



Pihlajalinna

2018 – THE YEAR OF GROWTH

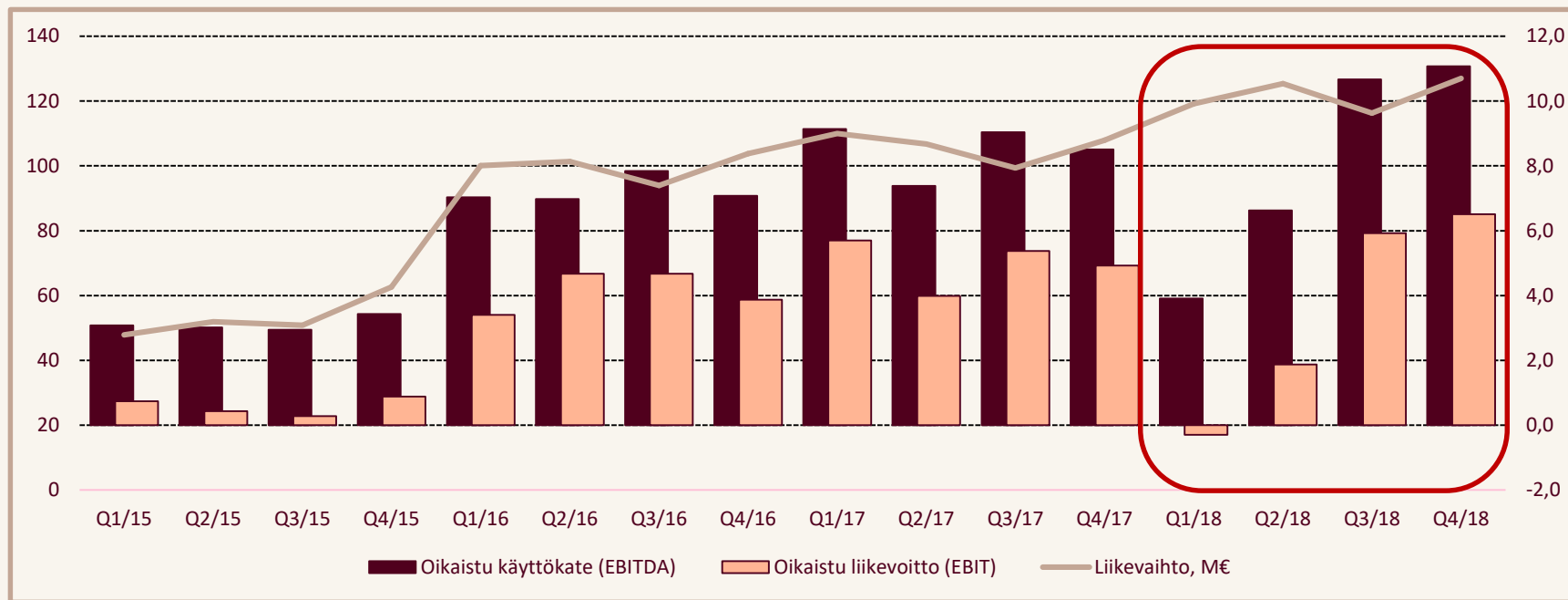
Joni Aaltonen
CEO



2018: REVENUE INCREASED SUBSTANTIALY

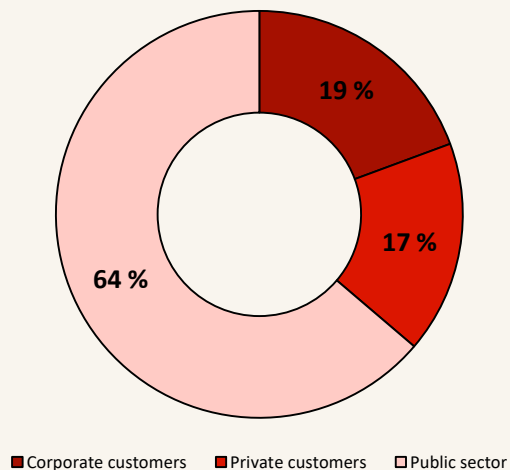
- Revenue amounted to EUR 487.8 (424) million – an increase of 15 per cent
- EBITDA amounted to EUR 31.2 (33.3) million
- Adjusted EBITDA was EUR 32.3 (34.1) million – a decrease of 5.2 per cent
- Operating profit (EBIT) was EUR 12.8 (19.1) million
- Adjusted operating profit (EBIT) was EUR 14 (20) million – a decrease of 29.9 per cent
- IFRS 3 costs related to M&A transactions had a negative effect of EUR 1.6 (0.9) million on operating profit – difference EUR -0,7 million
- Greenfield projects in Oulu, Seinäjoki and Turku had a negative impact of EUR 4.9 (- 0,7) million on operating profit, difference EUR – 4,2 million
- The number of personnel at the end of the financial year was 5,850 (4,753)
- Earnings per share (EPS) was EUR 0.17 (0.46)

PROFITABILITY IMPROVED TOWARDS THE END OF THE YEAR

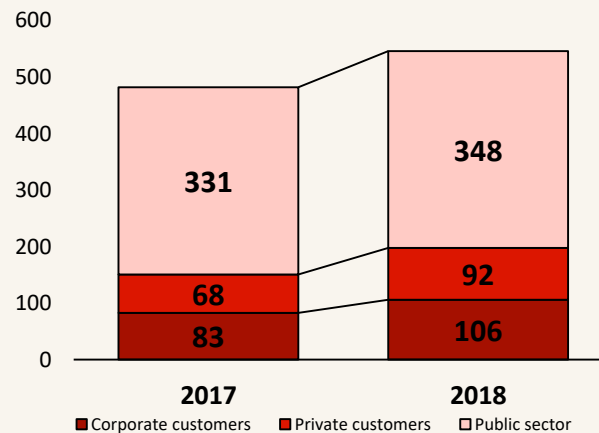


REVENUE BY CUSTOMER GROUP

REVENUE BY CUSTOMER GROUP, %



REVENUE BY CUSTOMER GROUP,
EUR MILLION



Q4 OCTOBER-DECEMBER 2018 KEY FIGURES BY BUSINESS AREA

EUR million	10-12/2018	%	10-12/2017	%
Southern Finland	29.5	21	15.0	12
Mid-Finland	79.3	56	76.8	62
Ostrobothnia	28.6	20	26.7	22
Northern Finland	3.2	2	2.6	2
Other operations	2.0	1	1.7	1
Intra-Group sales	-15.7		-14.9	
