Capio AB (publ)
Interim report January – March 2017

January – March 2017

- Net sales MSEK 3,914 (3,603). Organic sales growth 3.3% (3.7) and total sales growth 8.6% (3.6)
- Operating result (EBITDA)[1] MSEK 342 (296) and margin 8.7% (8.2). EBITDA increased by 15.5%
- Operating result (EBITA)[1] MSEK 232 (195) and margin 5.9% (5.4). EBITA increased by 19.0%
- Operating result (EBIT) MSEK 209 (176) and margin 5.3% (4.9). EBIT increased by 18.8%
- Profit for the period[1] MSEK 152 (122). Earnings per share after dilution[2] SEK 1.10 (0.86)

CEO comments:

"A solid start to the year."

- **Total sales growth was close to 9%, of which organic sales growth was 3.3%. The EBITA growth was 19%**
- **A continued and further strengthened positive development in Nordic and Germany with 42% and 22% EBITA growth respectively, from higher volumes, productivity improvements and leverage from acquisitions**
- **France continued the persistent work to compensate for the government's price reductions and has so far fully compensated the 2% price reduction in money terms. The aim is to reach an unchanged EBITA margin for the full year**
- **Recent acquisitions are strengthening our Nordic and German operations, adding net sales of MSEK 900 on a full year basis**
- **We are increasing our efforts in digitalization, starting in primary care in Sweden with our 750,000 listed patients**

Nordic continued to show solid net sales and result growth in line with expectations. Organic sales growth in the quarter was 4.9% and total sales growth was 13.1%. The operating result (EBITA) increased by 42% and the margin (EBITA) improved by 110 basis points to 5.1%. The result development was positively impacted by the Easter calendar effect.

The productivity increase in primary care in Sweden continued and Capio S:t Göran's hospital in Stockholm continued to enjoy good sales growth. Specialist care is successfully developing the geriatric business in Stockholm resulting in good growth, and is continuing the work to streamline its offer in the free healthcare choice market. A country wide orthopedics division has been formed with the ambition to help to eliminate waiting lists in this specialty in the 21 county councils.

Digital test consultations within primary care will start during the spring and summer with a full roll-out of digital doctor consultations from the autumn and onwards.

In **France** the aim this year is to keep the EBITA margin flat and in a longer perspective increase margins despite the tough pricing environment. The tools for this are a continued implementation of Modern Medicine leading to a more Rapid Recovery for patients and a larger proportion of treatments being made without over-night stay in hospital. Improved medical quality and expansions in new specialties will continue to drive the patient growth.

Germany continues the good trend from last year. 4.6% organic sales growth and 22% EBITA growth do not only reflect an Easter calendar effect, but also continuous improvements in the general hospitals.

The **focus going forward** is of course on securing the ongoing positive trends in the current business by intensified work with Modern Medicine and Modern Management.

Since the end of 2016, we have increased acquisition activities. We have so far added net sales of MSEK 900 from acquisitions on a full year basis. Acquisitions made have margins above group average and will contribute positively to the margin development in 2017 and will gradually be enhanced further by synergies. The acquisition activity is expected to continue.

Thomas Berglund
President and CEO

[1] Refer to page 32 for definitions of EBITDA and EBITA. Profit for the period refers to profit attributable to parent company shareholders.
[2] Refer to note 2 for calculation of EPS (before and after dilution).

This is a translation of the original Swedish interim report. In the event of difference between the English translation and the Swedish original, the Swedish interim report shall prevail.

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The Group and the segments in brief

Capio Group

	JAN - MAR			FULL YEAR	
	2017	2016	Change, %	RTM	2016
Net sales	**3,914**	**3,603**	***8.6***	**14,380**	**14,069**
Total sales growth, %	*8.6*	*3.6*		*5.6*	*4.3*
Organic sales growth, %	*3.3*	*3.7*		*3.2*	*3.3*
Operating result (EBITDA)	**342**	**296**	***15.5***	**1,107**	**1,061**
Operating margin (EBITDA), %	*8.7*	*8.2*		*7.7*	*7.5*
Operating result (EBITA)	**232**	**195**	***19.0***	**681**	**644**
Operating margin (EBITA), %	*5.9*	*5.4*		*4.7*	*4.6*
Operating result (EBIT)	**209**	**176**	***18.8***	**591**	**558**
Operating margin (EBIT), %	*5.3*	*4.9*		*4.1*	*4.0*
Profit for the period[1]	**152**	**122**	***24.6***	**434**	**404**
Earnings per share after dilution[2], SEK	1.10	0.86		3.10	2.86
Net capital expenditure	**-67**	**-96**		**-429**	**-458**
In % of net sales	*1.7*	*2.7*		*3.0*	*3.3*
Net debt	**3,255**	**3,009**		**3,255**	**2,872**
Financial leverage	*2.9*	*3.0*		*2.9*	*2.7*

Segments

Capio Nordic

	JAN - MAR			FULL YEAR	
	2017	2016	Change, %	RTM	2016
Net sales	**2,153**	**1,904**	***13.1***	**7,833**	**7,584**
Total sales growth, %	*13.1*	*3.4*		*7.2*	*4.7*
Organic sales growth, %	*4.9*	*3.0*		*4.3*	*3.8*
Operating result (EBITDA)	**152**	**112**	***35.7***	**562**	**522**
Operating margin (EBITDA), %	*7.1*	*5.9*		*7.2*	*6.9*
Operating result (EBITA)	**109**	**77**	***41.6***	**403**	**371**
Operating margin (EBITA), %	*5.1*	*4.0*		*5.1*	*4.9*
Operating result (EBIT)	**83**	**64**	***29.7***	**323**	**304**
Operating margin (EBIT), %	*3.9*	*3.4*		*4.1*	*4.0*
Net capital expenditure	**-37**	**-44**		**-161**	**-168**
In % of net sales	*1.7*	*2.3*		*2.1*	*2.2*

Capio France

	JAN - MAR			FULL YEAR	
	2017	2016	Change, %	RTM	2016
Net sales	**1,434**	**1,387**	***3.4***	**5,360**	**5,313**
Total sales growth, %	*3.4*	*5.6*		*3.6*	*4.2*
Organic sales growth, %	*0.7*	*5.1*		*1.3*	*2.4*
Operating result (EBITDA)	**170**	**170**	***0.0***	**518**	**518**
Operating margin (EBITDA), %	*11.9*	*12.2*		*9.7*	*9.7*
Operating result (EBITA)	**111**	**111**	***0.0***	**283**	**283**
Operating margin (EBITA), %	*7.7*	*8.0*		*5.3*	*5.3*
Operating result (EBIT)	**104**	**108**	***-3.7***	**276**	**280**
Operating margin (EBIT), %	*7.3*	*7.8*		*5.1*	*5.3*
Net capital expenditure	**-24**	**-41**		**-227**	**-244**
In % of net sales	*1.7*	*3.0*		*4.2*	*4.6*

Capio Germany

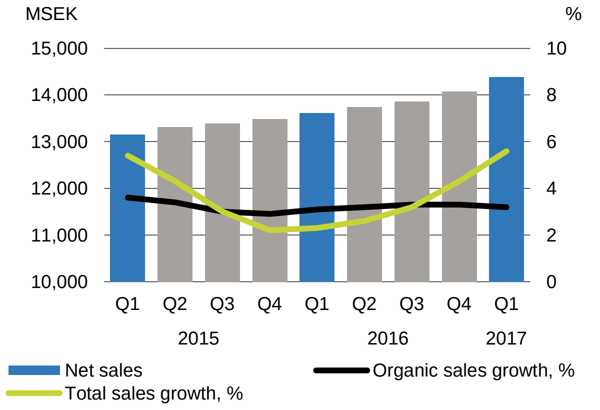
	JAN - MAR			FULL YEAR	
	2017	2016	Change, %	RTM	2016
Net sales	**327**	**312**	***4.8***	**1,187**	**1,172**
Total sales growth, %	*4.8*	*-3.7*		*4.8*	*2.4*
Organic sales growth, %	*4.6*	*1.7*		*4.8*	*4.0*
Operating result (EBITDA)	**45**	**38**	***18.4***	**115**	**108**
Operating margin (EBITDA), %	*13.8*	*12.1*		*9.7*	*9.2*
Operating result (EBITA)	**39**	**32**	***21.9***	**90**	**83**
Operating margin (EBITA), %	*11.9*	*10.2*		*7.6*	*7.1*
Operating result (EBIT)	**50**	**27**	***85.2***	**87**	**64**
Operating margin (EBIT), %	*15.3*	*8.7*		*7.3*	*5.5*
Net capital expenditure	**-4**	**-10**		**-29**	**-35**
In % of net sales	*1.2*	*3.2*		*2.4*	*3.0*

[1] Profit attributable to parent company shareholders.
[2] Refer to note 2 for calculation of earnings per share (before and after dilution).

Financial targets and development

Net sales and sales growth

Quarterly development 2015[1]-2017 (RTM)



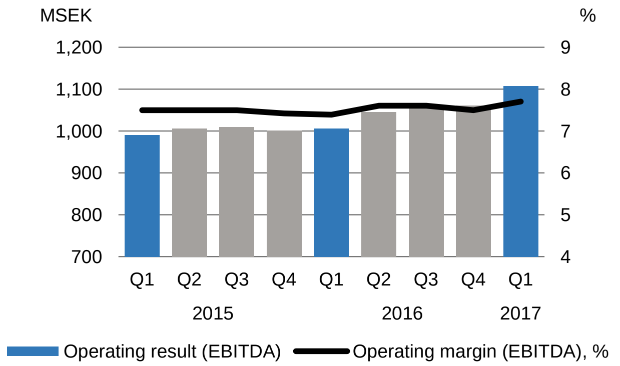
Target and development

The target is to grow organically at least in line with the market and add acquisition growth at least at a similar rate over time

- Total sales growth 8.6% and organic sales growth 3.3% (Jan-Mar 2017)
- Organic sales growth in line with estimated market growth in all markets
- Completed acquisitions are increasing the pace of total sales growth

Operating result (EBITDA) and margin

Quarterly development 2015[1]-2017 (RTM)



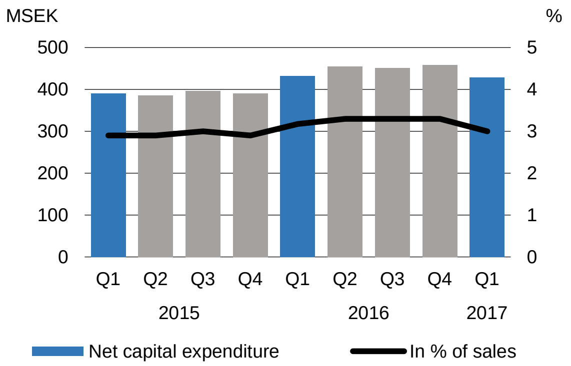
Target and development

The target is to grow operating result at a higher rate than sales growth through increased productivity and operational leverage

- Operating result (EBITDA) increased by 15.5% (Jan-Mar 2017)
- Productivity improvements, volume growth, and acquisitions impacted the result development positively
- Contribution from the acquired businesses was in line with expectations

Net capital expenditure and in % of net sales

Quarterly development 2015-2017 (RTM)



Target and development

The target with present business mix is to keep net capex around 3% of net sales per year including Modern Medicine and expansion related capex

- Net capital expenditures in % of net sales was 3.0% (RTM), which was in line with the target

[1] RTM development adjusted for structural changes made in 2014. Refer to Capio Annual Report 2015 note 33.

