



Pihlajalinna

Q3 2018

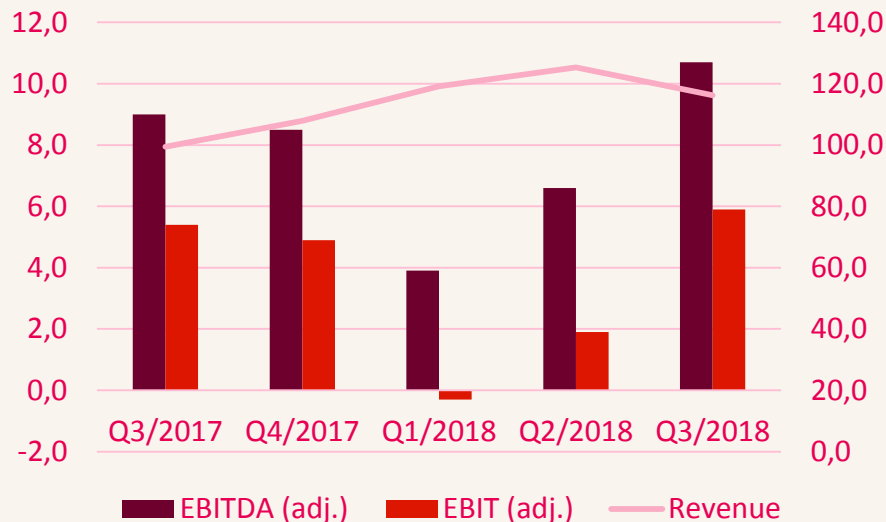
Joni Aaltonen, CEO

Q3: RESULT WEIGHED DOWN BY EXPANSION AND STRUCTURAL REFORMS



- Revenue grew by 17.0 per cent
- Revenue growth attributable to M&A
- Revenue by customer group: corporate customers 18% (incl. insurance company customers 4%), private customers 16% and public sector customers 66%
- Adj. EBITDA EUR 10.7 million, a growth of 18.3 per cent
- Adj. EBIT EUR 5.9 million, a growth of 10.8 per cent

Group Key Figures, EUR million



Q3: EXPECTATIONS VS. ACTUALIZED



GROUP'S OPERATIONAL PROJECTS Q3–Q4

	PROMISED	DELIVERED	WE PROMISE
MAIN	Launch responsible doctor model and extensive remote services in all municipal outsourcings	First implementations of responsible doctor model and extensive remote services in municipal outsourcings	- Full implementations of responsible doctor model and extensive remote services in all municipal outsourcings - Reinforcement of telephone services
MID	- Piloting new joint service models for fitness centres and occupational healthcare - Implement customer loyalty program	- Sales of the new joint service models for the fitness centres and occupational healthcare pilots started - Customer loyalty program launched	- Structural reform of dental care - Extension of the existing freedom-of-choice offering in municipal outsourcings
LOW	- Implement occupational healthcare portal and purchase and inventory management system - Optimise online appointment system	- Occupational healthcare portal launched and purchase and inventory management system implementation continued - Optimising online appointment system continued	Establishment of the customer loyalty program as a modus operandi

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 May 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.
- Laihian Hyvinvointi Oy, a joint venture between Pihlajalinna and the municipality of Laihia, started its operations on 1 September 2018. The company produces residential services for senior citizens and people with disabilities. Elsewhere, the municipality of Laitila is continuing negotiations with Pihlajalinna regarding the provision of services for senior citizens.
- Activity in the outsourcing market has also increased as the decision on health and social services reform has been delayed. 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. Ruovesi municipality is in negotiations to join the Mänttä-Vilppula partnership area.