Total consolidated revenue	127.0	100	107.9	100

- Southern Finland : MEUR 29.5 (15), + MEUR 14.5 (96%). Growth due to the acquisitions of Doctagon, the Forever fitness centre chain and Kymijoen Työterveys.
- Mid-Finland: MEUR 79.3 (76.8) , + MEUR 2.5 (+ 3%). The acquisitions of Linnan Klinikka and Röntgentutka increased the business area's revenue. The negative factors affecting revenue were the termination of Omapihlaja health centre operations and Pappilanpuisto service housing with 24-hour assistance in Tampere.
- Ostrobothnia: MEUR 28.6 (26.7) + MEUR 1.9 (7%) Revenue increased by the provision of residential services for senior citizens in Laihia and the cost-based price adjustment of the social and health care outsourcing arrangement with Kuusiokunnat.
- Northern Finland MEUR 3.2 (2.6), + MEUR 0.6 (21%), Revenue was increased by the start of operations at Pihlajalinna Oulu.

STRATEGIC KEY ACTIONS DURING THE FISCAL YEAR

- **New full service private clinics** – hospitals in Turku and Oulu (January) and Seinäjoki (March)
- **New organisational structure** from 1 April
- **Geographical expansion to new county centres**
 - Acquisition of Doctagon -> strong operating models, e.g. *responsible doctor model*, strengthening our network in the Swedish-speaking areas
 - Acquisition of the entire share capital of Terveyspalvelu Verso Oy -> its 17 clinics in North Savo became part of the chain of Pihlajalinna.

