



# Profit warning: Pihlajalinna revises guidance for 2022

Pihlajalinna Plc

Insider Information

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## **Profit warning: Pihlajalinna revises guidance for 2022**

Pihlajalinna's revenue has increased as expected following the planned supply growth. However, the expansion of the service network and the supply growth as well as the lower demand of the Covid-19 services compared to previous year and high employee expenses including sick leaves due to the Covid-19 pandemic has burdened the profitability. In addition, the business arrangements synergies have been delayed. Pihlajalinna revises guidance for the full year adjusted EBITA (operating profit before the amortisation and impairment of intangible assets).

Pihlajalinna targets to increase the supply especially in high value-added specialized care services such as surgical operations as well as in remote services. The Company balances the service network and revises the pricing of services as well as continues the pursuit business arrangements synergies and to streamline its operations.

### **New guidance for 2022:**

Pihlajalinna's full year consolidated revenue is expected to increase substantially from the previous year (in 2021: EUR 577.8 million). The full year adjusted EBITA is expected to decrease from 2021 level (in 2021: EUR 37.3 million).

### **The earlier guidance published 18 February 2022 and repeated latest 4 November 2022:**

Pihlajalinna's full year consolidated revenue is expected to increase substantially, and full year adjusted operating profit before the amortisation and impairment of intangible assets (EBITA) is expected to be on a par with 2021. Due to Pohjola Hospital integration and efficiency improvement programs in municipal companies, the adjusted EBITA from the first half of the year stayed below the bar of the previous year as anticipated.

The acquisition of Pohjola Hospital will increase consolidated revenue by at least EUR 50 million in the financial year 2022. Revenue from COVID-19 services is expected to decline from the level of 2021. In 2022, Pihlajalinna will focus on the integration of Pohjola Hospital operations to be a seamless part of its Medical Center for All of Finland -concept. Maintaining profitability on a par with 2021 will require success in increasing supply, realization of the planned synergies of the acquisitions, and successful implementation of efficiency improvements in municipal companies.

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**Further Information**

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## **Pihlajalinna in brief**

Pihlajalinna is one of the leading providers of private healthcare and wellbeing services in Finland. The Group produces doctor's appointment services and specialised care, occupational healthcare and oral healthcare services, and residential and welfare services. To public entities Pihlajalinna offers social and healthcare service production models, in which the cooperation between the public and private sectors guarantees high-quality services for citizens. In 2021, Pihlajalinna's revenue was 580 million euros and the number of personnel almost 7,000. Pihlajalinna's shares are listed on Nasdaq Helsinki Oy. Read more [www.pihlajalinna.fi](https://www.pihlajalinna.fi).