEO

Pihlajalinna 2024

One of Finland's leading social and health service providers

Founded
2001
listed in Nasdaq Helsinki
in 2015

8,500
professionals

Some
160
locations

Revenue EUR
704.4
million

Adj. EBITA
EUR 55.2
million

EPS
1.13
EUR

Pihlajalinna's Management Team

Tuomas Hyyryläinen
CEO

Tarja Rantala
EVP, Chief Financial Officer

Anu Kallio
EVP, Private Healthcare services

Seppo Kariniemi
EVP, Public services

Heikki Färkkilä
EVP, Strategy and Group Operations

Tuula Lehto
EVP, Communications and Sustainability

Jaakko Liljeroos
EVP, Chief Legal Officer

Lauri Muhonen
EVP, Chief Information Officer

Sari Riihijärvi
EVP, Chief Medical Officer

Mika Videman
EVP, People and Culture

Pihlajalinna's successful transformation provides a solid basis for profitable growth and partner value

2021-2022

Strong growth through acquisitions, Pohjola Sairaalat being the most significant one

Decision on social and health reform – formation of wellbeing services counties begins

2023-2024

Profitability, financial position and leadership in focus, continuing own determined actions

Contract changes and adapting to the needs of the wellbeing services counties as well as strengthening predictability

Strong growth in insurance partnerships

Strong growth of remote services and specialist offering in the channel

2025

Complete outsourcing agreements* ending at the end of 2025 expected to reduce the revenue for 2026 by some EUR 115 million

Focus has shifted more strongly to Private Healthcare Services

Strengthening of financial position, enabling investments in growth and competitiveness

Financial targets 2021-2025

250 million euro revenue growth from 2021 level by end of 2025

>9% Adj. EBITA of the revenue

3x Net debt/adjusted EBITDA

At least 1/3 of profit for the period paid as dividends or repayments of capital

Pihlajalinna

* Kuusiolinna Terveys, Kolmostien Terveys, Jämsän terveys and Jokilaakso Hospital

Finland's healthcare system is undergoing a transition. The population is aging, care deficit is increasing, and resources are scarce in a fee-for-service market. The role of the privately funded market is more important than ever.

Changes in the operating environment can be answered by reforming health services

Growth of demand for health services

Increasing total costs

Fee-for-service market

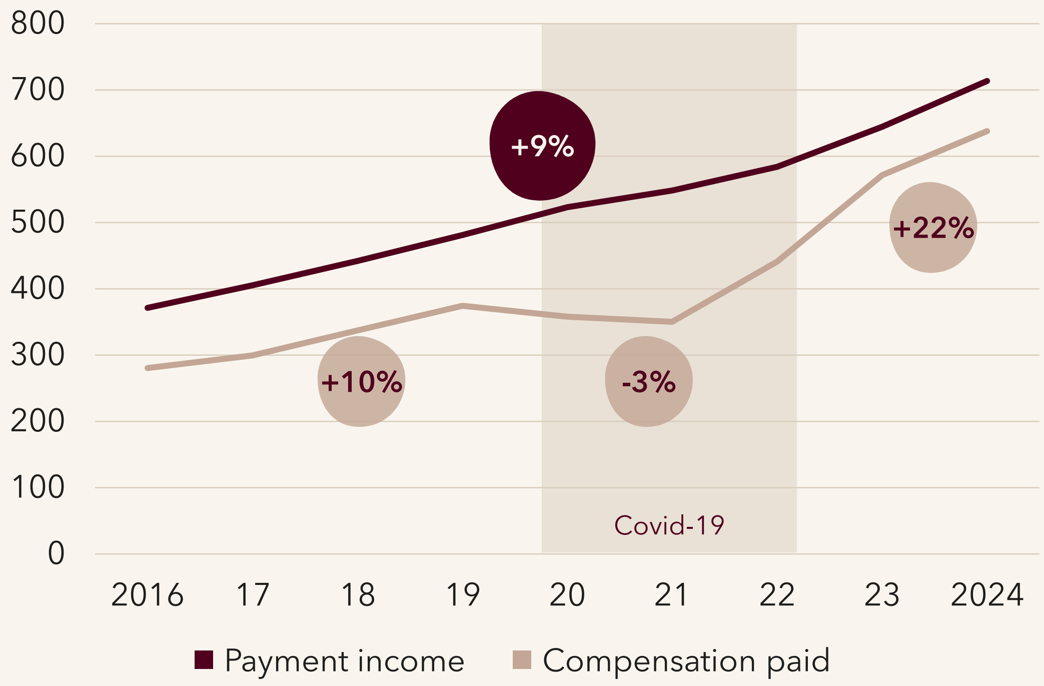
Growing significance of customer assistance

Pihlajalinna

Insurance companies and corporations are still carrying an increasing share of the costs of treating illnesses

- The population is aging, costs of care are rising and queues for specialised healthcare are growing
- Prevailing national diseases are causing absences and increasing the need for preventive care
- Total costs of healthcare are increasing annually by 3% in terms of real value[1]
- Insurance companies, corporations and the public sector are looking for ways to manage the total costs of healthcare
- The value of efficient and needs-optimised customer assistance is highlighted

Private health insurances[2] payment income[3] and compensation paid, MEUR

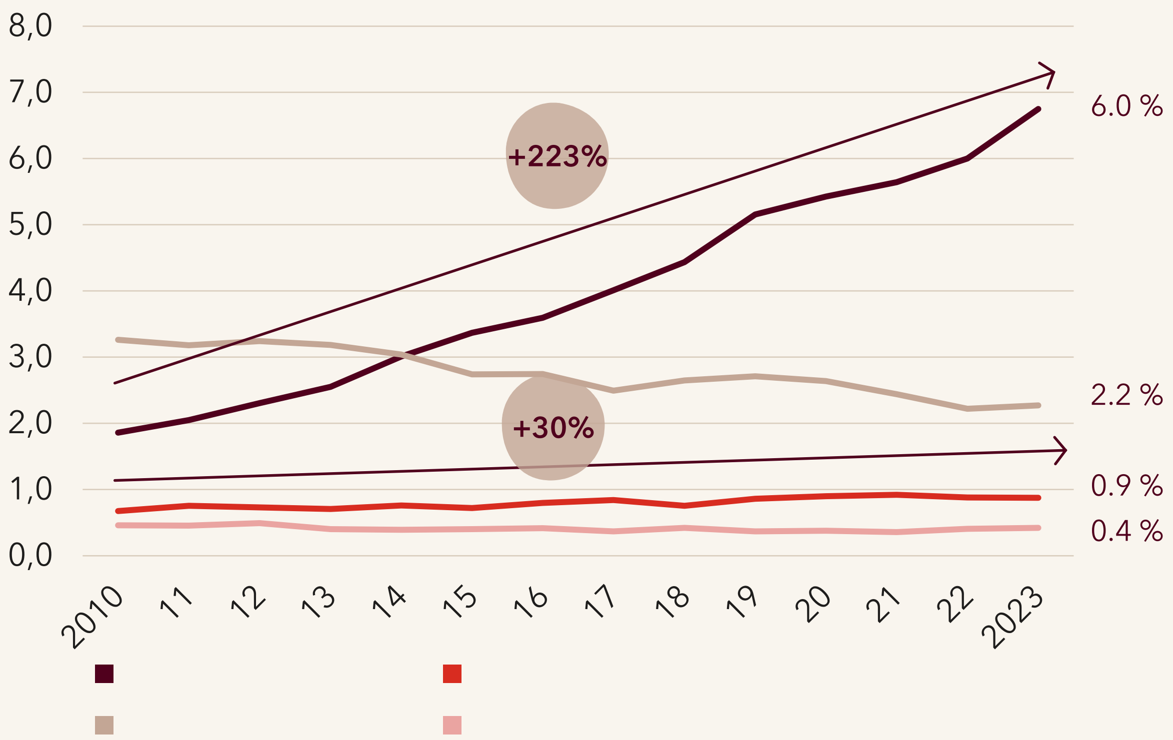


1. Source: THL 2. Includes only illnesses (no accidents) 3. Insurance premiums paid by policyholders

Possibility to use the limited resources of the fee-for-service market more efficiently

- The current market is cost-ineffective for all players
- Changes in morbidity are shifting the focus of service demand, preventive care is more efficient and less costly, particularly with regard to lifestyle diseases
- Preventive measures and management of ability to work are key factors that help to reduce absences and improve ability to work