NEW ORGANIZATIONAL STRUCTURE

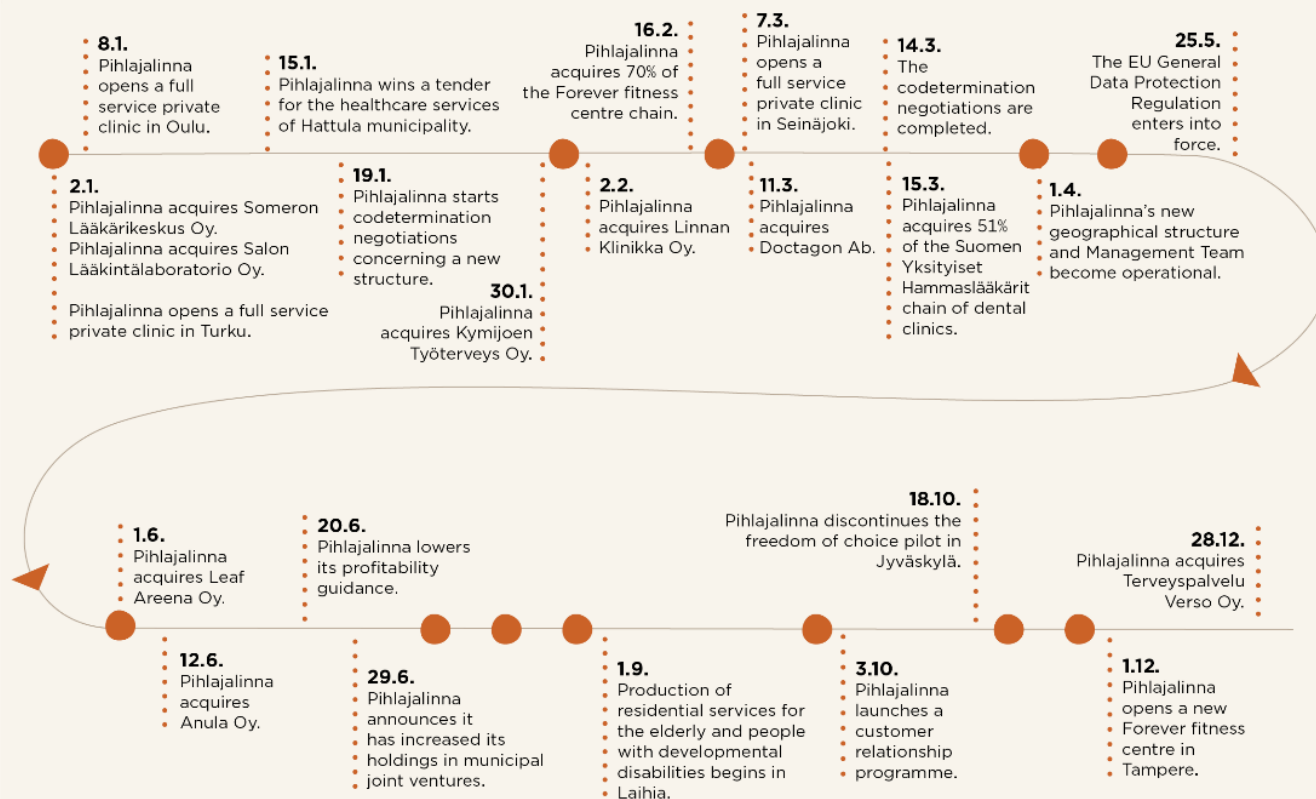


STRATEGIC KEY ACTIONS DURING THE FISCAL YEAR

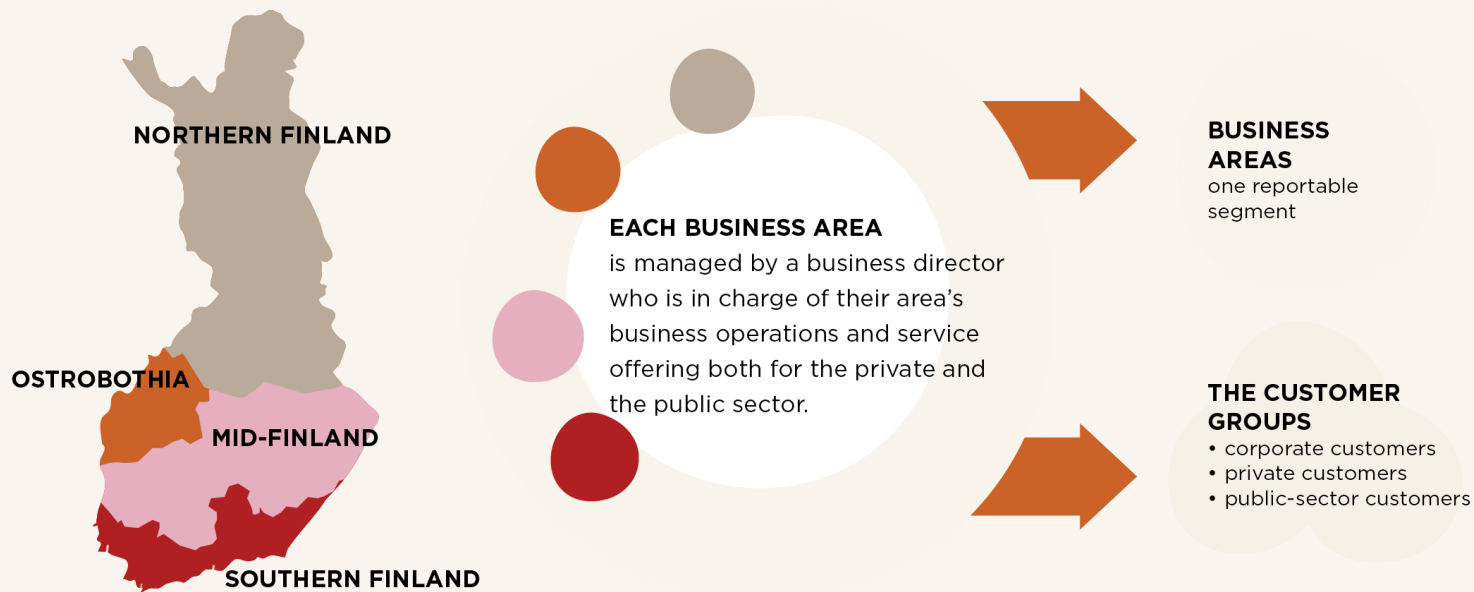
- **Digital services:** remote medical specialist services available via digital channels.
- **Extension of service portfolio:**
 - Geographic expansion of the responsible doctor model
 - Increasing the service offering of our fitness centres in occupational health care and rehabilitation
 - Partnership with the psychotherapy centre Vastaamo -> low-threshold therapy services in municipal joint ventures