Measuring Modern Medicine

Improved medical quality is the basis for improved productivity and performance both medically as well as financially. The aim is always to produce more high-quality healthcare with less resources through more efficient ways of working. Key to improve productivity is to understand the current performance based on facts and then implement relevant actions to improve the outcomes. In order to verify both the starting point and the effectiveness of actions taken there is a need to measure medical outcomes and productivity on a continuous basis, as with financial results.

To improve a care process, relevant Clinical Process Input (CPIs) must be identified and implemented in the day-to-day work with patients. CPIs are the detailed steps in a care protocol to improve medical quality and speed up the patient's recovery. For each care process there is a need to identify and measure the outcomes that verify the effectiveness of the CPIs implemented. The outcomes are primarily measured and analyzed as Quality Performance Indicators (QPIs) and Key Performance Indicators (KPIs) which, in turn, represent the link between operational performance and financial results.

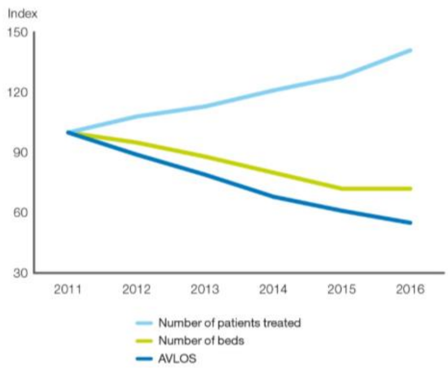
A well-structured medical process with CPIs improves medical quality (QPIs) and by measuring the production and resources used we get KPIs that are the link to financial results.

Average length of stay (AVLOS)[1]

By implementing Modern Medicine, treatment times can be reduced by Rapid Recovery after treatment. This means shorter stays in hospital reducing the patient's exposure to the hospital environment and increasingly, the patient can leave the hospital already the same day as the treatment is completed.

The scientific background for Modern Medicine was developed 20 years ago and starts with the fact that most treatments have side effects that impact the body and make recovery slower. If these side effects can be reduced, the body will recover more rapidly, and discharge criteria can be reached faster. The productivity gains of shorter AVLOS can either be used to treat more patients in the same number of beds or to reduce resources.

Illustrative effects from Modern Medicine



By implementing Modern Medicine and Rapid Recovery after surgery Capio France has from 2011 to 2016 reduced AVLOS from 8.2 days to 4.5 days (-45%) for hip- and knee prosthesis surgeries. At the same time the number of surgeries has increased from 4,911 to 6,939 (+41%) and the number of beds needed for the increased production has decreased by 28%.

Development of AVLOS January – March 2017

	JAN - MAR			FULL YEAR								
AVLOS by segment, Days	**2017**	**%**	**2016**	**RTM**	**2016**	**%**	**2015**	**%**	**2014**	**%**	**2013**
Capio Nordic	3.95	*-4.1*	4.12	3.96	4.01	*-2.7*	4.12	*-1.0*	4.16	*-1.2*	4.21
Capio Nordic excl. geriatrics	2.84	*-3.7*	2.95	2.81	2.83	*-3.4*	2.93	*-2.7*	3.01	*-3.2*	3.11
Capio France	4.41	*-0.9*	4.45	4.45	4.47	*-3.0*	4.61	*-2.9*	4.75	*-3.7*	4.93
Capio France excl. geriatrics	4.33	*-2.0*	4.42	4.41	4.43	*-3.7*	4.60	*-3.2*	4.75	*-3.7*	4.93
Capio Germany	4.40	*2.1*	4.31	4.57	4.54	*-1.5*	4.61	*-4.4*	4.82	*0.0*	4.82
Capio Germany excl. geriatrics	3.89	*1.3*	3.84	4.06	4.04	*-3.1*	4.17	*-6.1*	4.44	*-0.7*	4.47
Capio Group	**4.30**	***-1.1***	**4.35**	**4.35**	**4.37**	***-2.7***	**4.49**	***-3.0***	**4.63**	***-2.5***	**4.75**
Capio Group excl. geriatrics	**3.93**	***-1.8***	**4.00**	**3.99**	**4.01**	***-3.4***	**4.15**	***-4.2***	**4.33**	***-3.1***	**4.47**

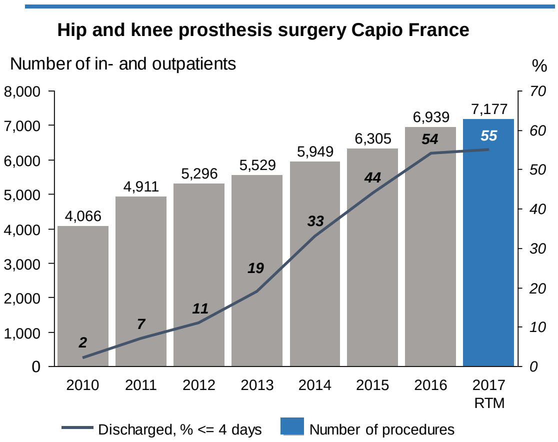
AVLOS continued to be shortened by c. 4% in Nordic, partly impacted by a slightly lower case mix. In France, AVLOS was reduced by 2%, despite a higher case mix compared with the same quarter previous year. AVLOS increased in Germany, impacted by a significantly higher case mix. The Group's strategic focus on Modern Medicine giving Rapid Recovery, and Modern Management reduced AVLOS for the Group by 1.1% during the quarter. Adjusted for geriatrics, the AVLOS reduction for the Group was 1.8%. Considering the higher case mix in the quarter the AVLOS development was in line with the historical trend.

[1] Refer to page 32 for definition.

Development of Hip and knee prosthesis surgery – an example of Modern Medicine

Hip and knee replacements in Capio France continued to grow during the first quarter 2017, positively impacted by the use of Modern Medicine as more doctors and patients are coming to our hospitals.

The average length of stay continued to decrease and the share of patients being discharged within four days increased by nine percentage points compared with the same period last year (March 2016 RTM). The number of hip and knee prosthesis surgeries provided as outpatient care continued to increase during the period. This is an example of how Capio adapts to and contributes to driving Modern Medicine as hip and knee prosthesis surgery in outpatient care, with sustained or improved quality, has only been possible in recent years due to changes in treatment methods and procedures.



Provided in daycare: Number	0	1	8	26	160	450	534	541

AVLOS development hip and knee prosthesis surgery 2011-2016

Capio France Jan-Mar 2017 AVLOS at 4.3 days

Days	2011	2014	2015	2016	11-14, %	11-15, %	11-16, %
Capio France	8.2	5.6	5.0	4.5	*-32*	*-39*	*-45*
The French market	10.2	9.0	8.4	-	*-12*	*-18*	-
Capio Sweden	3.9	3.3	2.7	2.6	*-15*	*-31*	*-33*
The Swedish market	-	4.7	4.4	-	-	-	-

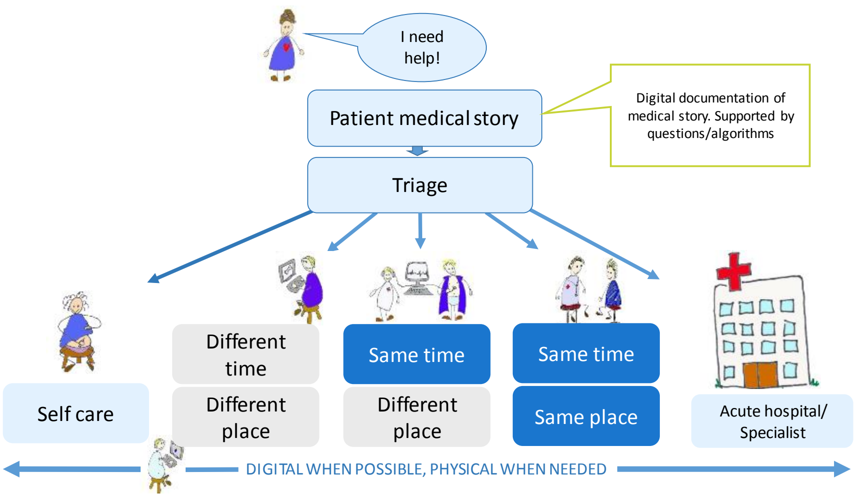
Source: French market data; Scansanté (ATIH), Swedish market data; Socialstyrelsen.

Digitalizing healthcare

Patients are increasingly more informed about their state of health and involved in their treatment. Patients are also increasingly taking more responsibility for their own care and demanding accessibility and rapid recovery. Digital solutions support patient empowerment as well as productivity in the healthcare delivery.

The trend for an increasingly more interconnected society enables the provision of healthcare in a new and innovative way that is not necessarily based on the physical meetings between patients and healthcare professionals. The use of digital solutions increase patient accessibility and the key to success lies in the ability to develop working methods and pathways for many patient groups. Digital solutions also offer opportunities to share the necessary and relevant information between patient and healthcare provider, and among healthcare providers. All-in-all this improves quality for patients as well as increases productivity in the service delivery, as the patient and healthcare professional meet in the most efficient care setting – "Digital when possible, physical when needed".

In our continuous efforts to strive for higher quality and healthcare with greater patient involvement, Capio has signed an agreement with Doctrin, a Swedish provider of e-health solutions. The work together with Doctrin is continuing in line with plan and the collaboration includes implementation of digital patient information tools to better prepare and facilitate physical consultations ("Better visits"). Additional digital solutions for doctor consultations (asynchronous meetings) are being developed and will be launched during autumn 2017 and onwards for Capio's 750,000 patients listed at our primary care centers in Sweden.