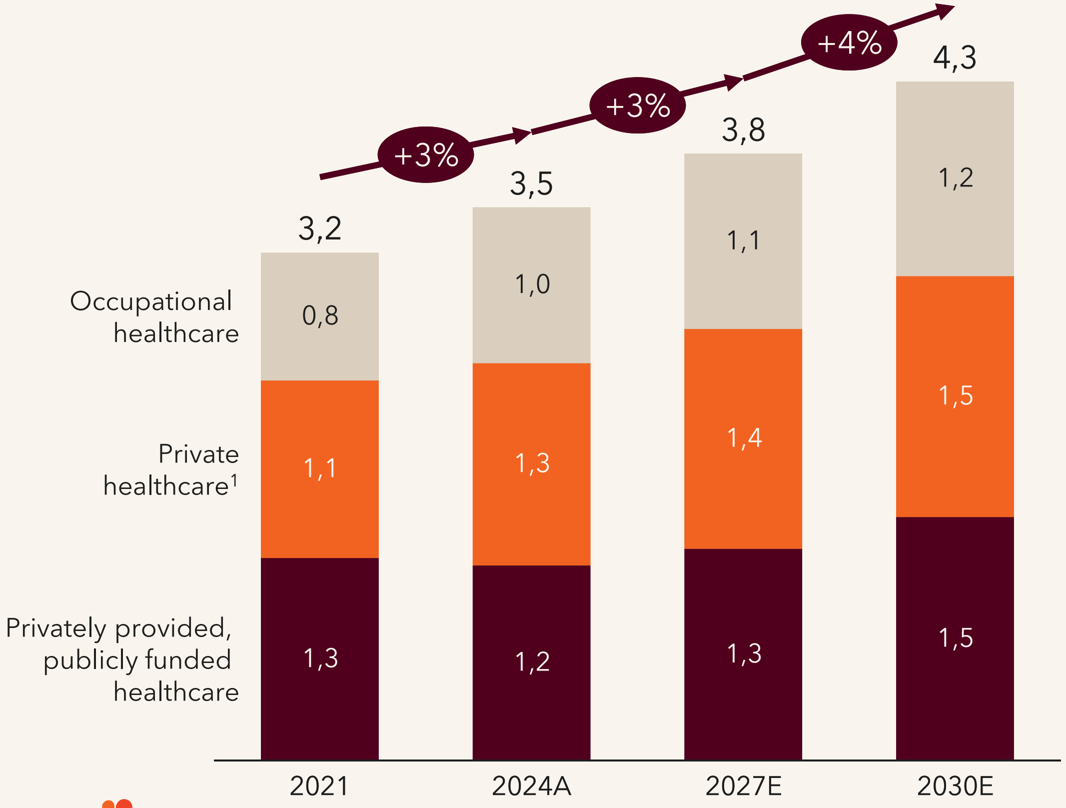
Share of all deaths caused by lifestyle diseases[1], %



1. Hypertension also includes heart and kidney diseases caused by hypertension. Sources: Sotkanet, Statistics Finland, expert interviews. Sources: Statistics Finland, Association of Local and Regional Authorities, Healthcare costs in large cities in 2018, expert interviews

The key market for Pihlajalinna is expected to grow by 3–4% between 2024 and 2030

Market size of Pihlajalinna's core segments, 2021–2030E (EUR billion)



Development trends and growth outlook by segment, 2024–2030, CAGR, %

CAGR 2021-2024A	CAGR 2024A-2027E	CAGR 2027E-2030E
+6-7%	+3-4%	+3-4%
+4-5%	+3-4%	+3-4%
-1-2%	+2-3%	+4-5%

1) Includes Kela rehabilitation psychotherapy Source: KELA, Finnish Institute for Health and Welfare, financial statements of wellbeing services counties, VALOR analysis

Pihlajalinna

Pihlajalinna's
strategic ambition

We are a reformer of healthcare.

We thrive with our partners and our professionals.

We succeed by building more effective care pathways and a human-oriented work community.

Our strategic priorities

Partnerships

The most committed partner for insurance companies', corporations' and the public sector's success

Effective care pathways

Reformer of customer-driven, effective care pathways

The most desirable work community

The most attractive corporate culture in the industry

Pihlajalinna's medium-term strategic targets

Target	
Revenue	**at least EUR 700 million**
Adjusted EBITA, % of the revenue	**12%**
Net debt/adj. EBITDA	**under 2.5x**
NPS	**stays above 80**
eNPS	**over 30**
Dividend policy	**At least 1/3 of the annual EPS** considering the company's capital structure and financing needs (unchanged)

Summary

The private healthcare market is growing, the public sector is expected to gradually increase cooperation with private players

The fee-for-service market is wasting limited healthcare resources, and costs of healthcare are increasing

Value creation of efficient and needs-optimised customer assistance is significant

Pihlajalinna creates value for partners by developing overall cost-effective health services on a long-term basis

Pihlajalinna's transformation provides a solid basis for profitable growth and creation of new value together with partners

Q&A

STRATEGY

OPERATING ENVIRONMENT

Growth of demand for health services

Increasing total costs

Fee-for-service market

Growing significance of customer guidance

AMBITION

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FOCUS AREAS

Partnerships
The most committed partner for insurance companies', corporations' and the public sector's success

Effective care pathways
Reformer of customer-driven, effective care pathways

The most desirable work community
The most attractive corporate culture in the industry

ENABLERS

Operational quality and productivity

Service and commercial development

Offering and network

Digital and data

Effective care pathways: Reformer of customer-driven, effective care pathways

Sari Riihijärvi
EVP, Chief Medical Officer

Effective care pathways guide Pihlajalinna’s operations and development

We build overall cost-effective care pathways, which are medically necessary and well-timed while enabling optimised, resource-efficient care.

We innovate effectiveness-based services that support preventive care.

We enhance the individual’s health and well-being through care pathways on which each encounter is meaningful.

Pihlajalinna ensures overall cost-effectiveness in every phase of the care pathway

Assessment of the need for care and needs-optimised customer guidance

Overall cost-effective care pathway

- AI-based remote care needs assessment & proposed diagnosis
- Referring the customer to remote, brick-and-mortar or self-care
- Referring the customer to the right professional in a needs-optimised way
- Effectiveness-based services and prevention
- Care pathway efficiency & service production optimisation

Continuous data-driven optimisation

Automation & partner integrations

Operational quality and productivity

Pihlajalinna develops needs and effectiveness-based services

- Pihlajalinna has lengthy experience in developing, executing and implementing effectiveness-based health services
- The services are targeted to risk groups recognised through health data
- The services make use of remote consultation, which enables accessibility and cost-effectiveness
- Service models in use in the public sector and occupational healthcare
- For private customers: health benefit, work capability and well-being

Weight management
The overweight of 1.2 million adults exceeds the criteria for obesity

Mental health
over 30 % of disability pensions in 2024

Cardiovascular diseases
more than 20,000 coronaries/year

Source:

Pihlajalinna's PEI*

76%

Medicine and health benefit for customer at the core of operations

The overall cost-effectiveness of healthcare is always medically justified

In addition to customer experience, we measure a patient enablement instrument (PEI) score

*PEI = Patient Enablement Instrument

Summary

Focus of operations shifting from service-based to value-based

Pihlajalinna's effective care pathways begin with the assessment of the need of care, which is used to optimise needs-based and quick treatment

Pihlajalinna creates value for customers and partners as health and cost benefit

The most committed partner for insurance companies' and corporations' success

Anu Kallio,
EVP, Private Healthcare services

We are committed to the value creation of insurance companies and corporate customers

Pihlajalinna ensures efficient customer guidance by uniting partners and ensures the growth of its own flow of customers

Pihlajalinna creates shared product and service solutions with partners

Ensuring a seamless, high-quality customer experience in all encounters

Pihlajalinna complements its offering and network selectively, answering the needs of partners

Pihlajalinna creates value for partners through well-timed and need-driven customer guidance

