



Pihlajalinna

Q4 2017

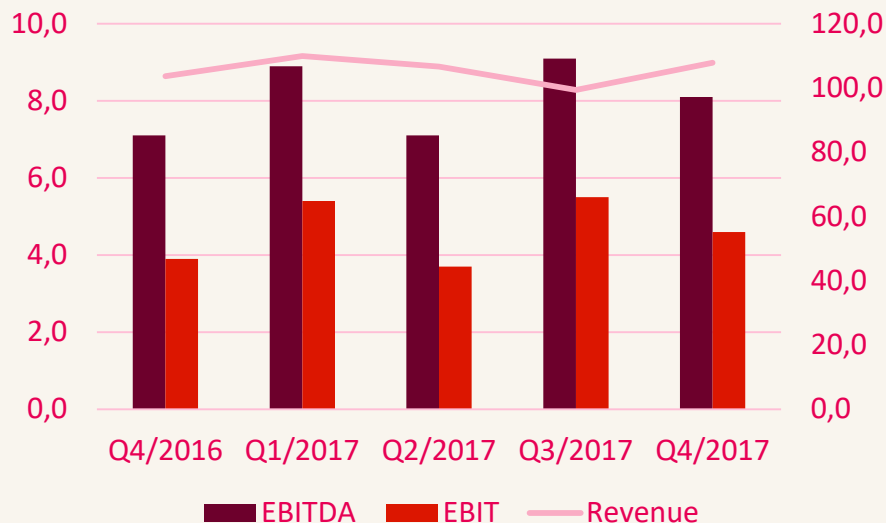
Joni Aaltonen, CEO

Q4: P&S VERY GOOD, C&S AS EXPECTED



- Revenue grew by 4 per cent, organic growth by 0.5 per cent
- Revenue growth mainly attributable to Private Clinics, Social and Healthcare Outsourcings and Occupational Healthcare
- P&S segment's EBITDA grew by 75 per cent, EBIT by 77 per cent
- In C&S, both EBITDA and EBIT decreased compared to last year

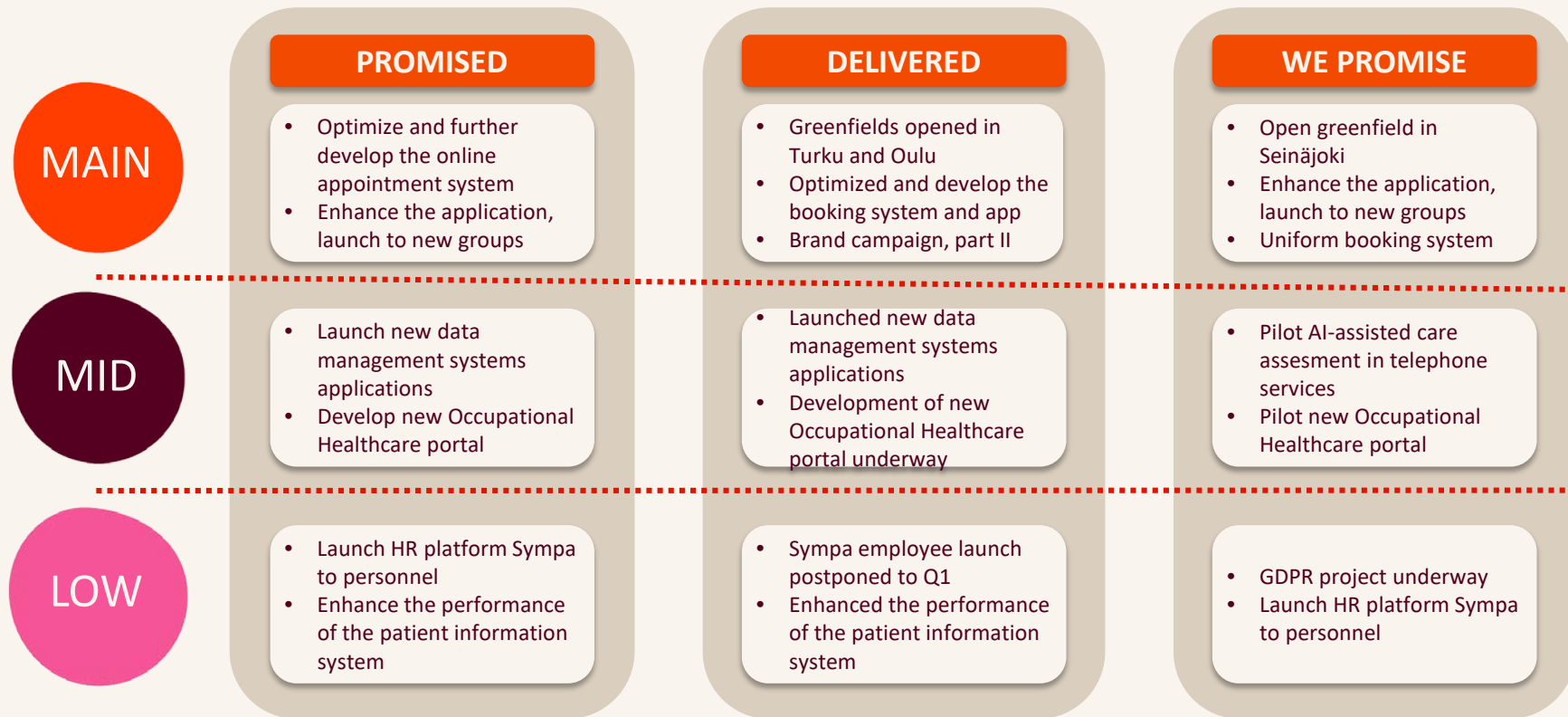
Group Key Figures, EUR million



Q4: EXPECTATIONS VS. ACTUALIZED



GROUP'S OPERATIONAL PROJECTS Q4–Q1



LEGISLATION AND MARKET REVIEW 1/2

- In January 2018, the Finnish government presented a revised draft of the legislative proposal concerning the Act on Freedom of Choice, related to the structural reform of healthcare and social services, the proposal is due to be submitted to the parliament in March
- The aim is to have the parliament decide on all legislation pertaining to the reform of Finland's regional government, healthcare and social services in June 2018. The Act on Freedom of Choice, the Act on Organising Health and Social Services and the Counties Act will be considered simultaneously in the parliament
- The Ministry of Social Affairs and Health estimates that the size of the freedom-of-choice market would be EUR 5.4 billion
 - health and social services centres roughly EUR 1.9 billion (beginning of operation 1 January 2021)
 - service vouchers roughly EUR 1.6 billion (to be adopted 1 July 2020 at the latest)
 - personal budgets roughly EUR 1.5 billion (to be adopted 1 July 2020 at the latest)
 - dental care units roughly EUR 0.4 billion (beginning of operation 1 January 2022)

LEGISLATION AND MARKET REVIEW 2/2

- Elimination of the specialised care service vouchers has no significant effect – as the population ages and the public sector centralises specialised care, there will be opportunities for the private sector to complement the public sector's services, particularly in basic-level specialised care and non-urgent specialised care
- The postponement of the health and social services reform activated the municipal market in the final quarter of 2017. Due to the planned policies related to health and social services, municipalities are seeking solutions primarily on a property-driven basis. Pihlajalinna will assess projects on a case-by-case basis.
- Pihlajalinna won the Hattula tendering on 15 January 2018
- Nokia decided on 12 February 2018 to initiate an assessment of having the city of Nokia join the Mänttä-Vilppula social and healthcare partnership area