Group development

Capio Group	JAN - MAR			FULL YEAR	
	2017	2016	*Change, %*	RTM	2016
KPI; Production, productivity and resources					
Number of outpatients	1,199.6	1,104.4	*8.6*	4,552.2	4,457.0
Number of inpatients	61.0	60.2	*1.3*	227.1	226.3
Number of patients, kNumber	**1,260.6**	**1,164.6**	***8.2***	**4,779.3**	**4,683.3**
AVLOS, Days	**4.30**	**4.35**	***-1.1***	**4.35**	**4.37**
Number of employees (FTE)	**12,737**	**12,184**	***4.5***	**12,574**	**12,435**
Income statement					
Net sales outpatients	1,982	1,771	*11.9*	7,160	6,949
Net sales inpatients	1,682	1,600	*5.1*	6,260	6,178
Net sales other	250	232	*7.8*	960	942
Net sales	**3,914**	**3,603**	***8.6***	**14,380**	**14,069**
Total sales growth, %	*8.6*	*3.6*		*5.6*	*4.3*
Organic sales growth, %	*3.3*	*3.7*		*3.2*	*3.3*
Operating result (EBITDA)	**342**	**296**	***15.5***	**1,107**	**1,061**
Operating margin (EBITDA), %	*8.7*	*8.2*		*7.7*	*7.5*
Operating result (EBITA)	**232**	**195**	***19.0***	**681**	**644**
Operating margin (EBITA), %	*5.9*	*5.4*		*4.7*	*4.6*
Profit for the period[1]	**152**	**122**	***24.6***	**434**	**404**
Earnings per share after dilution[2], SEK	1.10	0.86		3.10	2.86

January – March 2017

Organic sales growth was driven by higher volumes in all segments and a higher case mix. In addition, growth was positively impacted by the timing of Easter from March 2016 to April 2017. Price growth was limited following the price reductions in France. Outpatient volume growth was positive in all segments, while inpatient volume growth was mainly related to the Nordic segment (the acquisitions as well as emergency and geriatric care in Stockholm). Acquisitions and changes in exchange rates impacted total sales growth positively.

The result development was driven by sales growth combined with operational leverage from productivity improvements in Nordic and Germany. In France, the result development was positively impacted by volume growth and productivity improvements, and negatively by the general price reduction (MSEK -21). Recent acquisitions impacted the result development positively. During the quarter AVLOS was impacted by a higher case mix in France and Germany. FTE growth was driven by the recent acquisitions, but lower than the patient growth following productivity improvements.

The operating result (EBIT) included amortization on surplus values of MSEK -25 (-19) and restructuring and other non-recurring items and acquisition related costs of MSEK 2 (0). The increase in amortizations was related to the recent acquisitions in Sweden and Denmark. Restructuring and other non-recurring items were mainly related to a capital gain in Germany net of transaction and structural costs related to acquisitions.

The profit for the period included net financial items of MSEK -23 (-22) and income tax of MSEK -33 (-31). The effective income tax rate was 18% (20%).

Earnings per share (EPS) after dilution was SEK 1.10 (0.86). The positive development was driven by an improved operating result combined with a lower effective income tax rate.

[1] Attributable to parent company shareholders.
[2] Refer to note 2 for calculation of earnings per share (before and after dilution).

Development in the segments

Capio Nordic

	JAN - MAR			FULL YEAR	
	2017	**2016**	***Change, %***	**RTM**	**2016**
KPI; Production, productivity and resources					
Number of outpatients	986.1	907.9	*8.6*	3,745.0	3,666.8
Number of inpatients	14.7	13.1	*12.2*	54.0	52.4
Number of patients, kNumber	**1,000.8**	**921.0**	***8.7***	**3,799.0**	**3,719.2**
AVLOS, Days	**3.95**	**4.12**	***-4.1***	**3.96**	**4.01**
Number of employees (FTE)	**6,064**	**5,599**	***8.3***	**5,855**	**5,739**
Income statement					
Net sales outpatients	1,503	1,321	*13.8*	5,430	5,248
Net sales inpatients	605	547	*10.6*	2,239	2,181
Net sales other	45	36	*25.0*	165	155
Net sales	**2,153**	**1,904**	***13.1***	**7,833**	**7,584**
Total sales growth, %	*13.1*	*3.4*		*7.2*	*4.7*
Organic sales growth, %	*4.9*	*3.0*		*4.3*	*3.8*
Operating result (EBITDA)	**152**	**112**	***35.7***	**562**	**522**
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Operating result (EBITA)	**109**	**77**	***41.6***	**403**	**371**
Operating margin (EBITA), %	*5.1*	*4.0*		*5.1*	*4.9*
Cash flow					
Net capital expenditure	**-37**	**-44**		**-161**	**-168**
In % of net sales	*1.7*	*2.3*		*2.1*	*2.2*

Capio Nordic January – March 2017

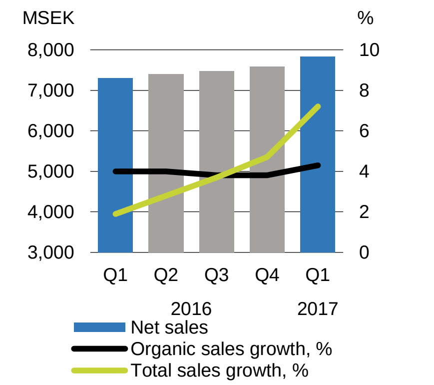
Organic sales growth was driven by volume growth in the specialist free healthcare choice, contract businesses in Sweden, and Norway. Organic sales growth was positively impacted by a higher outpatient case mix and the timing of Easter from March 2016 to April 2017. Total sales growth was positively impacted by the acquired businesses in Denmark and Sweden, which contributed in line with expectations. The higher number of inpatient visits was mainly related to the acquisition of the Danish operations and the acute and geriatric care in Stockholm. The growth of outpatient visits was also positively impacted by the acquisitions.

The positive result development from 2016 continued during the quarter. In addition, the result was positively impacted by the acquired businesses in Denmark and Sweden and the timing of Easter from March 2016 to April 2017. AVLOS in the quarter continued to decrease as planned. The AVLOS development in the quarter was also positively impacted by a somewhat lower case mix. The number of FTEs increased mainly following the acquisitions.

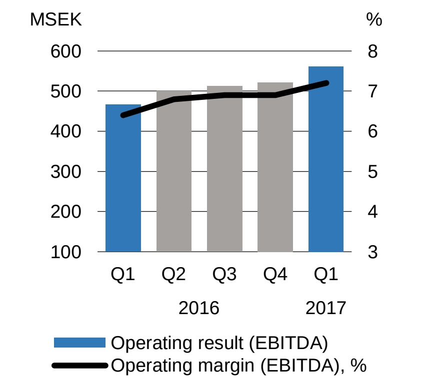
Net capital expenditure (net capex) in 2017 was mainly maintenance related. The higher net capex in 2016 was due to the new A&E at Capio S:t Göran that opened in April 2016.

Quarterly development from the first quarter 2016 to the first quarter 2017

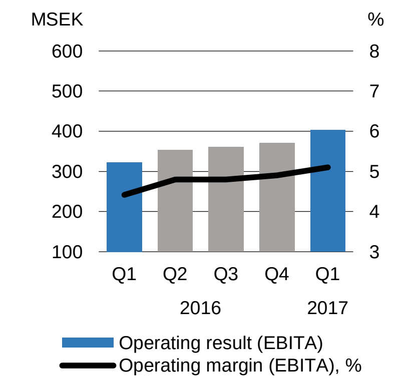
Net sales and sales growth (RTM)



Operating result (EBITDA) and margin (RTM)



Operating result (EBITA) and margin (RTM)



Development in the segments (cont.)

Capio France

	JAN - MAR			FULL YEAR	
	2017	**2016**	***Change, %***	**RTM**	**2016**
KPI; Production, productivity and resources					
Number of outpatients	162.5	151.5	*7.3*	609.2	598.2
Number of inpatients	36.2	36.7	*-1.4*	135.8	136.3
Number of patients, kNumber	**198.7**	**188.2**	***5.6***	**745.0**	**734.5**
AVLOS, Days	**4.41**	**4.45**	***-0.9***	**4.45**	**4.47**
Number of employees (FTE)	**5,423**	**5,324**	***1.9***	**5,450**	**5,425**
Income statement					
Net sales outpatients	444	418	*6.2*	1,600	1,574
Net sales inpatients	798	786	*1.5*	2,998	2,986
Net sales other	192	183	*4.9*	762	753
Net sales	**1,434**	**1,387**	***3.4***	**5,360**	**5,313**
Total sales growth, %	*3.4*	*5.6*		*3.6*	*4.2*
Organic sales growth, %	*0.7*	*5.1*		*1.3*	*2.4*
Operating result (EBITDA)	**170**	**170**	***0.0***	**518**	**518**
Operating margin (EBITDA), %	*11.9*	*12.2*		*9.7*	*9.7*
Operating result (EBITA)	**111**	**111**	***0.0***	**283**	**283**
Operating margin (EBITA), %	*7.7*	*8.0*		*5.3*	*5.3*
Cash flow					
Net capital expenditure	**-24**	**-41**		**-227**	**-244**
In % of net sales	*1.7*	*3.0*		*4.2*	*4.6*

Capio France January – March 2017

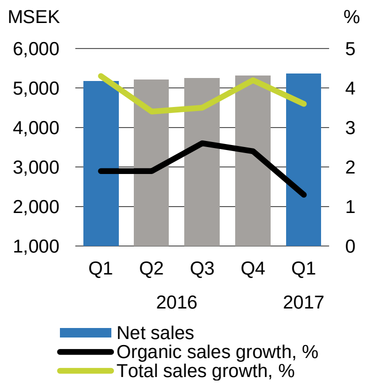
Organic sales growth was driven by patient growth in all seven regions, positively impacted by completed expansion projects and additional doctors. The shift from in- to outpatient treatments continued which impacted the growth of inpatient visits negatively in the quarter. The organic sales growth was negatively impacted by the general price reduction of 2.09% from March 1, 2017 (and -2.15% from March 1, 2016); in total impacting net sales and results in the quarter by MSEK -21 corresponding to -1.7% of medical sales. Organic sales growth during the first quarter 2016 was positively impacted by a strike in Q1 2015. At comparable exchange rates total sales growth was 1.4% (6.3).

The result was positively impacted by volume growth and the continued implementation of the Modern Medicine and Rapid Recovery strategy. AVLOS continued to decrease but the pace was impacted by a higher case mix in the quarter. The result was negatively impacted by the price reduction (MSEK -21). The main part of the price reduction was compensated for by volume growth and productivity improvements. As a consequence, the patient growth continued to outpace the FTE growth.

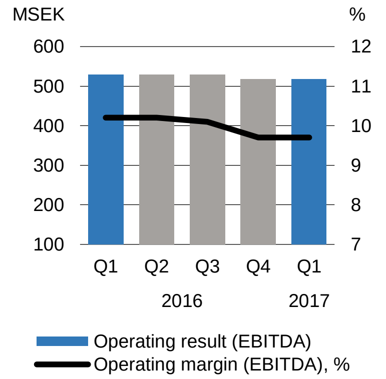
Net capex in the quarter was mainly related to maintenance and positively impacted by timing of divestments and expansion projects.

Quarterly development from the first quarter 2016 to the first quarter 2017

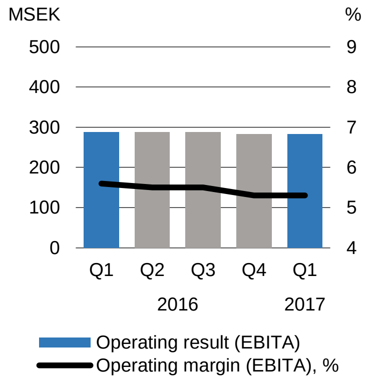
Net sales and sales growth (RTM)



Operating result (EBITDA) and margin (RTM)



Operating result (EBITA) and margin (RTM)



Development in the segments (cont.)