Assessment of the need for care and needs-optimised customer guidance

Overall cost-effective care pathway

AI-based eHTA & proposed diagnosis

Referring the customer to remote, brick-and-mortar or self-care

Referring the customer to the right professional in a needs-optimised way

Effectiveness-based services and prevention

Care pathway efficiency & service production optimisation

Continuous data-driven optimisation

Automation & partner integrations

Operational quality and productivity

Cooperation model for ensuring work capability

Corporations

Increased productivity and cost savings from reduced absences

Insurance companies

Management of claims expenditure

Pihlajalinna

Resource efficiency and increasing business opportunities

Meaningful work for professionals

Pension insurers

Lower employment pension and disability expenses

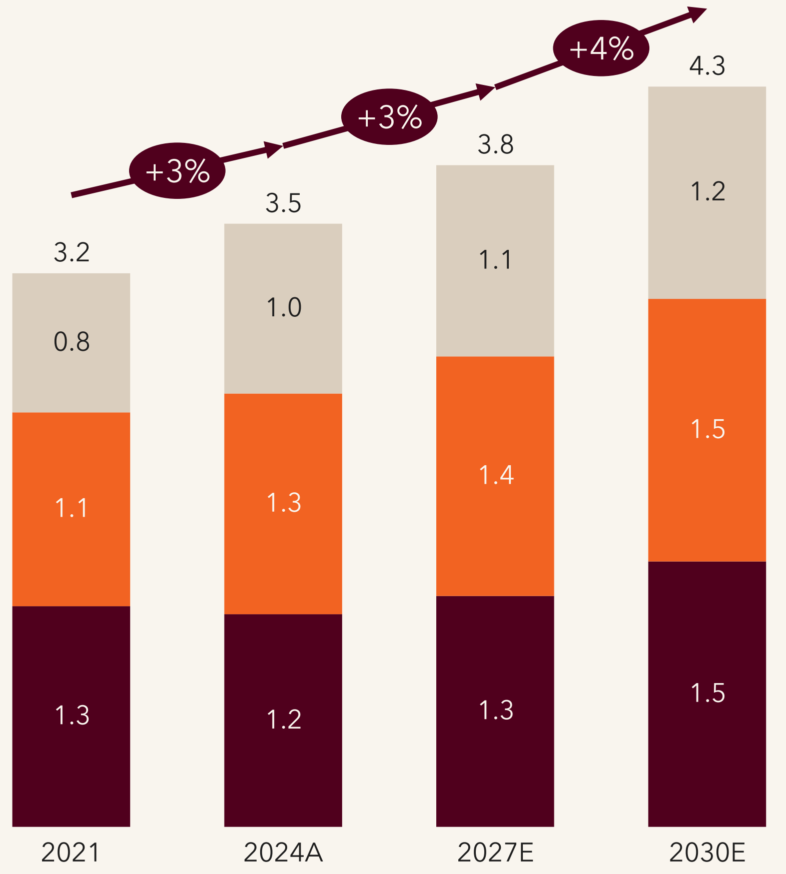
We create value for partners through strong personal customer experience

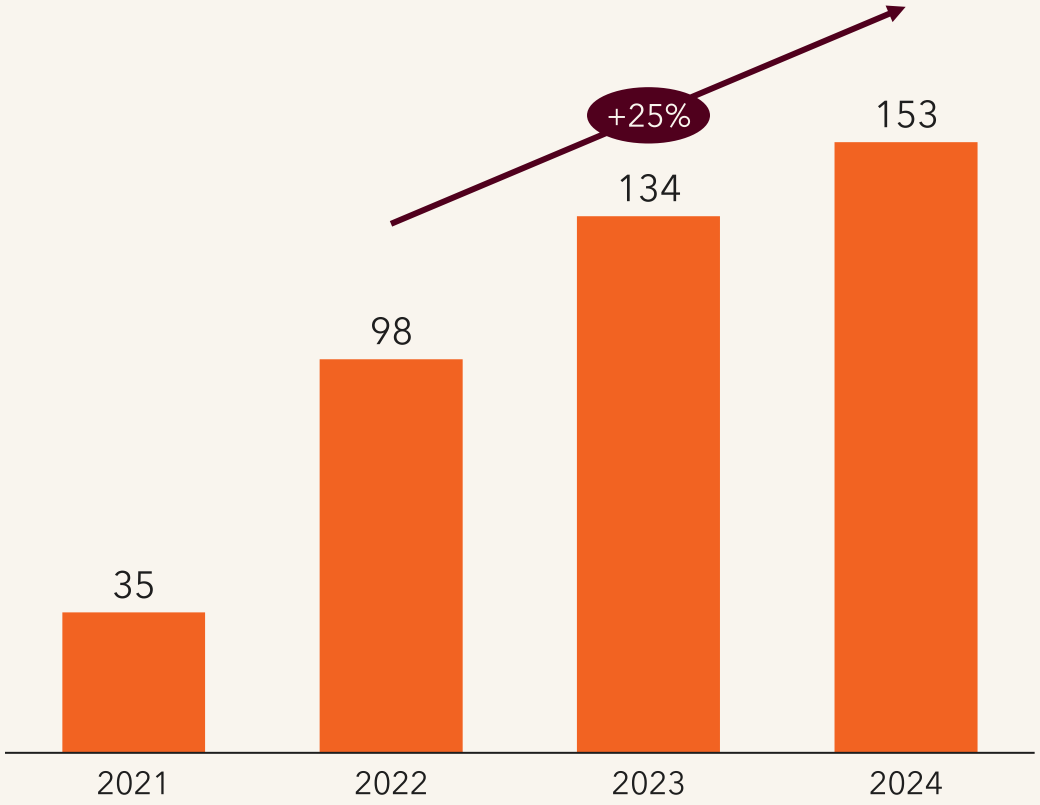
The service provided by Pihlajalinna is part of our partners' customer experience

We systematically monitor and develop customer experience

NPS of private health services	NPS of surgical operations
86	**98**

We grow faster than the market in Private Healthcare Services, insurance partnerships strong driver





1) Includes Kela rehabilitation psychotherapy Source: KELA, Finnish Institute for Health and Welfare, financial statements of wellbeing services counties, VALOR analysis

Summary

Pihlajalinna's Private Healthcare Services are growing faster than the market

Pihlajalinna does not focus on selling individual services but rather develops overall cost-effective operating models together with partners

Pihlajalinna helps general and work pension insurance companies better manage claims expenditure by guiding service use in a needs-oriented and efficient way

Referral services, such as FenniaHoitaja and Pohjola Terveysmestari, provide an opportunity to optimise care pathways and create significant cost savings for partners as well as business opportunities for Pihlajalinna

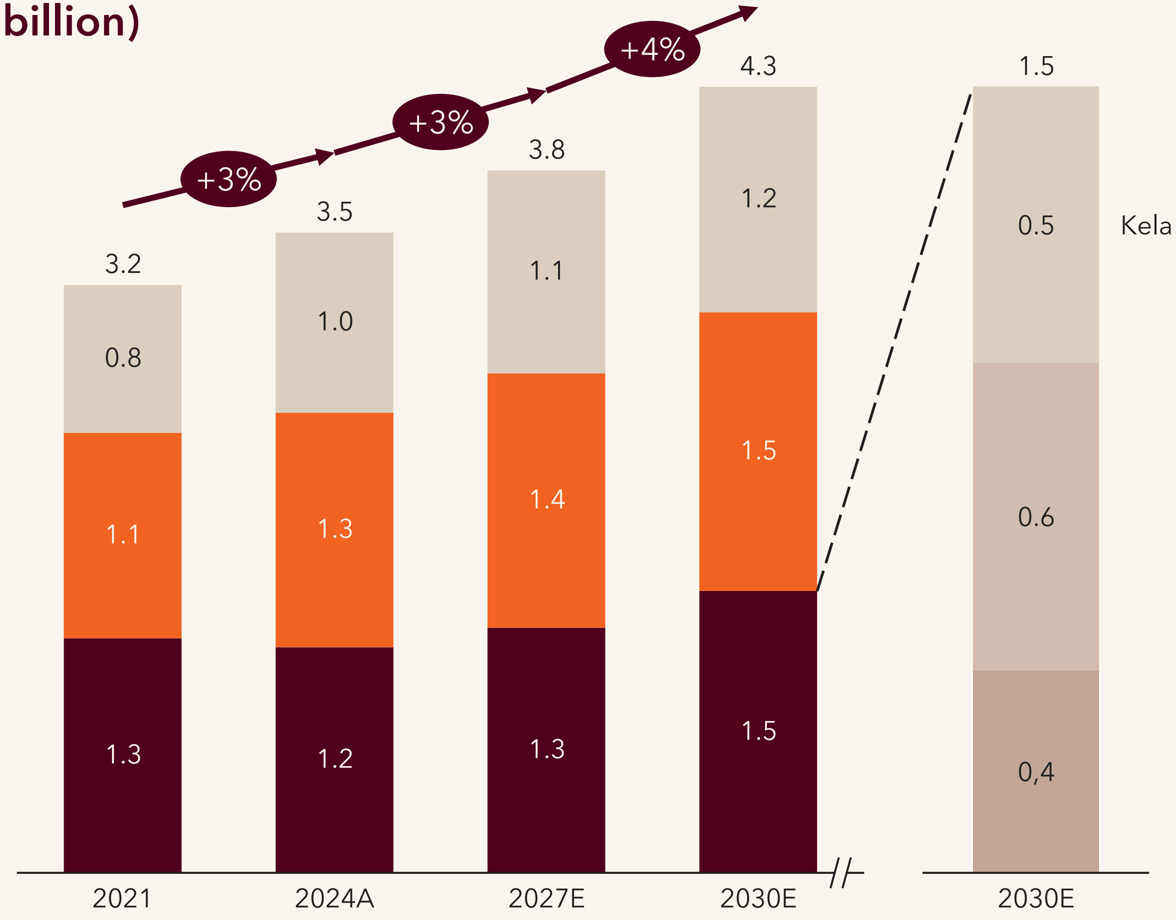
Pihlajalinna unites players to manage companies' risk and costs related to work capability

