

Pihlajalinna Plc rearranged its long-term debt financing with a sustainability-linked facility

Pihlajalinna Plc
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Inside Information

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On 22 March 2022, Pihlajalinna has signed a five-year unsecured EUR 200 million financing arrangement with Danske Bank, OP Corporate Bank and Swedbank. The financing comprises a long-term loan of EUR 130 million that is intended for refinancing the Group's current debt and a revolving credit facility of EUR 70 million for general financing needs and acquisitions. The financing arrangement also includes an opportunity to increase the total amount by EUR 100 million to EUR 300 million, subject to separate decisions on a supplementary loan from the funding providers. The financing arrangement contains customary financial covenants. The financing arrangement replaces the EUR 120 million unsecured financing arrangement signed on March 2018, which included an opportunity to increase the total amount by EUR 60 million, subject to separate decisions on a supplementary loan from the funding providers.

The loan margin of the financing is additionally linked to the Pihlajalinna's sustainability objectives. The margin applied on the loan is partly determined by whether the company achieves the annual goals set in the sustainability strategy in terms of patient satisfaction, employee engagement and access to treatment. If the company achieves its objectives, the margin will decrease. If the objectives are not achieved, the loan margin will increase.

– We consider sustainability work to be an important area of development. Our new financing arrangement will enable our expansion in line with the strategy in the coming years, and we see this as a good opportunity to link our broader sustainability work to our financing package through transparent indicators and targets, says Joni Aaltonen, CEO of Pihlajalinna.

Danske Bank was the sole Coordinator, Sustainability Coordinator and Agent of the syndicated loan.

Further information:

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Pihlajalinna in brief

20-year-old Pihlajalinna (Nasdaq Helsinki: PIHLIS) is one of the leading private providers of social, healthcare and wellbeing services. The Group provides services to private individuals, companies, insurance companies and public sector entities, such as municipalities and joint municipal authorities, across Finland. The Group provides general practitioner and specialised

care services, occupational healthcare and dental care services and also residential and wellbeing services, for example. The Group, in cooperation with the public sector, offers social and healthcare service provision models to public sector entities with the aim of providing high-quality services.