Capio Germany

	JAN - MAR			FULL YEAR	
	2017	**2016**	***Change, %***	**RTM**	**2016**
KPI; Production, productivity and resources					
Number of outpatients	51.0	45.0	*13.3*	198.0	192.0
Number of inpatients	10.1	10.4	*-2.9*	37.3	37.6
Number of patients, kNumber	**61.1**	**55.4**	***10.3***	**235.3**	**229.6**
AVLOS, Days	**4.40**	**4.31**	***2.1***	**4.57**	**4.54**
Number of employees (FTE)	**1,195**	**1,225**	***-2.4***	**1,214**	**1,221**
Income statement					
Net sales outpatients	35	32	*9.4*	130	127
Net sales inpatients	279	267	*4.5*	1,023	1,011
Net sales other	13	13	*0.0*	34	34
Net sales	**327**	**312**	***4.8***	**1,187**	**1,172**
Total sales growth, %	*4.8*	*-3.7*		*4.8*	*2.4*
Organic sales growth, %	*4.6*	*1.7*		*4.8*	*4.0*
Operating result (EBITDA)	**45**	**38**	***18.4***	**115**	**108**
Operating margin (EBITDA), %	*13.8*	*12.1*		*9.7*	*9.2*
Operating result (EBITA)	**39**	**32**	***21.9***	**90**	**83**
Operating margin (EBITA), %	*11.9*	*10.2*		*7.6*	*7.1*
Cash flow					
Net capital expenditure	**-4**	**-10**		**-29**	**-35**
In % of net sales	*1.2*	*3.2*		*2.4*	*3.0*

Capio Germany January – March 2017

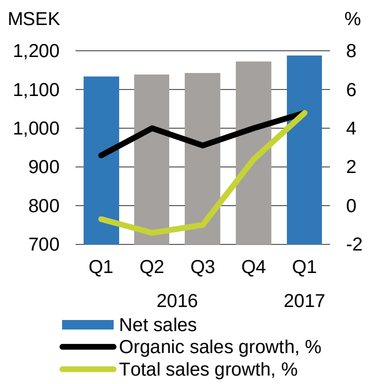
Organic sales growth was positively impacted by higher outpatient volumes and a significantly higher inpatient case mix. In addition, the timing of Easter from March 2016 to April 2017 impacted positively. The higher inpatient case mix limited the capacity in terms of number of inpatients. Outpatient growth was driven by the additional outpatient authorizations. Total sales and patient growth was negatively impacted by the divestment of the hospital in Weissenburg as of February 28. At comparable exchange rates total sales growth was 2.8% (-3.1).

The result was positively impacted by the higher volume and inpatient case mix combined with the timing of Easter from March 2016 to April 2017. In addition, continued productivity improvements in the general hospitals impacted the result positively. AVLOS development was impacted by the significantly higher case mix and growth of treatments with longer stays (e.g. geriatrics). The number of FTEs decreased following productivity improvements and the divestment of the hospital in Weissenburg as of February 28.

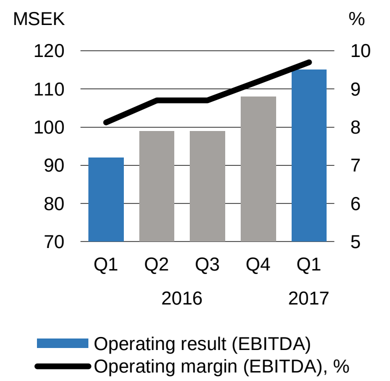
Net capex was mainly related to maintenance capex and below last year due to the timing of a project in one of the general hospitals.

Quarterly development from the first quarter 2016 to the first quarter 2017

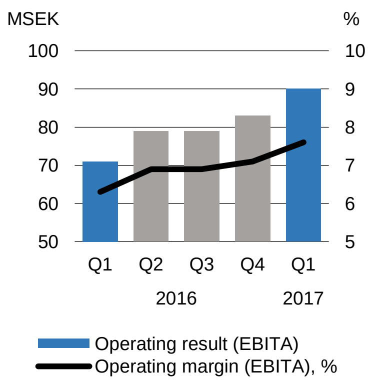
Net sales and sales growth (RTM)



Operating result (EBITDA) and margin (RTM)



Operating result (EBITA) and margin (RTM)



Cash flow

Capio Group	JAN - MAR 2017	JAN - MAR 2016	FULL YEAR RTM	FULL YEAR 2016
Net debt opening	**-2,872**	**-2,936**	**-3,009**	**-2,936**
Operating result (EBITA)	**232**	**195**	**681**	**644**
Capital expenditure	-78	-97	-445	-464
Divestments of fixed assets	11	1	16	6
Net capital expenditure	**-67**	**-96**	**-429**	**-458**
In % of net sales	***1.7***	***2.7***	***3.0***	***3.3***
Add-back depreciation	110	101	426	417
Net investments	**43**	**5**	**-3**	**-41**
Change in net customer receivables	-86	-117	-2	-33
Other changes in operating capital employed	-44	-64	-73	-93
Operating cash flow	**145**	**19**	**603**	**477**
Cash conversion, %	***62.5***	***9.7***	***88.5***	***74.1***
Income taxes paid	-6	-6	-48	-48
Free cash flow before financial items	**139**	**13**	**555**	**429**
Cash conversion, %	***59.9***	***6.7***	***81.5***	***66.6***
Net financial items paid	-25	-24	-89	-88
Free cash flow after financial items	**114**	**-11**	**466**	**341**
Cash conversion, %	***49.1***	***-5.6***	***68.4***	***53.0***
Acquisitions and divestments of companies	-498	-4	-522	-28
Received/paid restructuring and other non-recurring items	6	-7	28	15
Shareholder transactions	0	0	-73	-73
Net cash flow	**-378**	**-22**	**-101**	**255**
Cash conversion, %	***-162.9***	***-11.3***	***-14.8***	***39.6***
Other items	-5	-51	-145	-191
Net debt closing	**-3,255**	**-3,009**	**-3,255**	**-2,872**

Cash flow January – March 2017

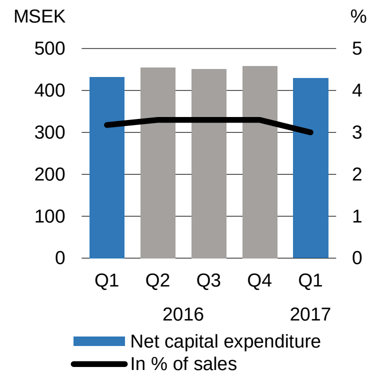
Capex was mainly maintenance related and below the same period last year due to completed projects (mainly the new A&E at Capio S:t Göran). Divestments were related to a non-core asset in France, expected in 2016 but delayed to 2017. Depreciation increased to last year following higher capex during 2016 and the recent acquisitions. The change in net customer receivables was positively impacted by an improved DSO (some payments from 2016 were received in 2017) and some customer advances in France following the updated tariff scheme and coding (impacting invoicing). Other changes in operating capital employed improved compared with last year. Last year was negatively impacted by changed payment terms for social security contributions in France.

The outflow from acquisitions was related to the acquisitions of CFR and Backa (Nordic), partly offset by proceeds from the divestment of Klinik an der Weissenburg (Germany). Received/paid restructuring and other non-recurring items in the quarter were mainly related to the settlement of items from prior periods which were more than offset by divestment proceeds.

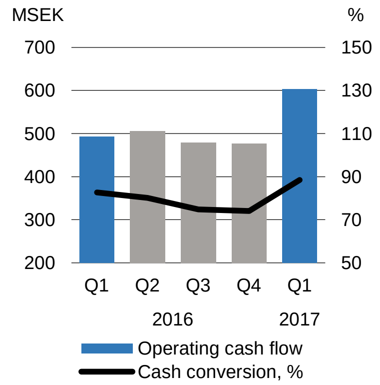
The change in other items affecting net debt compared with last year was mainly related to changes in exchange rates and less new finance leases.

Quarterly development from the first quarter 2016 to the first quarter 2017

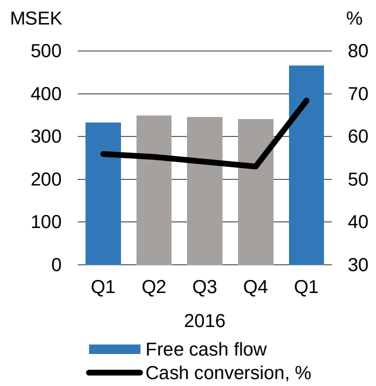
Net capex and in % of net sales (RTM)



Operating CF and cash conversion (RTM)



Free CF after fin. items and cash conv. (RTM)



Capital employed and financing

Capio Group	2017 31 Mar	2016 31 Dec	2016 31 Mar
Operating fixed assets (excl. real estate)	1,436	1,414	1,184
Net customer receivables	1,398	1,263	1,288
Other operating assets and liabilities	-2,022	-1,934	-1,812
Operating capital employed 1	**812**	**743**	**660**
In % of sales	*5.6*	*5.3*	*4.8*
Operating real estate	782	811	907
Operating capital employed 2	**1,594**	**1,554**	**1,566**
In % of net sales	*11.1*	*11.0*	*11.5*
Other capital employed	7,285	6,790	6,603
Capital employed	**8,879**	**8,344**	**8,169**
Return on capital employed, %	*7.7*	*7.7*	*7.3*
Net debt	3,255	2,872	3,009
Financial leverage	*2.9*	*2.7*	*3.0*
Equity	5,624	5,472	5,160
Total financing	**8,879**	**8,344**	**8,169**

Capital employed as of March 31, 2017

The increase in operating fixed assets compared with December 31, 2016 was mainly related to the consolidation of the recent acquisitions. The increase in net customer receivables was mainly due to higher activity in March 2017 compared with December and effects from the recent acquisitions. Other operating assets and liabilities was impacted by the change in payment terms for social security contributions in France in 2016 and effects from the recent acquisitions. Operating real estate was impacted by divestments of non-core assets in France during the first quarter 2017.

Compared with December 31, 2016 other capital employed was impacted by effects from completed acquisitions, increasing goodwill and acquisition related intangible fixed assets by MSEK 760. The return on capital employed was 7.7% (7.7 as of December 31, 2016), positively impacted by the improvement in operating result (EBITA) and negatively by the effects from acquisitions (the acquisitions were only contributing to the RTM EBITA for three (CFR) and one month (Backa) respectively).

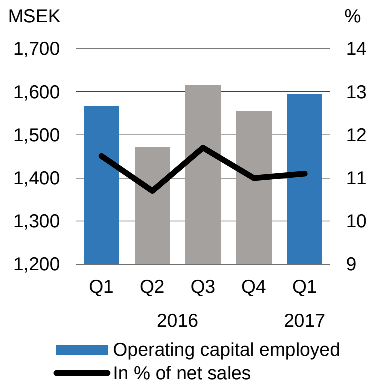
Financing as of March 31, 2017

Net debt increased compared with December 31, 2016 following the net effect from acquisitions and divestments of MSEK 498. Consequently, the visible financial leverage increased from 2.7x to 2.9x compared with December 31, 2016.