Skilled and experienced partner for the wellbeing services counties

Seppo Kariniemi,
EVP, Public services

Publicly funded health service market returns to growth track

Size of Pihlajalinna's key market segments 2021–2030E. (EUR billion)



Of the publicly funded healthcare service market (~EUR 15.5 bn), privately produced services make up some EUR 1.3 bn

After the organisation of the wellbeing services counties, the use of outsourced services began to decline

The market is now turning back to growth, first strategic competitive tendering processes after the social and health reform ongoing

From 2027 onwards, the growth is expected to accelerate to about 4 to 5 per cent annual growth

1) Includes Kela rehabilitation psychotherapy Source: KELA, Finnish Institute for Health and Welfare, financial statements of wellbeing services counties, VALOR analysis

Pihlajalinna knows the public sector and ensures overall cost-effective services through cooperation

1. Customer orientation and service quality

Organising and producing services equitably

Sufficient and well-timed basic healthcare increases the health and well-being of the population

Overall cost-effectiveness and wider benefits instead of individual services

2. Operational efficiency

Optimisation and efficient use of resources and duplicating best practices increase productivity and health

Personnel availability and leadership development

3. Joint service development

Utilisation of new service models and technologies

Innovation and sharing of benefits

4. Utilisation of data and effectiveness-based direction

Knowledge-based management and continuous development

Reducing overlapping work and ensuring seamless care pathways

Supporting better decision-making and optimised service structures

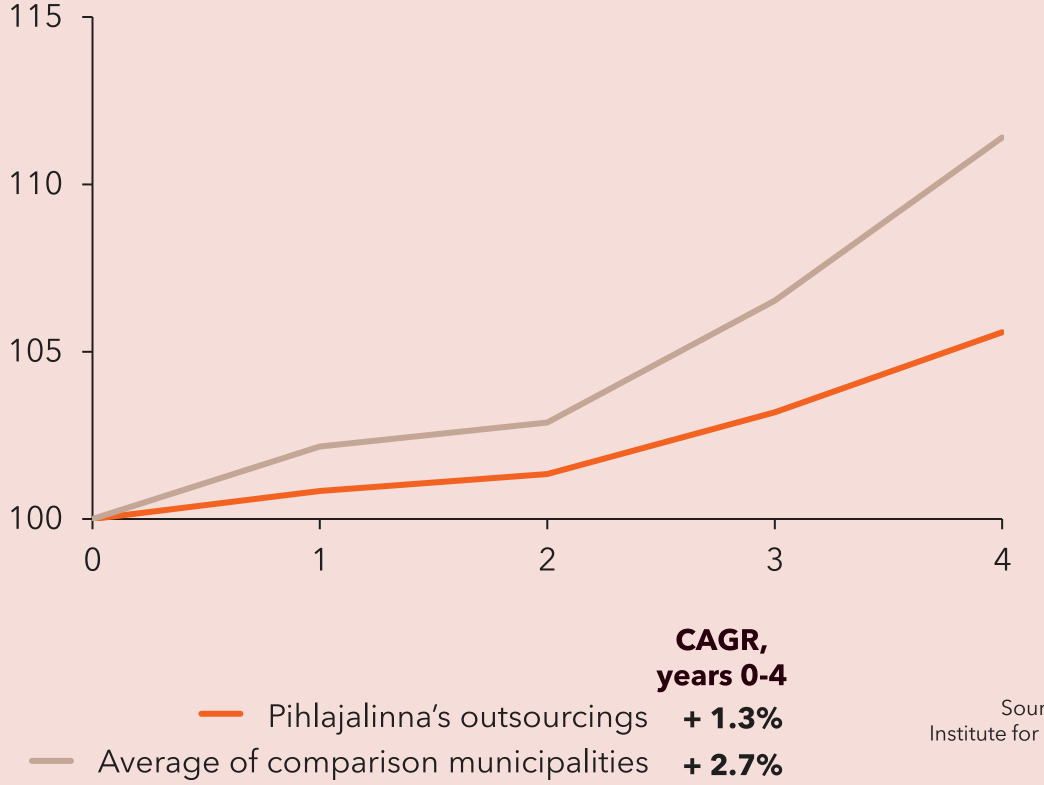
Pihlajalinna's outsourcing services overall cost-effective

Example 1:

Pihlajalinna's outsourcing services are a more cost-effective solution for curbing cost increases compared to the market.

In addition to cost-effectiveness, oursourcing services are effective and ensure high customer satisfaction (NPS 79)

Net social security expenditure per capita
Index point number (year before outsourcing = 100)

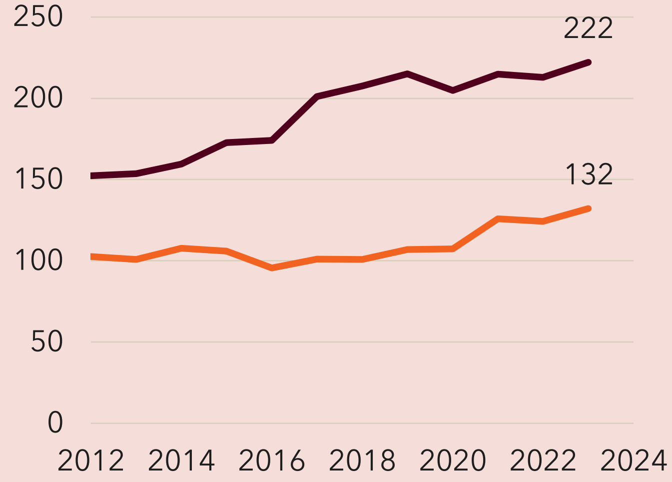


Source: Finnish Institute for Health and Wellbeing

Example 2:

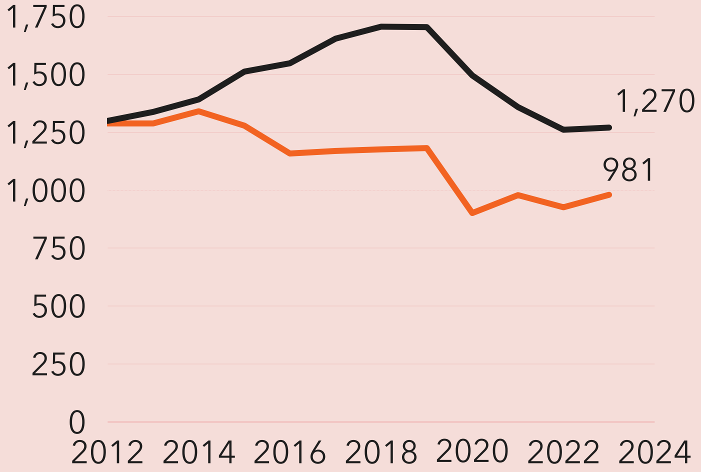
The increase in emergency visits to specialised healthcare has been kept more moderate compared to peers, and we have been able to reduce outpatient visits.

Emergency room visits in specialised medical care/1,000 inhabitants, 2012–2023



	CAGR Years 0-5
Pihlajalinna's outsourcings	+0.8 %
Average of comparison municipalities	+4.2 %

Outpatient care visits for specialised somatic medical care/1,000 inhabitants, 2012–2023



	CAGR Years 0-5
Pihlajalinna's outsourcings	-4.3 %
Average of comparison municipalities	-2.4 %

Source: Finnish Institute for Health and Wellbeing

Example 3:

With the targets set together with the wellbeing services county, remote doctor and physician-in-charge models generated cost savings rapidly while the service structure was developed comprehensively.

Results from a one-year observation period

Adoption of remote doctor services in wards and strengthening of hospital at home operations

Residential capacity 2023 vs. 2024 -10%

The structure of **around-the-clock residence** was lightened and physician-in-charge services were expanded

Average length of treatment periods -20%

In-patient beds -35%

The implementation of the remote doctor model in wards and development of hospital at home operations reduced treatment queues and lightened structures

The changes were implemented successfully, and customer and personnel satisfaction remained good throughout the process.