PIHLAJALINNA'S YEAR OF GROWTH - 2018

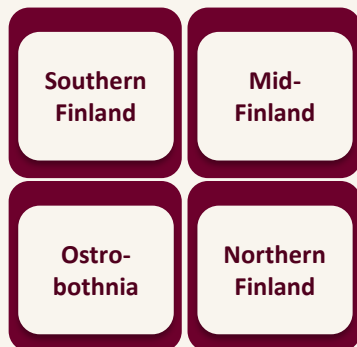


NEW ORGANIZATIONAL STRUCTURE

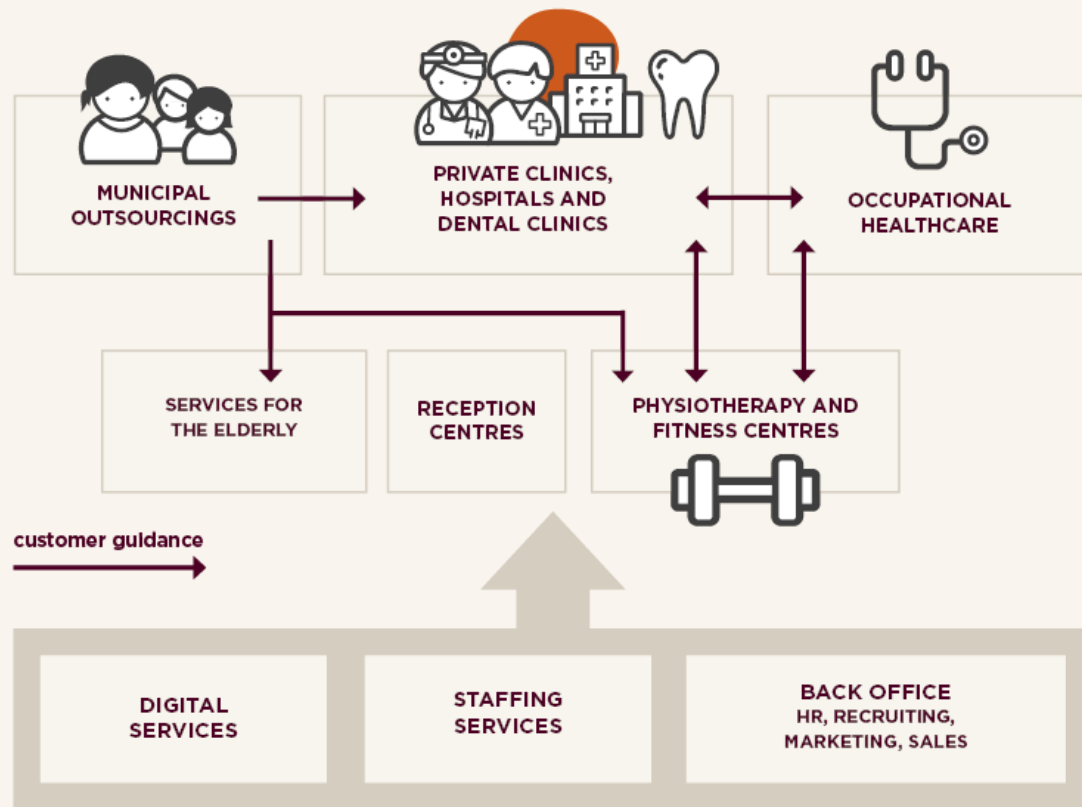


REGIONAL SERVICE ENTITY

Each business area's services are a whole and functional entity to the customers. The services vary by area.

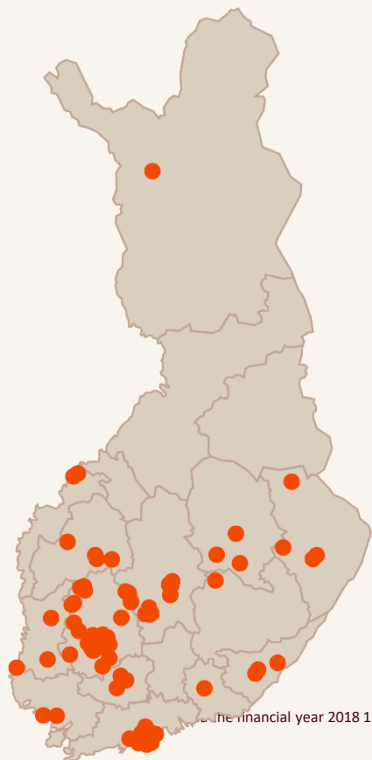


The extent of services is sufficient, and residential services are provided by the company alone or with a partner.



