



Pihlajalinna

Q2 2018

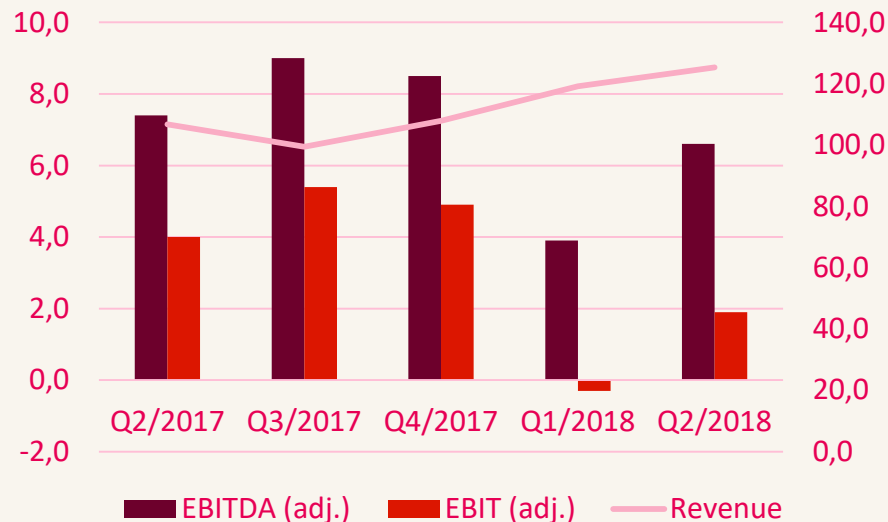
Joni Aaltonen, CEO

Q2: RESULT WEIGHED DOWN BY EXPANSION AND STRUCTURAL REFORMS



- Revenue grew by 17.5 per cent
- Revenue growth attributable to M&A
- Revenue by customer group: corporate customers 18% (incl. insurance company customers 5%), private customers 17% and public sector customers 65%
- Adj. EBITDA EUR 6.6 million, a decrease of 10 per cent
- Adj. EBIT EUR 1.9 million, a decrease of 53 per cent

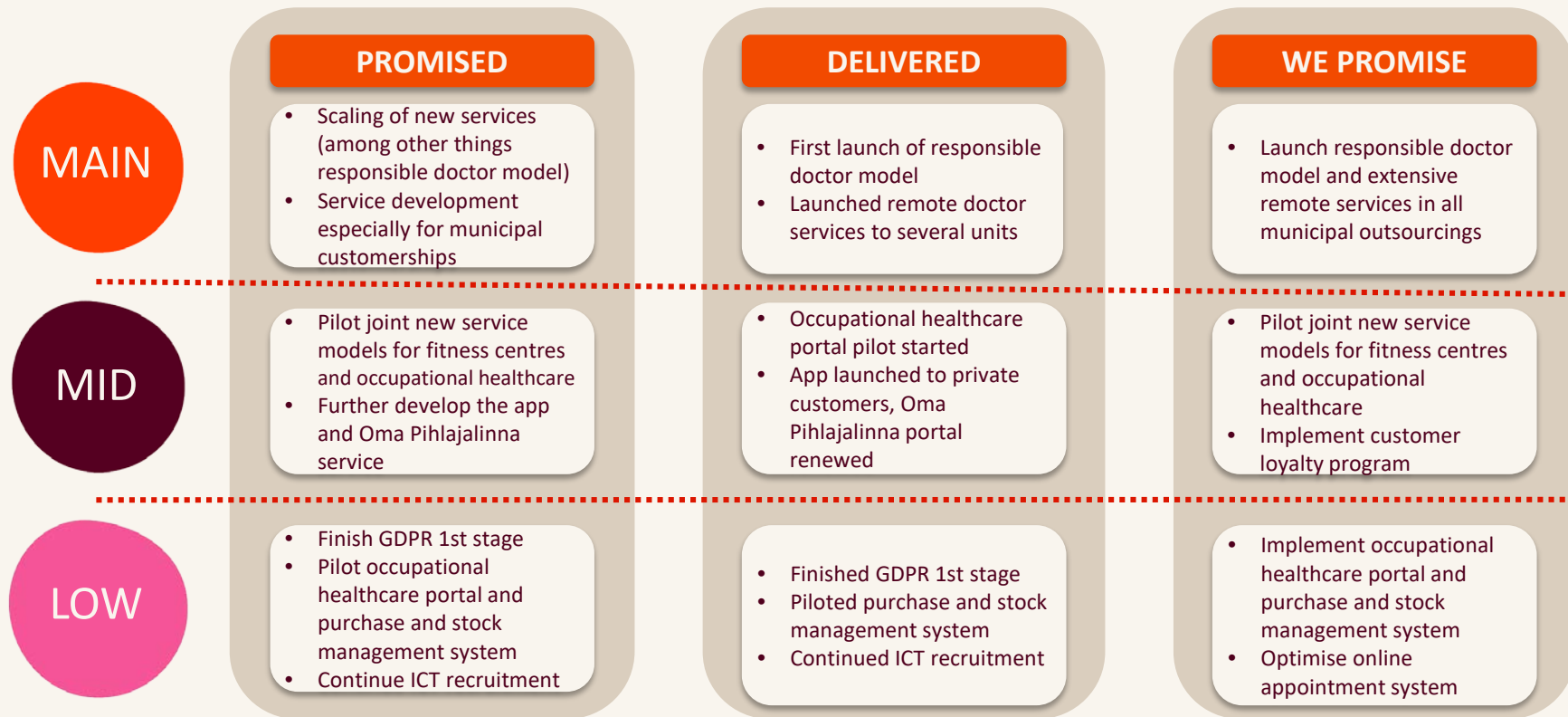
Group Key Figures, EUR million



Q2: EXPECTATIONS VS. ACTUALIZED



GROUP'S OPERATIONAL PROJECTS Q2–Q3



LEGISLATION AND MARKET REVIEW 1/2

- The parliamentary Constitutional Law Committee issued a statement on the legislation package related to the reform of healthcare, social services and regional government at the beginning of June. The government amended the schedule of the healthcare and social welfare reform after the statement of the Constitutional Law Committee.
- The aim is to have parliament decide on all legislation pertaining to the reform of Finland's regional government, healthcare and social services in autumn 2018, and for the responsibility for organising healthcare and social services to be transferred to the counties on 1 January 2021. County elections are planned for spring 2019.
- 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 2023)
 - service vouchers roughly EUR 1.6 billion (to be adopted 1 January 2022)
 - personal budgets roughly EUR 1.5 billion (to be adopted 1 January 2022)
 - dental care units roughly EUR 0.4 billion (beginning of operation 1 January 2023)

LEGISLATION AND MARKET REVIEW 2/2



- Due to the planned policies related to health and social services, municipalities are seeking solutions primarily on a property-driven basis.
- In May, Pihlajalinna and the municipality of Laihia signed a shareholders' agreement regarding a joint venture and the production of residential services in Laihia for senior citizens and people with disabilities.
- Activity in the outsourcing market has also increased as the decision on health and social services reform has been delayed. City of Kristiinankaupunki has initiated negotiation procedures to outsource part of its social and healthcare services to a joint venture between the municipality and a service provider.
- The municipal council of Nokia decided on 19 June 2018 to terminate its assessment of having the city of Nokia join the Mänttä-Vilppula social and healthcare partnership area.