Source: Pihlajalinna's data

Summary

In the next few years, the privately produced, publicly funded health service market is expected to grow by some 2–3 per cent annually and at the end of the decade, 4–5 per cent per year

Pihlajalinna has strong expertise and an overall cost-effective track record from public sector partnerships and co-development of services – shared goals and benefits

Pihlajalinna is part of the public sector's impactful comprehensive solutions and the most committed partner to the wellbeing services counties

Q&A

Pihlajalinna

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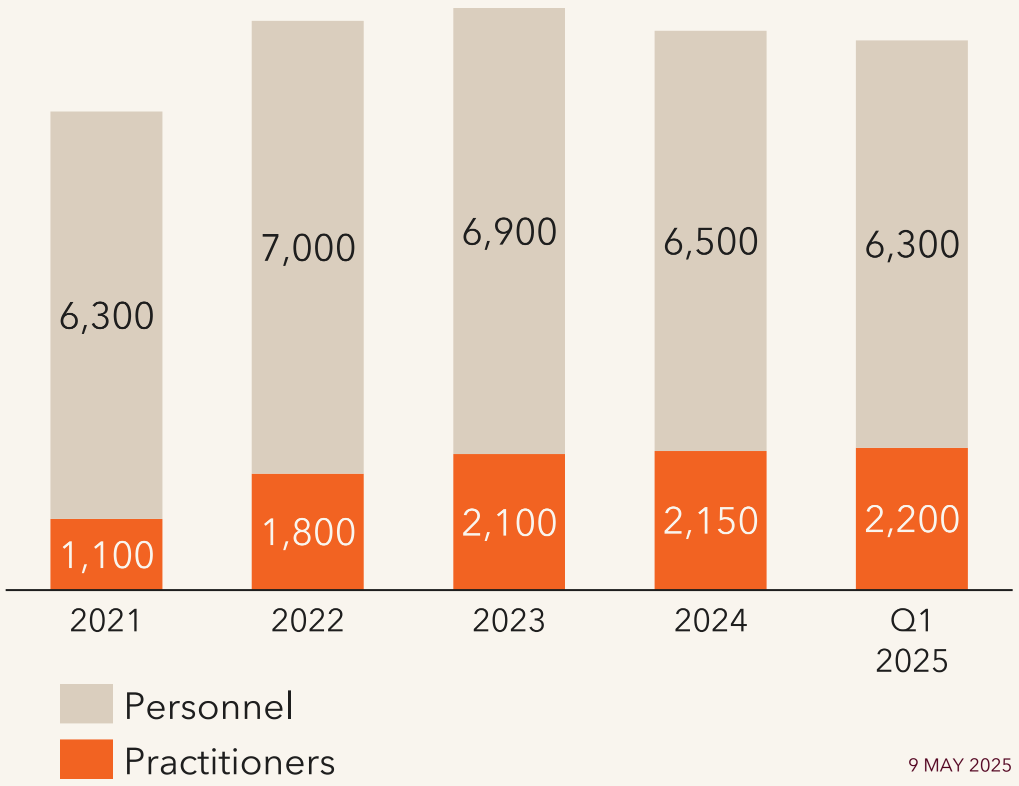
The most attractive corporate culture in the industry

Mika Videman,
EVP, People and Culture

Impactful health services are the highest priority for industry professionals

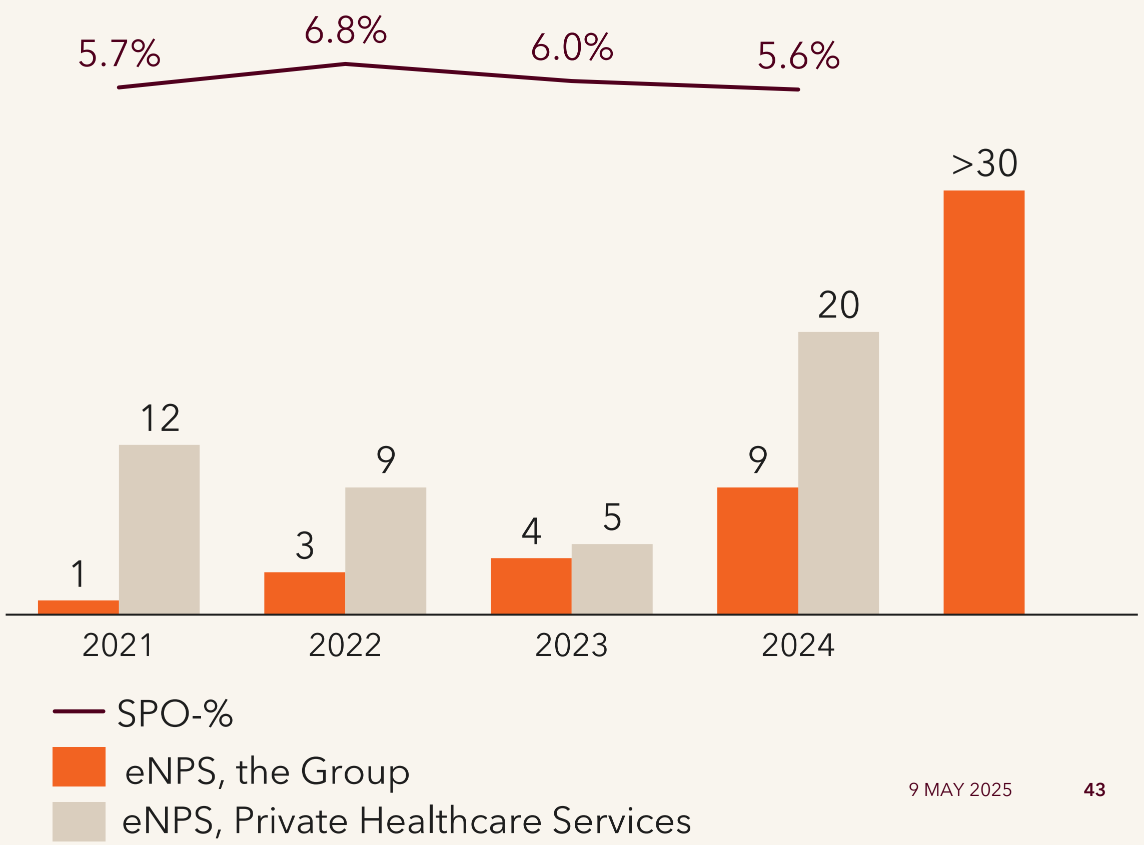
- We want to be the most desired workplace for healthcare professionals, where the best talent thrives and commits on the long term
- The strengths of our culture are human leadership and human-oriented work community supported by shared ground rules
- Continuous skills development ensures quality, effective care pathways and an excellent patient and customer experience
- The smooth everyday work of professionals and predictable customer flows allow healthcare professionals to focus on meaningful customer work
- The steady development of the number of practitioners ensures supply

Number of personnel and practitioners



Building industry-leading work culture through smooth everyday work, good leadership and collaboration

- We improve supervisor work and the quality of leadership by investing in clear structures and responsibilities as well as training and active feedback culture
- We strengthen our human-oriented culture where cooperation is seamless, everyone's contribution is appreciated and where individuals thrive and develop
- We develop commitment-building, performance-based compensation models
- We utilise digital tools and technologies to ensure efficiency and ease of work
- We systematically measure and develop well-being at work and employee experience



Summary

Pihlajalinna's overall cost-effective care pathways and commitment to reforming the industry motivate professionals

Pihlajalinna's human leadership and human-oriented work community are strong pull factors

Clear responsibilities, smooth everyday work and active feedback culture enable professional development and best customer experience

Pihlajalinna's digital services: effective care pathways and professional tools

Lauri Muhonen,
EVP, Chief Information Officer

Pihlajalinna

Pihlajalinna's digital development enables cost-efficient solutions for partners and tools for streamlining everyday work for professionals

Strategic focus areas

Partnerships
The most committed partner for insurance companies', corporations' and the public sector's success

- → Integrations and collaboration with partners guarantee seamless customer journeys
- → Timeliness of treatment; AI-based evaluation of symptoms enables increasing cost-efficiency

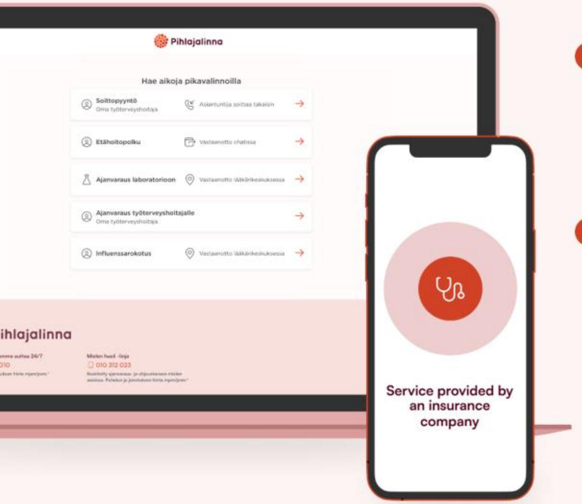
Effective care pathways
Reformer of customer-driven, effective care pathways

- → Digital services enable the continuity of care pathways and treatment
- → Measuring effectiveness and analysing data enable continuous development

The most desirable work community
The most attractive corporate culture in the industry

- → Extensive utilisation of AI and automation enables professionals to focus on patients
- → Safety and reliability of systems and services

Pihlajalinna • Customer path



1

The customer arrives in the service

2

AI-based symptom assesment

AI tool, witch is a CE labeled medical device with an MDR 2a certification.