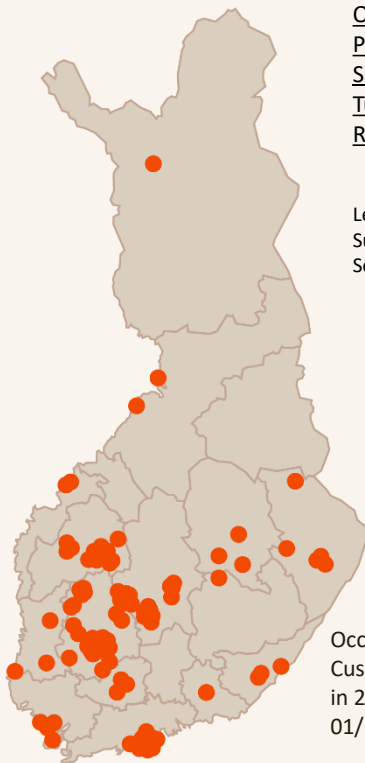
PIHLAJALINNA IS NOW A GENUINELY NATIONAL OPERATOR

01.2017



the financial year 2018 15/2/2019

01.2018



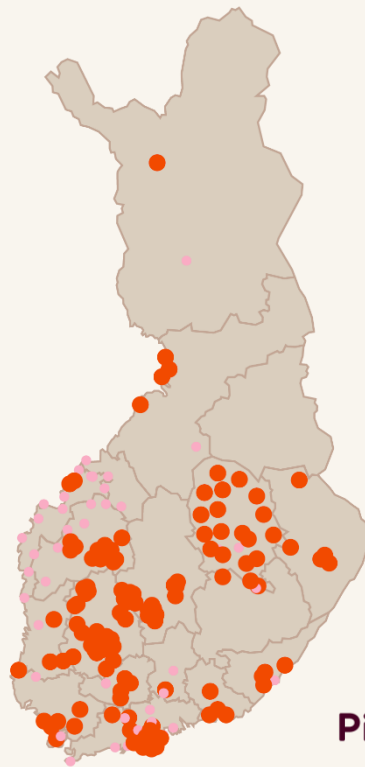
8 new locations

Oulu
Parainen
Salo
Turku
Raahe

Leppävirta
Suonenjoki
Somero

Occupational health care:
Customer base from 60,000
in 2017 to over 150,000 in
01/19.

01.2019



26 new locations:

Kotka
Varkaus
Kouvola
Hamina
Hämeenlinna
Kerava
Järvenpää
Lahti
Raisio
Iisalmi
Karhula

Lammi	Pielavesi
Tuulos	Rautalampi
Paimio	Rautavaara
Joroinen	Sonkajärvi
Juankoski	Tervo
Kaavi	Vesanto
Keitele	Vieremä
Kiuruvesi	

Pihlajalinna

MARKET REVIEW

- The legislation related to the structural reform of social and health care services is currently in parliament and the reforms are intended to enter into effect on 1 January 2021, which is when the responsibility for organising social and health care services will be transferred to the counties.
- Pihlajalinna is interested in broader service solutions, which involves examining the service chain as a whole to ensure that, in residential services, for example, every patient receives the care that their condition requires.
- Complete outsourcing enables this by providing a more comprehensive service offering, with more services produced for the same amount of money.
- The situation in the private market remains unchanged. The occupational health care market is expected to grow if municipalities and other public sector entities decide to divest the occupational health care providers they currently own.
- We are preparing for the health and social services reform, but our operations do not depend on the implementation of the reform.

2019 STRATEGIC TARGETS: GROWTH IN ALL CUSTOMER SEGMENTS – PROFITABILITY THROUGH GROWTH

- Extension of service network to county centres by acquisitions and smooth and fast integration
- Effective cross selling of services
- Organic growth with a strong focus on sales and marketing
- Expansion and establishment of the municipal service portfolio



OUTLOOK 2019

- Pihlajalinna's consolidated revenue is expected to increase from the 2018 level.
- Adjusted EBIT is expected to improve clearly compared to 2018.

MID-TERM TARGETS

Vision

WE WILL BE THE MOST
VALUED COMPANY IN THE
HEALTHCARE AND SOCIAL
SERVICES SECTOR IN
FINLAND IN 2020

Mission

WE HELP FINNS TO LIVE A
BETTER LIFE

Values

ETHICS, ENERGY AND
OPEN-MINDEDNESS

PIHLAJALINNA'S LONG-TERM TARGETS

NET DEBT

**below
3 x**

EBITDA

OPERATING
PROFIT (EBIT)

**exceeding
7%**

of revenue

PIHLAJALINNA'S FINANCIAL REPORTING AND ANNUAL GENERAL MEETING IN 2019

- Financial Statements and Board of Directors' report: no later than by week 11
- Interim Report January–March: Friday, 3 May 2019
- Interim Report January–June: Thursday, 15 August 2019
- Interim Report January–September: Tuesday, 5 November 2019
- Pihlajalinna Plc's Annual General Meeting is scheduled for Thursday, 4 April 2019, in Tampere, Finland. The notice of the General Meeting will be published as a separate release.

THANK YOU!