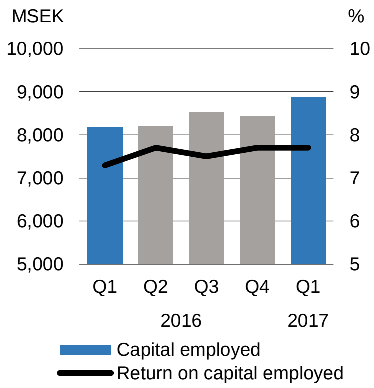
The financing facility that was set in place in conjunction with the IPO contains two financial covenants; one covenant with a maximum financial leverage and one covenant with a minimum interest cover. As of March 31, 2017 Capio was in compliance with and had satisfactory headroom under both covenants.

Quarterly development from the first quarter 2016 to the first quarter 2017

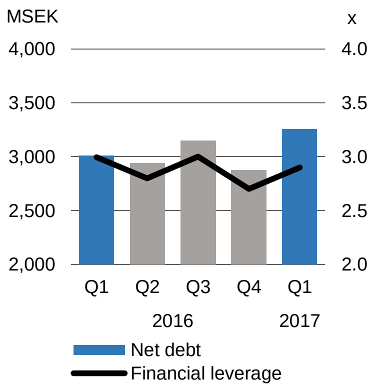
Operating capital employed and in % of net sales



Capital employed and ROCE



Net debt and financial leverage



Significant events during the period

Acquisitions, January – March 2017

Closing of the acquisition of the Danish hospital group CFR Hospitaler (Denmark)

In December 2016, Capio agreed to acquire 70% of the shares in CFR Hospitaler A/S ("CFR") and the acquisition was closed during January 2017. Enterprise value was MDKK 199 (MSEK 253) for 70% of CFR and Capio has the option to acquire (and the non-controlling interest has an option to sell) the remaining 30% of the shares after two years. The acquisition is consolidated in Capio to 100% without recognition of any non-controlling interest as the probability is high that the option will be exercised. Estimated enterprise value for 100% of CFR is MDKK 324 (MSEK 414). CFR annually performs more than 80,000 consultations and 8,000 surgeries and in 2016 net sales were MDKK 288 (MSEK 366). Since the consolidation, CFR's contribution to Group net sales and operating result (EBIT) was MSEK 103 and MSEK 7 respectively. The acquisition is expected to have a positive impact on Capio's earnings during 2017.

Acquisition of the Swedish healthcare group Backa Läkarhus (Sweden)

As announced on January 3, 2017, Capio has acquired 100% of the shares in Backa Läkarhus AB ("Backa"). Backa now operates ten primary care centers and nine rehabilitation centers in Region Västra Götaland, and one light A&E center in Region Halland. In total, Backa has c. 80,000 listed patients, and in 2016 net sales were MSEK 370. Enterprise value was MSEK 300 and yearly synergy effects of in total approximately MSEK 10 are expected to be realized over the coming two years. The acquisition of Backa complements and strengthens Capio's presence and medical offering within primary care in the western parts of Sweden. The acquisition was closed during March 2017 and Backa is consolidated in Capio from March 1, 2017. Since the consolidation, Backa's contribution to Group net sales and operating result (EBIT) was MSEK 32 and MSEK -1 respectively. The acquisition is expected to have a positive impact on Capio's earnings during 2017.

Acquisition of the German eye specialist clinic Augenklinik Universitätsallee (Germany)

As announced on March 24, 2017, Capio has agreed to acquire 100% of the shares in Medizinisches Versorgungszentrum Universitätsallee GmbH, including subsidiaries ("Augenklinik Universitätsallee"). The clinic is specialized in ophthalmology and offers complex treatments of all parts of the eye, including cataract surgery. Net sales in 2016 were MEUR 9.6 (MSEK 91). The acquisition of Augenklinik Universitätsallee represents a new specialty for Capio in Germany and strengthens the healthcare offering of the German operations. Enterprise value was approximately MEUR 10, corresponding to MSEK 95. The acquisition also includes an agreed possible future earn-out of maximum MEUR 3 based on the future financial performance. The acquisition was closed during April 2017 and is consolidated in Capio from April 1, 2017. The acquisition is expected to contribute positively to Capio's earnings during 2017.

Selected financials for acquisitions closed as of March 31, 2017	CFR	Backa	Total
Share of voting rights and equity, %	*70*[1]	*100*	
Date of consolidation	January 1	March 1	
Capio segment	Nordic	Nordic	
Country of operation	Denmark	Sweden	
Enterprise value	414[2]	300	
Yearly net sales (2016)	366	370	**736**
Contribution to net sales since consolidation	103	32	**135**
Contribution to operating result (EBIT) since consolidation	7	-1	**6**
Goodwill	325[3]	222	**547**
Acquisition related intangible assets	113[3]	100	**213**

1 The acquired share is 70%, with an option for Capio to acquire (and the non-controlling interest has an option to sell) the remaining 30% after two years. Since it is highly probable that the option to acquire the remaining shares will be exercised, the company is consolidated to 100% from January 1, 2017, without recognition of any non-controlling interest.

2 Estimated enterprise value for 100% of the shares in CFR Hospitaler A/S.

3 Goodwill and acquisition related intangible assets related to 100% of the shares.

Purchase price allocations are still preliminary. For more information about the consolidated acquisitions refer to note 5.

Other significant events, January – March 2017

Tariffs for healthcare reimbursement in France 2017

On March 8, 2017 the French government announced that tariffs to reimburse healthcare were being decreased by -2.09% from March 1, 2017, compared to 2016 tariff levels. The price reduction was in line with Capio's expectations for the French market for 2017. Capio's impact of the price reduction, calculated based on the price change per treatment and last year's case mix, is in line with the -2.09% price reduction communicated earlier. The new prices are valid until February 28, 2018.

Other events during the period

Divestment of Klinik an der Weissenburg (Germany)

In January 2017, Capio signed an agreement to divest the hospital in Weissenburg, including the rehabilitation and nursing activities, as it was not part of the core business of Capio Germany. The divestment was closed on February 28, 2017. Enterprise value was MSEK 32 (MEUR 3.3) and in 2016 the hospital contributed MSEK 67 to the Group's net sales. The divestment will not significantly impact the Group's earnings development going forward.

Agreement with Doctrin AB (Sweden)

In our continuous efforts to strive for higher quality healthcare with greater patient involvement, Capio has signed an agreement with Doctrin, a Swedish provider of e-health solutions. The collaboration started in late 2016 and includes implementation of digital patient information tools to better prepare and facilitate physical consultations. Additional digital solutions for doctor consultations are being developed and will be launched during 2017 for our 750,000 listed patients within primary care in Sweden. Capio has also acquired a minority share in Doctrin AB to further support the development of e-health services that can improve the healthcare system. The minority share is not expected to have any significant financial impact in 2017.

New Country President of Capio in Sweden (Sweden)

Capio is taking a next step in Sweden to increase specialization and digitalization and to increase focus on efficient care chains. As the leader of this new step, Britta Wallgren was appointed Country President of Capio's Swedish operations. Since March, Britta is a member of Capio's Group Management team and reports to Capio's President and CEO, Thomas Berglund.

Previously, Britta Wallgren was the Business area manager of Capio S:t Göran's hospital, and since many years, she is a member of Capio's international management team. During March 2017, Britta took over the management of Capio's Swedish operation from Capio's President and CEO, Thomas Berglund.

At the same time, Sofia Palmquist, previously the deputy Business area manager of Capio S:t Göran's hospital, was appointed Business area manager of the hospital. Sofia holds an MSc in Economics and joined the hospital in 2007.

Capio Sweden, which is the largest part of the Nordic segment, had net sales in 2016 of MSEK 6,891 and includes all Swedish operations in the areas of primary care, somatic and psychiatric specialist care, and emergency care.

Sale of shares in Capio AB (publ) by Apax Europe

On February 24, 2017 Apax Europe divested their total remaining shareholding in Capio AB of 15,176,793 shares (10.75% of the votes) to institutional investors.

Change in Capio's Board of Directors

Arnaud Bosquet, representing Apax Europe, resigned as a member of the Board of Directors of Capio AB (publ) as of March 15, 2017.

Capio establishes a Swedish Commercial Paper Program

As announced on March 20, 2017, Capio has established an MSEK 2,000 Swedish Commercial Paper Program with four banks, of which DNB is acting as arranger and dealer and SEB, Danske Bank, and Nordea are acting as dealers.

The Commercial Paper Program will mainly be used for short-term financing of working capital needs and is a complement to the Group´s MEUR 500 Multicurrency Term and Revolving Facilities Agreement that was established in connection with the IPO in 2015.

Significant events after the period

At the release of this interim report there were no significant events after the period to be reported.

Other events after the period

Competition case concerning Capio S:t Göran's hospital (Sweden)

Since 2013, Capio S:t Görans Sjukhus AB has been involved in court proceedings with the Swedish Competition Authority regarding a subcontracting agreement entered into in connection with the Stockholm County Council's (SCC) procurement in 2008 for clinical physiology services.

On April 28, 2017, the Swedish Patent and Market Court of Appeal announced its judgement of the case and dismissed the Swedish Competition Authority's request for fines and acquitted Capio S:t Göran's Hospital. The judgment sets aside a previous District Court judgment from 2015. The ruling cannot be appealed and the case is now closed. Refer to Capio's press release from April 28, 2017 for more information about the case.

Acquisition of the Swedish eye specialist clinic Globen Ögonklinik (Sweden)

As announced on April 24, 2017, Capio has agreed to acquire 100% of the shares in Globen Ögonklinik (PanSyn Sweden AB, including subsidiaries) ("Globen"). The clinic is specialized in ophthalmology and offers complex eye treatments, including cataract surgery, RLE (Refractive Lens Exchange) and refractive laser treatments. Net sales in 2016 were MSEK 75. The acquisition further strengthens Capio's healthcare offering within ophthalmology and expands the Group's footprint in the Nordics. Enterprise value is MSEK 75 and the acquisition, which is subject to approval by the county council (SLL), is expected to be closed and included in Capio from May 31, 2017. The acquisition is not expected to significantly impact the Group's earnings in 2017.

Psychiatric contract in Stockholm (Sweden)

In September 2016, it was announced that Capio had been awarded a new contract and lost one of the current contracts in Stockholm. Capio appealed the lost contract and the current contract was extended. In April 2017, the Administrative Court rejected the appeal and Capio has decided to end the process and not appeal further. Hence, the psychiatric contract will be handed over to a new provider as from January 1, 2018. The lost contract is not expected to significantly impact the Group's earnings development going forward.