3

Assessment of the need for care

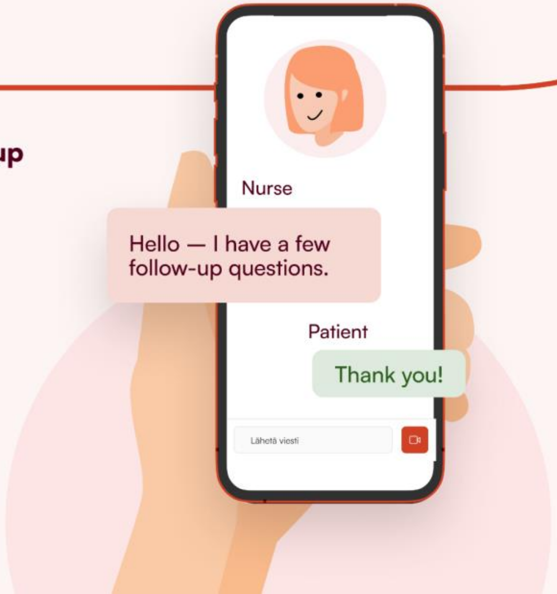
The symptom assessment generates an assessment of the need for care, based on witch the customer is guided to the appropriate care.

- Nurse-chat
- Doctor-chat
- Specialist-chat

4

Chat and video consultation

The professional providing care gets a summary of the symptom assessment and sees the patient via chat or video call. The professional decides on treatment.



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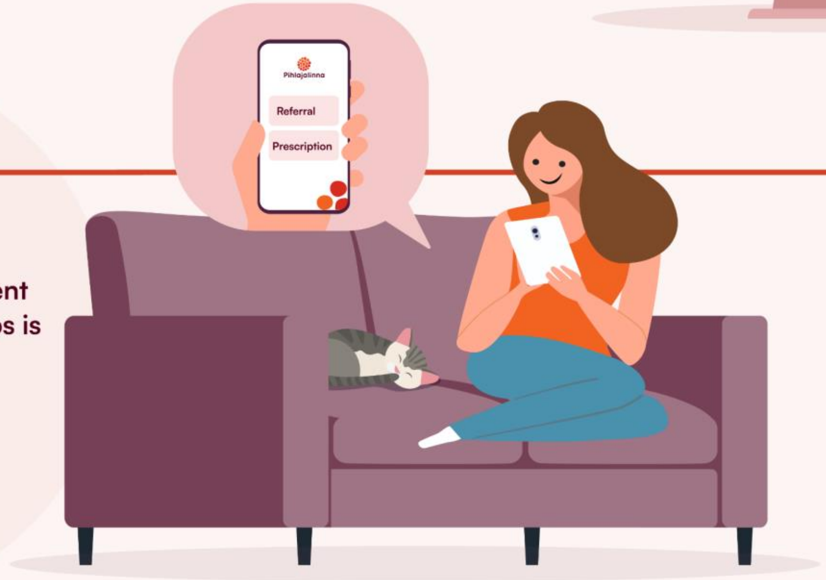
Recording and follow-up plan



The service has been efficient and information on next steps is clear.

Summary

Pihlajalinna utilises AI extensively in the customer interface and professionals' everyday work

Pihlajalinna focuses particularly on operational efficiency, creation of effective care pathways, knowledge-based management services and customers' user experience

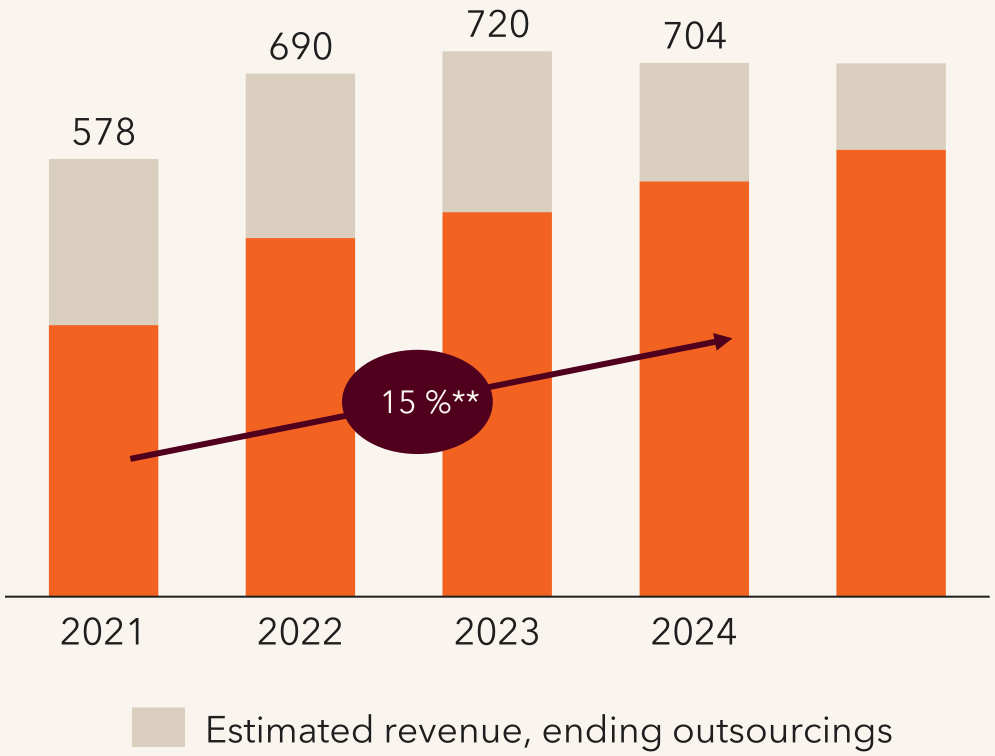
As a rule, Pihlajalinna does not develop its own technologies but rather makes use of the best solutions in the market and integrates them into a seamless system

Financial review

Tarja Rantala,
EVP, Chief Financial Officer

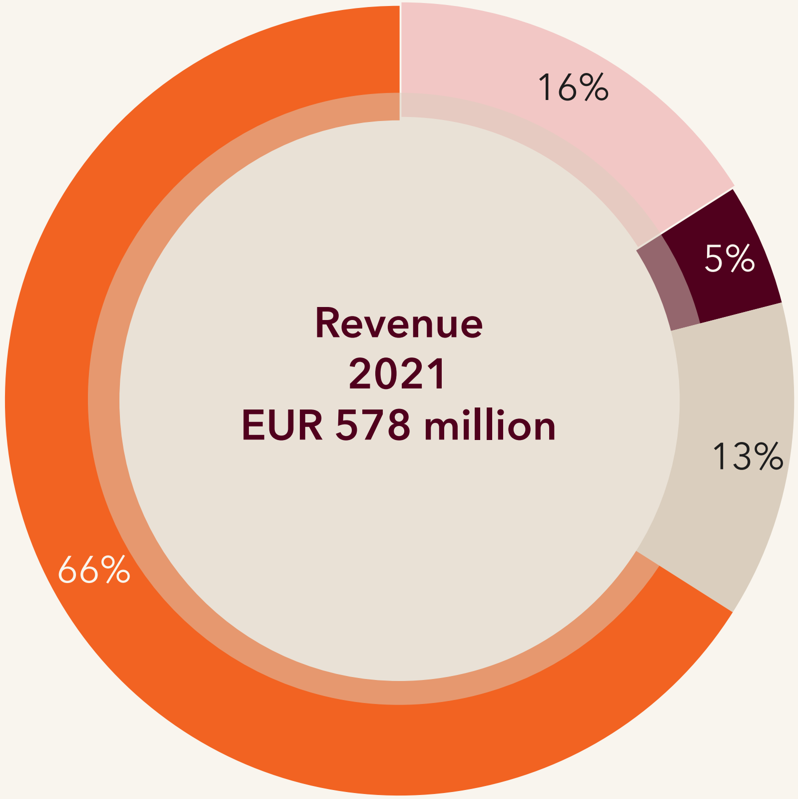
Private Healthcare Services growing faster than market, Group revenue declining as expected due to ending outsourcing agreements

