



Pihlajalinna

Q1 2017

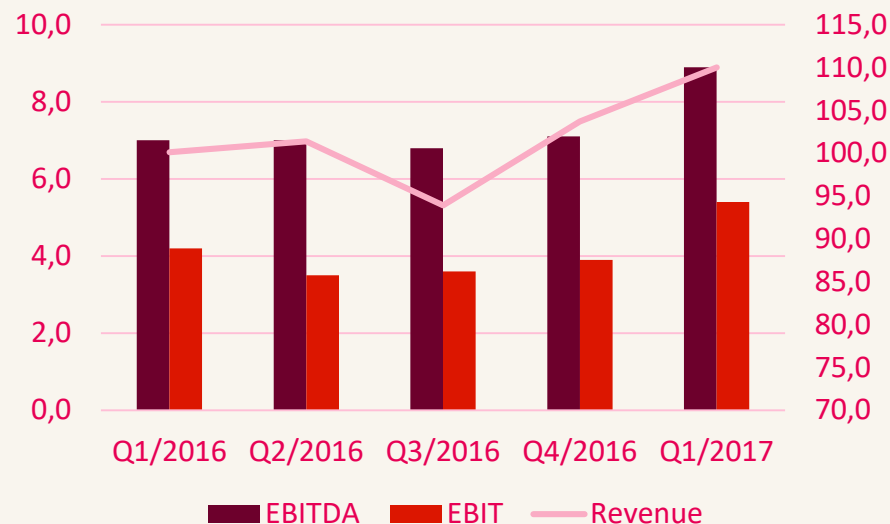
Aarne Aktan, CEO

Q1: PROFITABILITY IMPROVEMENT CONTINUED



- Revenue growth 10%, organic growth 5.2%
- Revenue growth mainly attributable to Occupational Healthcare, Social and Healthcare Outsourcings and Surgical Operations
- EBITDA grew by 27%, EBIT by 29%
- Improvement in operating profit mainly due to P&S segment's Other Business Operations (includes inter alia staffing services, residential services and reception centre business) and C&S segment's Occupational Healthcare and Surgical Operations

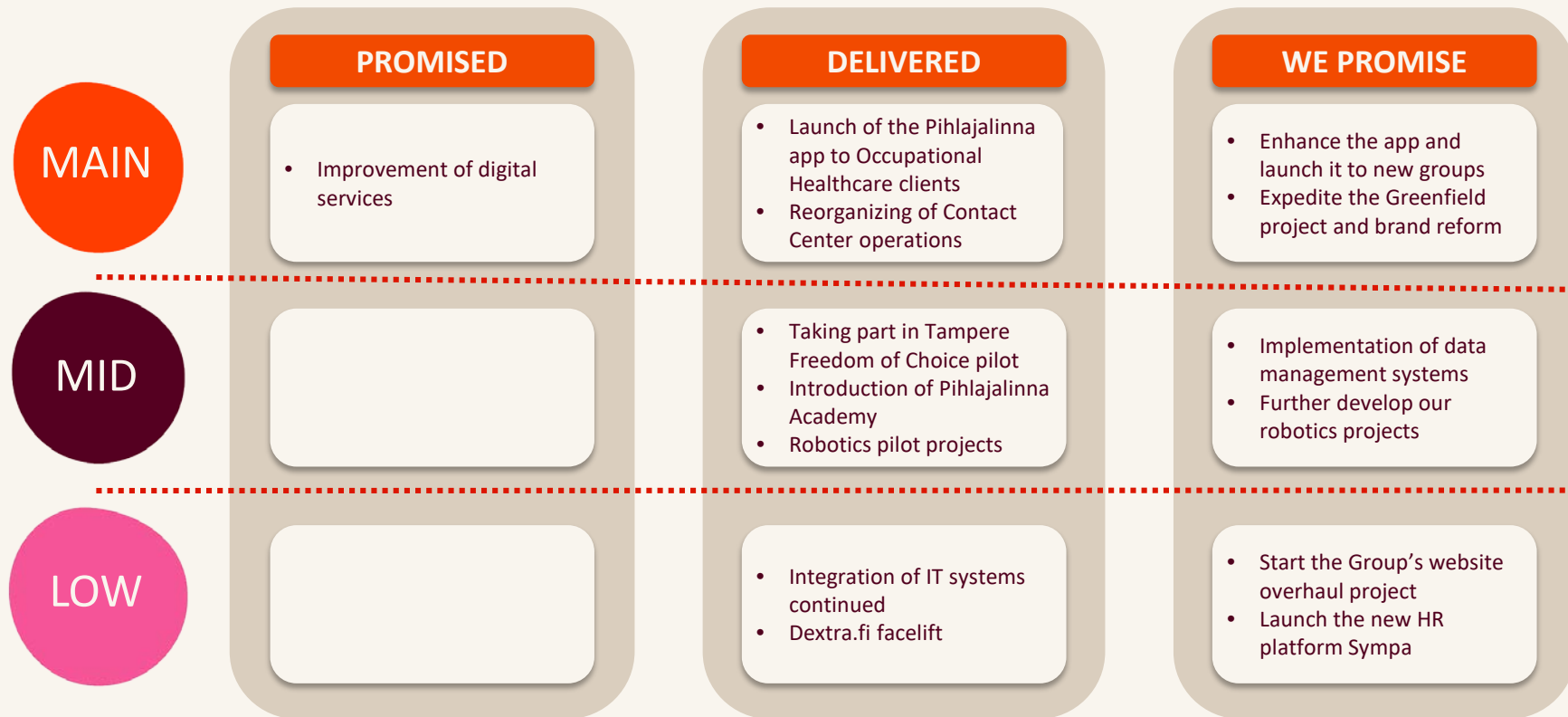
Group Key Figures, EUR million



Q1: EXPECTATIONS VS. ACTUALIZED



GROUP'S OPERATIONAL PROJECTS Q1–Q2



LEGISLATION AND MARKET REVIEW 1/2

- The social services, health care and regional government reform legislation was put to Parliament at the beginning of March
 - Counties will be established on 1 July 2017 → preparation of operations and administration
 - Actual operations start 1 March 2018 and responsibility for organising social and healthcare services begins on 1 January 2019
- The government's proposal for the Freedom of Choice Act was published on 9 May
 - Means of Freedom of Choice: direct choice services (health and social services centres and dental clinics), health and social services vouchers and personal budgeting
 - Health and social services centres will provide services comparable to the current health centres and versatile social services

LEGISLATION AND MARKET REVIEW 2/2



- Ministry's estimate for the size of the market within Freedom of Choice (minimum):
 - Direct choice services EUR 2.9 billion
 - Health and social services vouchers EUR 1.6 billion
 - Personal budgeting EUR 1.4 billion
- Strong political pressure on possible new outsourcings, slow decision-making
- Joint Municipal Welfare Authority in the Forssa region selected Pihlajalinna as its possible partner in February – agreement is subject to the approval of the municipal councils
- Kouvola decided not to establish a joint venture
- New tenderings: inter alia Länsi-Pohja, Lumijoki (Pihlajalinna participates)
- Municipalities are interested in selling their health centre properties
- In C&S, insurance market has improved, dental care weakened