Risks and uncertainties

Political, operational and financial risks

The Group is exposed, through its international operations, to a variety of risks that may give rise to fluctuation in profit/loss, other comprehensive income and cash flow. Key areas of risk encompass political, operational and financial risks. Various policies govern the management of key risks. Refer to the Capio Annual Report 2016 for a further description of risks and risk management.

Seasonal variations

The Group's net sales and operating result fluctuate across the year, mainly due to lower elective (planned) activity during the summer period and lower activity during the holiday season at the end of the year. Operations are also impacted by e.g. Easter holiday and bank holidays, whichever could occur in different months/quarters in different years. The Group's cash flow is normally stronger in the second half of the year, impacted by some seasonal effects including improvements in working capital. The above factors should be taken into consideration when making assessments on the basis of interim financial information.

Condensed financial reports

Condensed statement of comprehensive income – Capio Group

	JAN - MAR		FULL YEAR	
	2017	**2016**	**RTM**	**2016**
Net sales	3,914	3,603	14,380	14,069
Direct costs	-3,201	-2,970	-11,928	-11,697
Gross result	**713**	**633**	**2,452**	**2,372**
Administrative expenses	-481	-438	-1,771	-1,728
Operating result (EBITA)	**232**	**195**	**681**	**644**
Amortization on surplus values	-25	-19	-81	-75
Restructuring and other non-recurring items and acquisition related costs	2	0	-9	-11
Operating result (EBIT)	**209**	**176**	**591**	**558**
Net interest	-19	-18	-76	-75
Other financial items	-4	-4	-21	-21
Profit after financial items	**186**	**154**	**494**	**462**
Income tax	-33	-31	-57	-55
Profit for the period	**153**	**123**	**437**	**407**
Operating result (EBITDA)	**342**	**296**	**1,107**	**1,061**
Other comprehensive income that will be reclassified into profit/loss:				
Hedge effect in foreign investment	-4	0	26	30
Translation differences	-6	28	81	115
Revaluation reserve, convertible debenture loans	0	0	10	10
Income taxes related to other comprehensive income	0	0	-2	-2
Other comprehensive income that will be reclassified into profit/loss, net of income tax	**-10**	**28**	**115**	**153**
Other comprehensive income that will not be reclassified into profit/loss:				
Revaluation of defined benefit plans	15	9	-21	-27
Income taxes related to other comprehensive income	-3	-2	4	5
Other comprehensive income that will not be reclassified into profit/loss, net of income tax	**12**	**7**	**-17**	**-22**
Total comprehensive income for the period, net of income tax	**155**	**158**	**535**	**538**
Profit attributable to:				
Parent Company shareholders	152	122	434	404
Non-controlling interest	1	1	3	3
	153	**123**	**437**	**407**
Total comprehensive income attributable to:				
Parent Company shareholders	155	157	533	535
Non-controlling interest	0	1	2	3
	155	**158**	**535**	**538**
Earnings per share[1]:				
Earnings per share before dilution, SEK	1.08	0.86	3.07	2.86
Earnings per share after dilution, SEK	1.10	0.86	3.10	2.86

[1] Refer to note 2 for calculation of earnings per share (before and after dilution).

Condensed financial reports (cont.)

Condensed balance sheet – Capio Group

	2017	2016	
	31 Mar	31 Dec	31 Mar
Intangible assets	7,830	7,105	6,898
Tangible fixed assets	2,320	2,358	2,252
Financial fixed assets	673	629	598
Total fixed assets	**10,823**	**10,092**	**9,748**
Inventories	249	248	220
Accounts receivables - trade	578	712	692
Short-term investments and interest-bearing receivables	2	2	2
Cash and cash equivalents	176	321	20
Other current assets	1,510	1,157	1,222
Total current assets	**2,515**	**2,440**	**2,156**
Total assets	**13,338**	**12,532**	**11,904**
Equity attributable to Parent Company shareholders	5,598	5,443	5,138
Equity attributable to non-controlling interest	26	29	22
Total equity	**5,624**	**5,472**	**5,160**
Provisions for employee benefits	339	365	330
Deferred income tax liabilities	650	600	605
Long-term liabilities, interest-bearing	3,406	3,162	2,978
Long-term liabilities and provisions, non-interest-bearing	334	103	106
Total long-term liabilities and provisions	**4,729**	**4,230**	**4,019**
Current liabilities, interest-bearing	85	90	109
Accounts payable – trade	715	795	600
Current income tax liabilities	72	27	32
Accrued expenses and prepaid income	1,621	1,437	1,480
Other current liabilities	492	481	504
Total current liabilities	**2,985**	**2,830**	**2,725**
Total liabilities, provisions and shareholders' equity	**13,338**	**12,532**	**11,904**

Condensed financial reports (cont.)

Condensed statement of cash flow – Capio Group

	JAN - MAR		FULL YEAR	
	2017	**2016**	**RTM**	**2016**
Operating result (EBIT)	209	176	591	558
Reversal of depreciations/amortizations and impairments	136	121	514	499
Items not affecting cash flow[1]	-20	0	-48	-28
Interest received and paid	-25	-24	-94	-93
Taxes paid	-6	-6	-48	-48
Cash flow from operating activities before changes in working capital	**294**	**267**	**915**	**888**
Change in net working capital	-134	-189	-35	-90
Cash flow from operating activities	**160**	**78**	**880**	**798**
Acquisition of companies	-488	-4	-518	-34
Divestment of companies	27	-	51	24
Payment to non-controlling interest	-3	-	-5	-2
Acquisition/divestment of financial fixed assets	-13	6	-5	14
Investments in tangible and intangible fixed assets	-78	-97	-446	-465
Divestments of tangible fixed assets	42	7	47	12
Cash flow from investment activities	**-513**	**-88**	**-876**	**-451**
Increase/decrease in external loans	251	-30	365	84
Amortizations	-44	-56	-134	-146
Dividend	0	0	-71	-71
Transaction costs for the IPO and new share issue	0	-2	-6	-8
Cash flow from financing activities	**207**	**-88**	**154**	**-141**
Cash flow from operations	**-146**	**-98**	**158**	**206**
Currency differences in cash and cash equivalents	1	0	-2	-3
Change in cash and cash equivalents	**-145**	**-98**	**156**	**203**
Opening balance, cash and cash equivalents	**321**	**118**	**321**	**118**
Closing balance, cash and cash equivalents	**176**	**20**	**477**	**321**

[1] Related to capital gains.

Condensed financial reports (cont.)

Changes in shareholders' equity – Capio Group

	Share capital	Other contributed capital	Other reserves	Translation reserve	Retained earnings	Non-controlling interest	Share-holders' equity
Opening balance at January 1, 2016	**72**	**710**	**-133**	**234**	**4,098**	**20**	**5,001**
Profit for the year					122	1	123
Other comprehensive income			7	28			35
Total comprehensive income	**0**	**0**	**7**	**28**	**122**	**1**	**158**
Change in non-controlling interest						1	1
Total transactions with shareholders	**0**	**0**	**0**	**0**	**0**	**1**	**1**
Closing balance at March 31, 2016	**72**	**710**	**-126**	**262**	**4,220**	**22**	**5,160**

	Share capital	Other contributed capital	Other reserves	Translation reserve	Retained earnings	Non-controlling interest	Share-holders' equity
Opening balance at January 1, 2016	**72**	**710**	**-133**	**234**	**4,098**	**20**	**5,001**
Profit for the year					404	3	407
Other comprehensive income			-14	145			131
Total comprehensive income	**0**	**0**	**-14**	**145**	**404**	**3**	**538**
Dividend					-71		-71
Dividend to non-controlling interest					-2		-2
Change in non-controlling interest						6	6
Total transactions with shareholders	**0**	**0**	**0**	**0**	**-73**	**6**	**-67**
Closing balance at December 31, 2016	**72**	**710**	**-147**	**379**	**4,429**	**29**	**5,472**

	Share capital	Other contributed capital	Other reserves	Translation reserve	Retained earnings	Non-controlling interest	Share-holders' equity
Opening balance at January 1, 2017	**72**	**710**	**-147**	**379**	**4,429**	**29**	**5,472**
Reclassification[1]		8	147		-155		
Profit for the year					152	1	153
Other comprehensive income				-9	12	-1	2
Total comprehensive income	**0**	**0**	**0**	**-9**	**164**	**0**	**155**
Change in non-controlling interest						-3	-3
Total transactions with shareholders	**0**	**0**	**0**	**0**	**0**	**-3**	**-3**
Closing balance at March 31, 2017	**72**	**718**	**0**	**370**	**4,438**	**26**	**5,624**

[1] Reclassification is mainly related to historical actuarial gains and losses from defined benefit plans.

Parent Company

Condensed statement of comprehensive income – Parent Company

	JAN - MAR		FULL YEAR
	2017	**2016**	**2016**
Net sales	7	6	26
Gross result	**7**	**6**	**26**
Administrative expenses	-10	-8	-33
Operating profit/loss	**-3**	**-2**	**-7**
Financial items	-2	0	73
Profit/loss after financial items	**-5**	**-2**	**66**
Income tax	-	-	-
Profit/loss for the period	**-5**	**-2**	**66**
Other comprehensive income	-	-	-
Total comprehensive income for the period, net of income tax	**-5**	**-2**	**66**

Condensed balance sheet – Parent Company

	2017	2016	
	31 Mar	**31 Dec**	**31 Mar**
Fixed assets	4,025	4,012	4,009
Current assets	901	923	774
Total assets	**4,926**	**4,935**	**4,783**
Equity	4,763	4,768	4,763
Liabilities	163	167	20
Total equity and liabilities	**4,926**	**4,935**	**4,783**

The Group's Parent Company, Capio AB (publ), is not involved in any operating activities. It only provides group management functions.

January – March 2017

The Parent Company's net sales and gross result in the period derive from management fees charged to subsidiaries. The administrative expenses in the quarter were mainly related to personnel costs.

Financial items in the quarter were related to interest costs for the convertible debenture loans. The financial items for the full year 2016 included a group contribution of MSEK 78 and interest costs for the convertible debenture loans.

As of March 31, 2017

The Parent Company's fixed assets as of March 31, 2017 amounted to MSEK 4,025 (4,012 as of December 31, 2016) and mainly comprised shares in subsidiaries. Current assets as of March 31, 2017 amounted to MSEK 901 (923 as of December 31, 2016) and mainly comprised cash and cash equivalents and a receivable related to the group contribution from 2016. The change in current assets compared to March 31, 2016 was mainly explained by the impact of the convertible debenture loans (MSEK 155).

Shareholders' equity as of March 31, 2017 amounted to MSEK 4,763 (4,768 as of December 31, 2016). The Parent Company's liabilities amounted to MSEK 163 as of March 31, 2017 (167 as of December 31, 2016) and were mainly related to the convertible debenture loans and personnel related accruals. The change in liabilities compared with March 31, 2016 was mainly explained by the convertible debenture loans issued during the third quarter in 2016.

Notes

1. Accounting principles

All amounts in the interim report are stated in millions of Swedish kronor (MSEK) if not else stated.