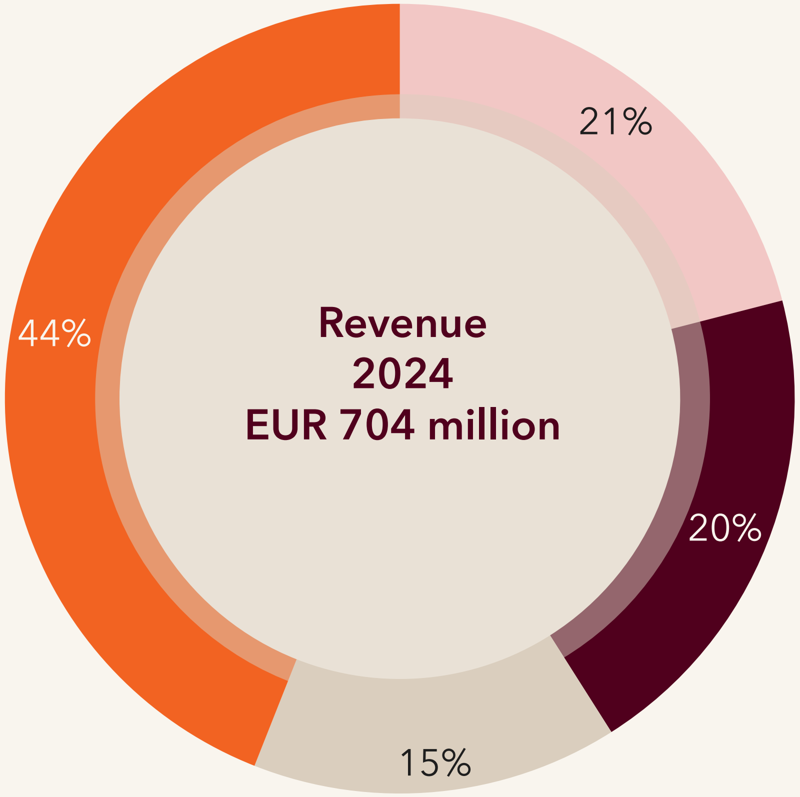
- Due to ending outsourcing agreements, the revenue for 2026 is expected to decline some EUR 115 million from this year's level*
- Sales to our insurance partners have increased heavily after the acquisition of Pohjola Sairaalat. CAGR for 2022–2024 is about 25%.
- Determined measures for growing faster than the market: increasing our offering and comprehensive care pathways (conversion, referral retention, efficient remote services), expanding our location network based on customer needs, commercial activities and process development



** CAGR the Group, without ending outsourcings Jämsän Terveys, Jokilaakso Hospital, Kuusiolinna Terveys and Kolmostien Terveys

Strong increase in importance of corporate customers 2021–2024

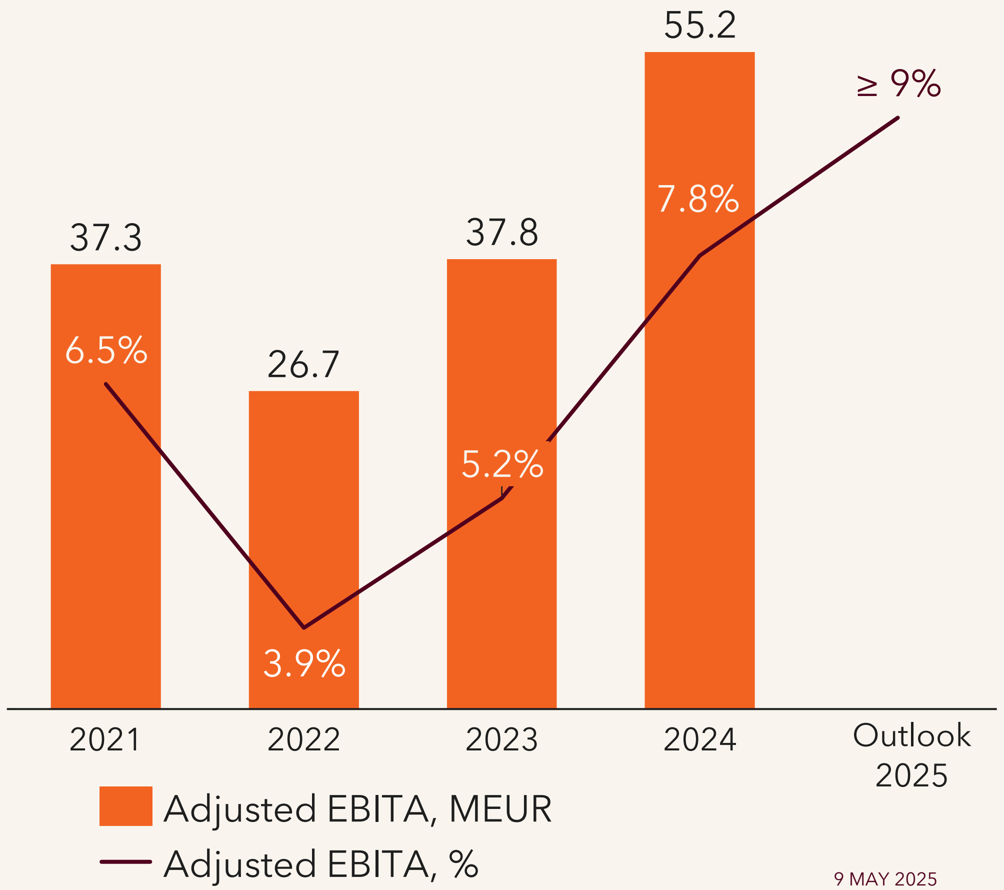




Public sector Private customers Insurance companies Corporate customers, others

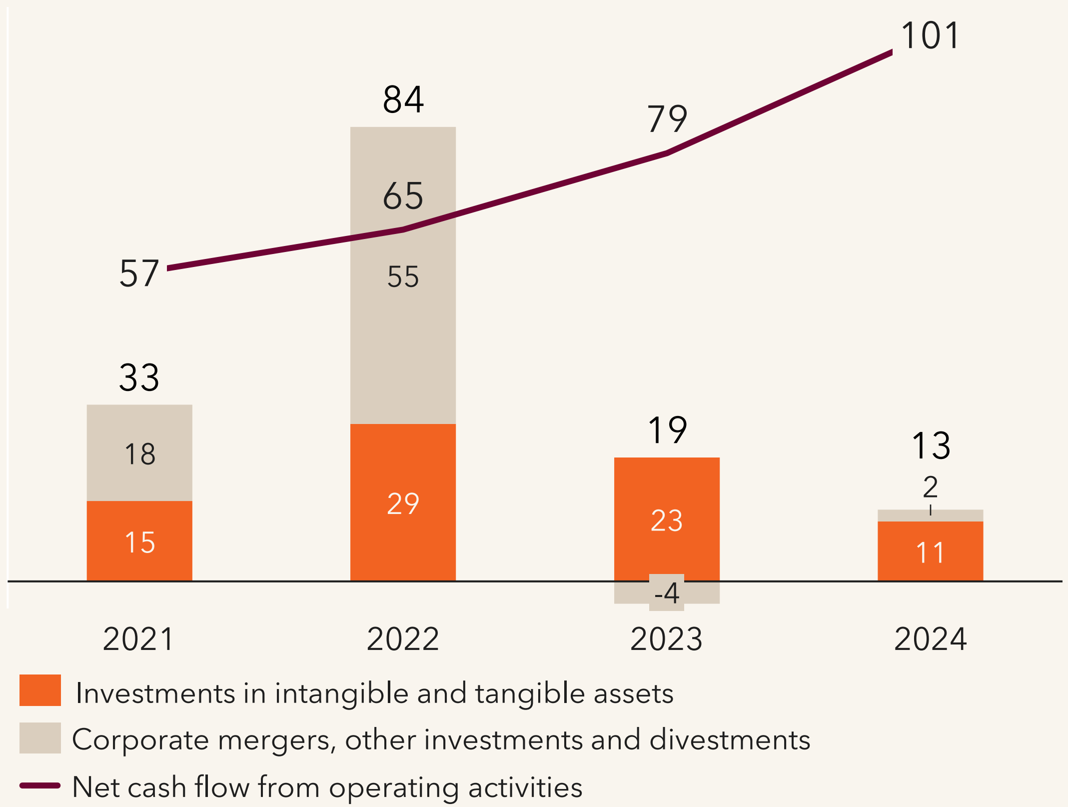
Determined measures to improve profitability continue

- Business growth through corporate transactions weakened profitability in 2022
- Determined measures to strengthen financial position and profitability began in 2023
- Considered commercial activities in pricing, service structures and contract management
- Service production and administrative process development, efficiency increase and controls
- Expanding the offering
- Seamless and fast care pathways, customer assistance and retention

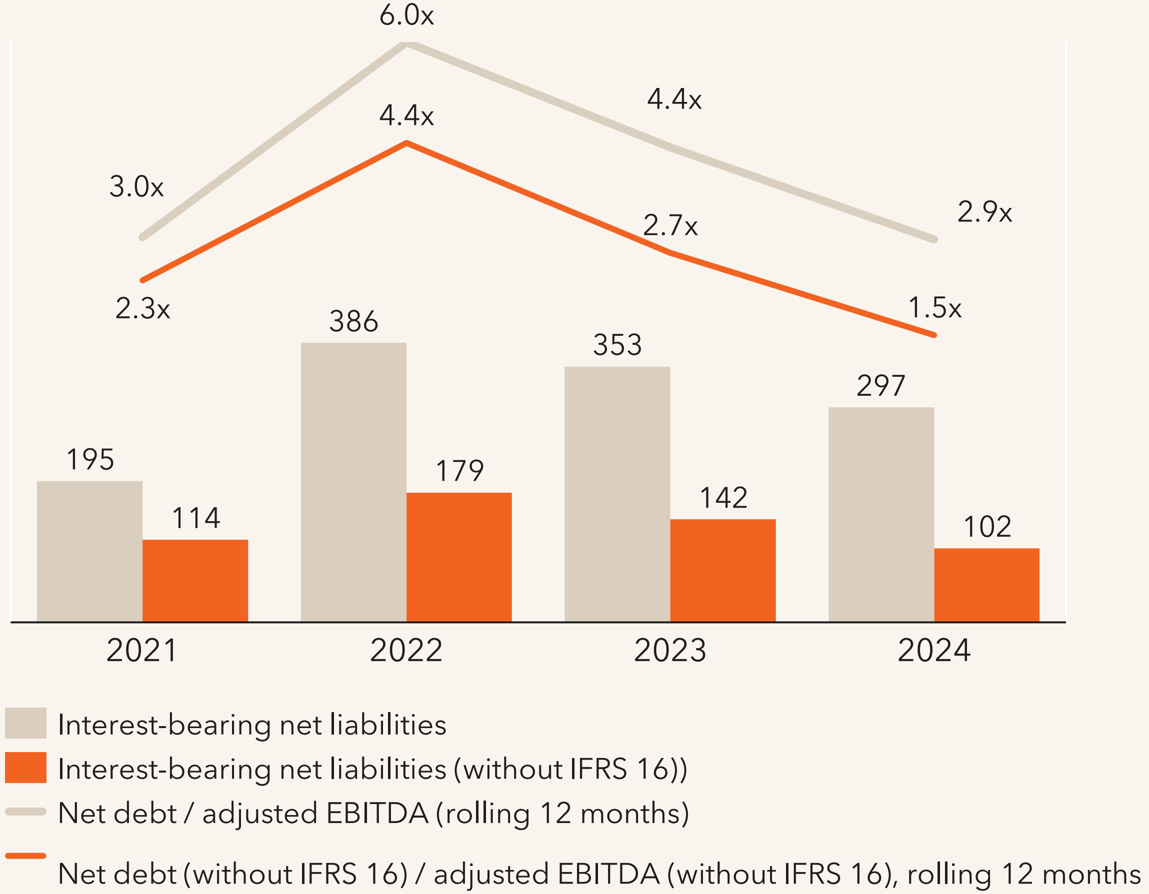


Investment needs are covered with increasing cash flow, interest-bearing net debt decreasing

Cash flow from operating activities and investments
MEUR



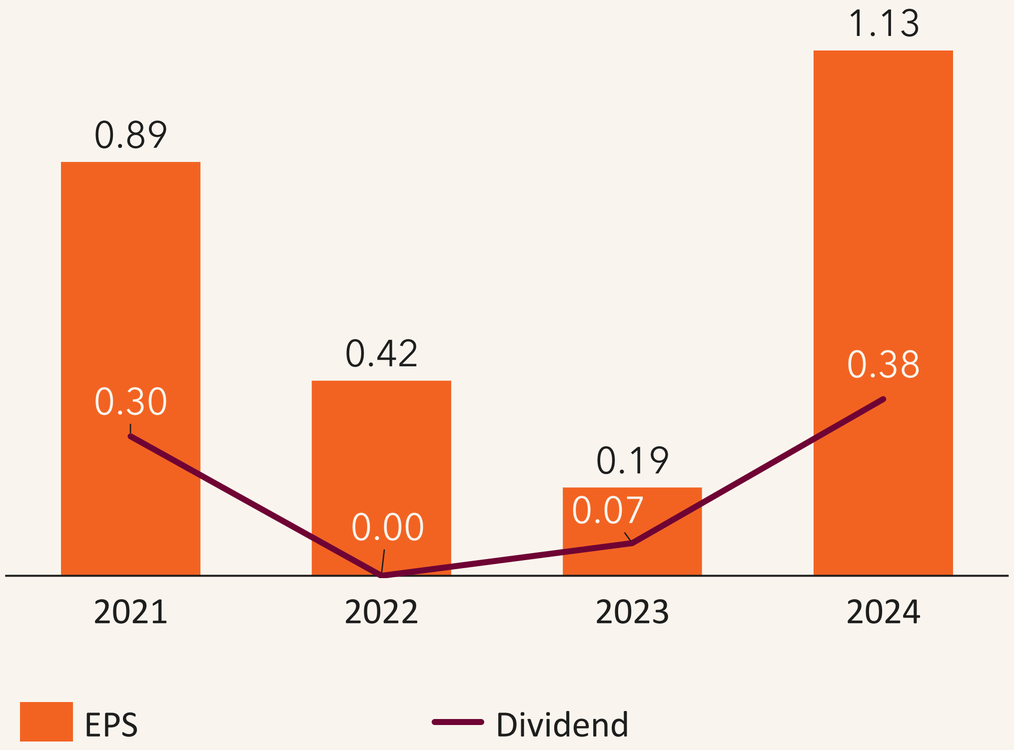
Interest-bearing net debt
MEUR



Dividend policy: at least 1/3 of the annual EPS

- Continued strengthening of financial position
- Ensuring investment ability
- Selected supplementation of network to answer the needs of our partners
- Operational development requires investments in digitalisation in the customer interface and tools for professionals

Earnings per share (EPS)
Dividend (DPS), EUR



Pihlajalinna's medium-term strategic targets

Target	
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Adjusted EBITDA, % of the revenue	**12%**
Net debt/adj. EBITDA	**under 2.5x**
NPS	**stays above 80**
eNPS	**over 30**
Dividend policy	**At least 1/3 of the annual EPS** considering the company's capital structure and financing needs (unchanged)

Summary

Tuomas Hyyryläinen
CEO

Summary

The private healthcare market is growing

The focus of Pihlajalinna's business is shifting more strongly to Private Healthcare Services, the public sector is expected to open up gradually

Pihlajalinna is the most committed partner for insurance companies', corporations' and the public sector's success and a healthcare reformer

Together, we develop overall cost-effective care pathways that curb costs for partners and provide growth and profitability for Pihlajalinna

Pihlajalinna utilises AI widely to enable efficient customer and professional interfaces

We invest in the smooth everyday work if professionals and predictable customer flow, so that healthcare professionals can focus on meaningful work and want to commit to Pihlajalinna

Pihlajalinna

STRATEGY

OPERATING ENVIRONMENT

Growth of demand for health services

Increasing total costs

Fee-for-service market

Growing significance of customer guidance

AMBITION

We are
a reformer of healthcare. We succeed with our partners and our professionals. We succeed by building more effective care pathways and a human-oriented work community.

FOCUS AREAS

Partnerships
The most committed partner for insurance companies', corporations' and the public sector's success

Effective care pathways
Reformer of customer-driven, effective care pathways

The most desirable work community
The most attractive corporate culture in the industry

ENABLERS

Operational quality and productivity

Service and commercial development

Offering and network

Digital and data

Q&A

Pihlajalinna

Pihlajalinna

Thank you.