This report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable rules in the Swedish Annual Accounts Act. Capio's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups. Disclosures in accordance with IAS 34.16A appear in addition to the interim financial statements also in other parts of the interim report. The applied accounting principles are available in Capio's Annual Report 2016 and also on the Group's website www.capio.com. The Parent Company's financial statements are prepared in accordance with chapter nine of the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 2 Accounting for Legal Entities.

Effects of amended and revised IFRS 2017 or later

A number of newly issued and changed IFRS have yet to be made effective and have therefore not been applied in the Group's consolidated financial statements. IFRS that have the potential to affect the Group's consolidated financial statements are listed below. For further descriptions refer to Capio's Annual Report 2016.

IFRS 9 Financial Instruments
IFRS 9 encompasses the accounting standards for financial assets and liabilities, and replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 will be applied for annual periods beginning on or after January 1, 2018. During 2017 an assessment will be made to estimate what implications the transition to IFRS 9 will have on the Group's consolidated financial statements. The Group does not expect a significant impact on its consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 replaces all existing revenue requirements in IFRS, and its requirement also provides a model for the recognition of revenue. IFRS 15 will be applied for annual periods beginning on or after January 1, 2018. The Group has started to evaluate the potential impact the standard will have on the consolidated financial statements including the increase of disclosure requirements. Evaluation has been made by identifying and analyzing the customer contracts for the essential Swedish companies. The different performance obligations in the contracts have been identified and analyzed based on the five-step model in IFRS 15. To date no significant implications have been noted. During 2017 the Group will identify and analyze the Group's foreign operations to evaluate the potential impact under IFRS 15.The Group has not yet decided on which approach to apply, but if the transition to IFRS 15 will not have a significant impact on the consolidated financial statements, the Group intends to apply the modified retrospective approach.

IFRS 16 Leases
IFRS 16 replaces IAS 17 and is estimated to be effective for annual periods beginning on or after January 1, 2019. The EU has yet to approve the new standard, but it is expected to be approved during 2017. The Group has significant lease agreements for properties where the healthcare business is conducted, which means that the implementation of IFRS 16 will have a significant effect on the Group's consolidated financial statements. In 2017, the Group will analyze the potential effect of IFRS 16 on its consolidated financial statements.

Other significant estimates

For critical estimates and assessments, provisions and contingent liabilities refer to Capio's Annual Report 2016. If no significant events have occurred relating to the information in the 2016 Annual Report, no further comments are made in the interim report.

2. Earnings per share

	JAN - MAR		FULL YEAR	
BEFORE DILUTION	**2017**	**2016**	**RTM**	**2016**
Average number of outstanding shares, Number[1]	141,159,661	141,159,661	141,159,661	141,159,661
Profit for the period attributable to Parent Company shareholders net of income tax, MSEK	152	122	434	404
Adjusted profit for the period attributable to Parent Company shareholders net of income tax, MSEK[2]	168	136	499	467
Earnings per share before dilution, SEK[2]	**1.08**	**0.86**	**3.07**	**2.86**
Adjusted earnings per share before dilution, SEK[2]	**1.19**	**0.97**	**3.54**	**3.31**

1 Total number of outstanding shares as of March 31, 2017 was 141,159,661 (all common shares).
2 Refer to definitions on page 32.

	JAN - MAR		FULL YEAR	
AFTER DILUTION	**2017**	**2016**	**RTM**	**2016**
Average number of outstanding shares, Number[1]	144,094,983	141,159,661	143,266,659	142,575,049
Profit for the period attributable to Parent Company shareholders net of income tax, MSEK	158	122	444	408
Adjusted profit for the period attributable to Parent Company shareholders net of income tax, MSEK[2]	174	136	509	471
Earnings per share after dilution, SEK[2]	**1.10**	**0.86**	**3.10**	**2.86**
Adjusted earnings per share after dilution, SEK[2]	**1.21**	**0.97**	**3.55**	**3.30**

1 Average number of outstanding shares after dilution including effects from the convertible debenture loans issued during the third quarter 2016.
2 Refer to definitions on page 32.

Notes (cont.)

Reconciliation of reported and adjusted profit

BEFORE DILUTION, MSEK	JAN - MAR 2017	JAN - MAR 2016	FULL YEAR RTM	FULL YEAR 2016
Profit for the period attributable to Parent Company shareholders net of income tax	152	122	434	404
Amortization on surplus values	25	19	81	75
Restructuring and other non-recurring items and acquisition related costs	-2	0	9	11
Income tax related to adjustments	-7	-5	-25	-23
Adjusted profit for the period attributable to Parent Company shareholders net of income tax	**168**	**136**	**499**	**467**

AFTER DILUTION, MSEK	JAN - MAR 2017	JAN - MAR 2016	FULL YEAR RTM	FULL YEAR 2016
Profit for the period attributable to Parent Company shareholders net of income tax	158	122	444	408
Amortization on surplus values	25	19	81	75
Restructuring and other non-recurring items and acquisition related costs	-2	0	9	11
Income tax related to adjustments	-7	-5	-25	-23
Adjusted profit for the period attributable to Parent Company shareholders net of income tax	**174**	**136**	**509**	**471**

3. Restructuring and other non-recurring items and acquisition related costs

MSEK	JAN - MAR 2017	JAN - MAR 2016
Divestments, impairments and restructuring items[1]	3	1
Other and acquisition related costs[2]	-1	-1
Restructuring and other non-recurring items and acquisition related costs	**2**	**0**

[1] Divestments, impairments and restructuring items 2017 were mainly related to a capital gain from the divestment of Klinik an der Weissenburg (Germany), net of structural costs in Germany and Sweden. Structural costs in Sweden were primarily related to the acquisition of Backa. Restructuring costs in 2016 were mainly related to ongoing structural projects in the French segment.

[2] Other items were mainly acquisition related transaction costs.

4. Financial instruments

Derivatives are reported as level 2 and used for the purpose of hedging interest rates. The derivatives were valued using the mid-point of the yield curve prevailing on the reporting date and represent the net present value of the difference between the contracted rate and the valuation rate. Any change in the fair value of the interest rate cap transactions is recognized in the income statement and amounted to MSEK 1 as of March 31, 2017. The table discloses the portion of the market value arising from future changes in market interest rates.

	31 Mar 2017	31 Mar 2016	31 Dec 2016
Interest rate caps (Options)	1	-1	-2

In terms of financial assets and liabilities other than those disclosed in the table below, fair value is deemed to be approximately equal to their book values. These assets and liabilities are valued at amortized costs. They are not valued at fair value through profit and loss but their fair values are disclosed. Fair value is calculated in accordance with a discounted cash flow method and they are allocated to the fair value hierarchy level 3. A full comparison of fair value and book value for all financial assets and liabilities is disclosed in note 16 in the Annual Report 2016.

	31 Mar 2017		31 Dec 2016		31 Mar 2016	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
Commitments in financial leasing	584	598	601	615	614	628
Bank loans and convertible debt	2,874	2,897	2,624	2,650	2,418	2,444
Total	**3,458**	**3,495**	**3,225**	**3,265**	**3,032**	**3,072**

Notes (cont.)

5. Acquisitions and divestments of operations

Acquisitions during 2017	CFR Hospitaler A/S	Backa Läkarhus AB	Total
Share of voting rights and equity %	70[1]	100	
Acquired net assets[2]:			
Capital employed	1	-12	**-11**
Net debt	-10	49	**39**
Acquired net assets (excluding acquisition related intangible assets)	**-9**	**37**	**28**
Acquisition related intangible assets	113	100	**213**
Deferred income tax	-25	-22	**-47**
Goodwill	325	222	**547**
Total purchase price	**404**	**337**	**741**
Outstanding purchase price less acquired cash			**-253**
Cash flow effect of acquisitions			**488**
Contribution to Group´s net sales and operating result:			
Net sales	103	32	**135**
Operating result (EBIT)	7	-1	**6**

[1] The acquired share is 70%, with an option for Capio to acquire (and the non-controlling interest has an option to sell) the remaining 30% after two years. Since it is highly probable that the option to acquire the remaining shares will be exercised, the company is consolidated to 100% from January 1, 2017, without recognition of any non-controlling interest.

[2] Purchase price allocations are still preliminary.

If the acquisitions in 2017 had taken place as per January 1, 2017, the full year net sales pro forma effect would have been MSEK 198.

Divestments during 2017	Capio Deutsche Klinik Weissenburg GmbH
Divested net assets:	
Capital employed	15
Net debt	4
Divested net assets	**19**
Capital gain from divested companies	20
Less cash and cash equivalents in divested companies	-4
Outstanding sales price	-8
Cash flow effect of divestments	**27**

Notes (cont.)

6. Segments

Capio organizes its business in three operational segments: Capio Nordic (Sweden, Norway, and Denmark since January 2017), Capio France and Capio Germany. Each segment provides a wide range of healthcare services and the organization is structured to facilitate the provision of healthcare at the most efficient care level for each patient. Further information about the segments are found in Capio Annual Report 2016 (Business overview). The units in the segments are consolidated in accordance with the same principles applied for the Group as whole. Transactions between Group companies and business areas are conducted on a strictly commercial basis. Other in this context relates to the Parent Company and a number of holding companies. Within Capio Nordic, a customer relationship based on one contract corresponded to a total net sales of MSEK 470 during the first quarter 2017 (Jan-Mar 2016: MSEK 445; Jan-Dec 2016: 1,763), which is equivalent to more than 10% of the Group's net sales.

	JAN - MAR				FULL YEAR			
Net sales and organic sales growth	**2017**	**%**	**2016**	**%**	**RTM**	**%**	**2016**	**%**
Capio Nordic	2,153	*4.9*	1,904	*3.0*	7,833	*4.3*	7,584	*3.8*
Capio France	1,434	*0.7*	1,387	*5.1*	5,360	*1.3*	5,313	*2.4*
Capio Germany	327	*4.6*	312	*1.7*	1,187	*4.8*	1,172	*4.0*
Other	0		0		0		0	
Eliminations	-		-		-		-	
Capio Group	**3,914**	***3.3***	**3,603**	***3.7***	**14,380**	***3.2***	**14,069**	***3.3***
Operating result (EBITDA) and margin								
Capio Nordic	152	*7.1*	112	*5.9*	562	*7.2*	522	*6.9*
Capio France	170	*11.9*	170	*12.2*	518	*9.7*	518	*9.7*
Capio Germany	45	*13.8*	38	*12.1*	115	*9.7*	108	*9.2*
Other	-25		-24		-88		-87	
Eliminations	-		-		-		-	
Capio Group	**342**	***8.7***	**296**	***8.2***	**1,107**	***7.7***	**1,061**	***7.5***
Operating result (EBITA) and margin								
Capio Nordic	109	*5.1*	77	*4.0*	403	*5.1*	371	*4.9*
Capio France	111	*7.7*	111	*8.0*	283	*5.3*	283	*5.3*
Capio Germany	39	*11.9*	32	*10.2*	90	*7.6*	83	*7.1*
Other	-27		-25		-95		-93	
Eliminations	-		-		-		-	
Capio Group	**232**	***5.9***	**195**	***5.4***	**681**	***4.7***	**644**	***4.6***
Operating result (EBIT) and margin								
Capio Nordic	83	*3.9*	64	*3.4*	323	*4.1*	304	*4.0*
Capio France	104	*7.3*	108	*7.8*	276	*5.1*	280	*5.3*
Capio Germany	50	*15.3*	27	*8.7*	87	*7.3*	64	*5.5*
Other	-28		-23		-95		-90	
Eliminations	-		-		-		-	
Capio Group	**209**	***5.3***	**176**	***4.9***	**591**	***4.1***	**558**	***4.0***
Capital expenditure and in % of net sales								
Capio Nordic	-37	*1.7*	-45	*2.4*	-161	*2.1*	-169	*2.2*
Capio France	-35	*2.4*	-41	*3.0*	-243	*4.5*	-249	*4.7*
Capio Germany	-4	*1.2*	-10	*3.2*	-29	*2.4*	-35	*3.0*
Other	-2		-1		-12		-11	
Eliminations	-		-		-		-	
Capio Group	**-78**	***2.0***	**-97**	***2.7***	**-445**	***3.1***	**-464**	***3.3***
Assets								
Capio Nordic	5,803		4,667		5,803		4,903	
Capio France	6,804		6,283		6,804		6,644	
Capio Germany	1,361		1,356		1,361		1,368	
Other	3,556		2,818		3,556		3,259	
Eliminations	-4,186		-3,220		-4,186		-3,642	
Capio Group	**13,338**		**11,904**		**13,338**		**12,532**	
Liabilities								
Capio Nordic	3,298		2,409		3,298		2,523	
Capio France	3,782		3,503		3,782		3,669	
Capio Germany	940		1,003		940		984	
Other	3,880		3,049		3,880		3,526	
Eliminations	-4,186		-3,220		-4,186		-3,642	
Capio Group	**7,714**		**6,744**		**7,714**		**7,060**	

Notes (cont.)

7. Pledged assets

For own debts and provisions	2017 31 Mar	2016 31 Dec	31 Mar
Shares in subsidiaries	124	124	124
Cash and cash equivalents	11	10	12
Property mortgages	1,228	1,233	1,200
Endowment insurance	38	38	38
Total	**1,401**	**1,405**	**1,374**

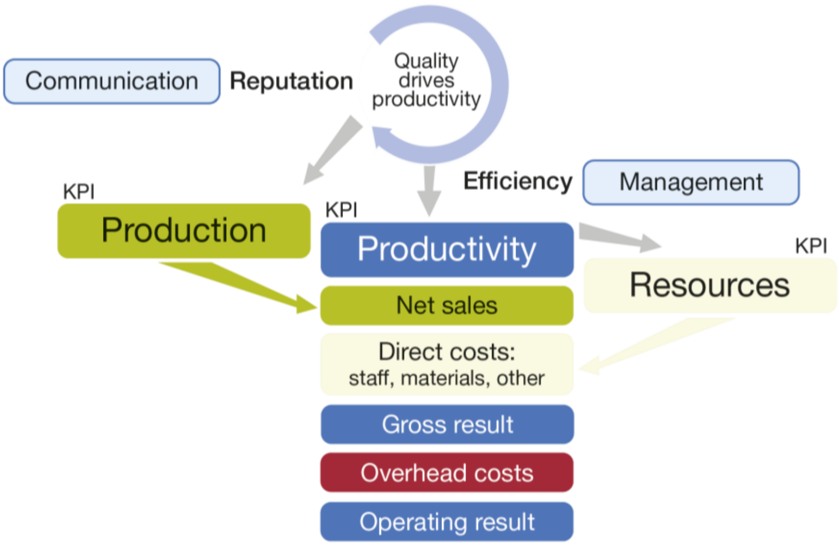
8. Contingent liabilities

	2017 31 Mar	2016 31 Dec	31 Mar
Guarantee and other commitments	22	22	8
Total	**22**	**22**	**8**

9. Non IFRS financial measures

Capio’s financial model

In order to support Capio’s strategy and managers at all levels, Capio has developed a financial model that links relevant Key Performance Indicators (KPI) with their corresponding financial impact. As the model is based on the relation between quality, productivity and financial outcomes, the financial model supports the Group’s understanding of what creates good healthcare and increased quality. This allows Capio to continuously refine its healthcare processes, enabling improved quality in healthcare provided to patients, and concurrently, improved financial results.



Financial statements

The Group’s income statement is presented in a functional format in order to measure the productivity from the use of resources in relation to the production of healthcare. To financially measure productivity, direct costs are subtracted from net sales in order to obtain the gross result (and gross margin). Thereafter administrative expenses (overhead costs) are subtracted from gross result in order to obtain the operating result (and operating margin). Gross result is the key measure for productivity, indicating whether the Group performs healthcare operations efficiently. Operating results adds information as to whether the Group’s operating structure is efficient.

The Group’s income statement includes certain restructuring and other non-recurring items. These items are mainly related to structural effects incurred over the prior years as a consequence of preparing the Group for the IPO made in 2015 and the still ongoing program in France whereby a large part of the hospital properties are being modernized.

The balance sheet is also presented in an operational format, tracking capital employed, net debt and equity, in order to track and manage capital needs and resources throughout the Group. Capio’s overall goal for operating capital management is to strike a balance between optimizing operating capital in order to

Notes (cont.)

generate cash flows, while making appropriate investments in order to grow the business. The operating capital management integrates all parts of the organization and requires clear and efficient processes, such as the sales process and salary process.

Related to the Group's operational balance sheet the cash flow is also presented in an operational format, reconciling changes in net debt.

To better support Capio's financial model, the Group tracks and presents financial measures which are not measures of financial performance or liquidity under IFRS. Such non-IFRS financial measures are defined on page 32 and in the following tables reconciliations of IFRS measures and non-IFRS measures (Additional Performance Measures, APM) are presented:

Specification of Income statement items

	JAN - MAR		FULL YEAR	
	2017	**2016**	**RTM**	**2016**
Operating result (EBITA)	**232**	**195**	**681**	**644**
whereof depreciation	*110*	*101*	*426*	*417*
Operating result (EBITDA)	**342**	**296**	**1,107**	**1,061**
whereof rent	*195*	*180*	*741*	*726*
Operating result (EBITDAR)	**537**	**476**	**1,848**	**1,787**

Reconciliation of IFRS and APM related to Balance sheet items

	2017	2016	
	31 Mar	**31 Dec**	**31 Mar**
Total fixed assets, IFRS	**10,823**	**10,092**	**9,748**
whereof operating capital employed[1]	*2,218*	*2,225*	*2,091*
whereof other operating capital employed[2]	*8,548*	*7,810*	*7,602*
whereof net debt[3]	*57*	*57*	*55*
Total current assets, IFRS	**2,515**	**2,440**	**2,156**
whereof operating capital employed[1]	*2,215*	*2,025*	*2,034*
whereof other operating capital employed[2]	*122*	*92*	*100*
whereof net debt[3]	*178*	*323*	*22*
Total long-term liabilities and provisions, IFRS	**4,729**	**4,230**	**4,019**
whereof operating capital employed[1]	*107*	*81*	*75*
whereof other operating capital employed[2]	*1,216*	*987*	*966*
whereof net debt[3]	*3,406*	*3,162*	*2,978*
Total current liabilities, IFRS	**2,985**	**2,830**	**2,725**
whereof operating capital employed[1]	*2,731*	*2,615*	*2,484*
whereof other operating capital employed[2]	*170*	*125*	*133*
whereof net debt[3]	*84*	*90*	*108*
Operating capital employed[1], APM	**1,594**	**1,554**	**1,566**
Other operating capital employed[2], APM	**7,285**	**6,790**	**6,603**
Net debt[3], APM	**3,255**	**2,872**	**3,009**
Equity	**5,624**	**5,472**	**5,160**

Reconciliation of IFRS and APM measures related to Cash flow items

	JAN - MAR		FULL YEAR	
	2017	**2016**	**RTM**	**2016**
Cash flow from operating activities, IFRS	**160**	**78**	**880**	**798**
Taxes paid	6	6	48	48
Interest received and paid	25	24	94	93
Restructuring items	5	20	-30	-15
Capital expenditure	-78	-97	-445	-464
Divestments of fixed assets	11	1	16	6
Other adjustments[1]	16	-13	40	11
Operating cash flow, APM	**145**	**19**	**603**	**477**

1 Other adjustments comprise costs related to acquisitions and other working capital adjustments.

Notes (cont.)

	JAN - MAR		FULL YEAR	
	2017	2016	RTM	2016
Acquisition of companies	-488	-4	-518	-34
Divestment of companies	27	-	51	24
Acquisition/divestment of financial fixed assets	-13	6	-5	14
Acquisition and divestments of companies and financial fixed assets, IFRS	**-474**	**2**	**-472**	**4**
Acquisition of non-controlling interest	-3	-	-3	-
Divestment of financial fixed assets	-	-6	-8	-14
Acquired/divested net debt and paid costs acquisition	-21	-	-39	-18
Acquisition and divestments of companies, APM	**-498**	**-4**	**-522**	**-28**

	JAN - MAR		FULL YEAR	
	2017	2016	RTM	2016
Investments in tangible and intangible fixed assets	-78	-97	-446	-465
Divestments of tangible fixed assets	42	7	47	12
Investments and divestments, IFRS	**-36**	**-90**	**-399**	**-453**
Items included in received/paid restructuring and other non-recurring items	-31	-6	-30	-5
Net capital expenditure, APM	**-67**	**-96**	**-429**	**-458**

	JAN - MAR		FULL YEAR	
	2017	2016	RTM	2016
Interest received and paid, IFRS	**-25**	**-24**	**-94**	**-93**
Paid borrowing costs included in net debt	-	-	5	5
Net financial items paid, APM	**-25**	**-24**	**-89**	**-88**

	JAN - MAR		FULL YEAR	
	2017	2016	RTM	2016
Taxes paid, IFRS	**-6**	**-6**	**-48**	**-48**
Items included in received/paid restructuring and other non-recurring items	-	-	-	-
Income taxes paid, APM	**-6**	**-6**	**-48**	**-48**

Signatures

The Board of Directors and the Chief Executive Officer hereby certify that the interim report gives a true and fair view of the Parent Company's and Group's operations, financial position and profit/loss and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Capio AB (publ)

Gothenburg, May 3, 2017

Anders Narvinger
Chairman

Thomas Berglund
Chief Executive Officer

Gunnar Németh
Vice Chairman

Gun Nilsson

Fredrik Näslund

Birgitta Stymne Göransson

Michael Flemming

Pascale Richetta

Kevin Thompson
Employee representative

Julia Turner
Employee representative

This interim report has not been subject to a review by the Company's auditors.

Quarterly overview

Income statement by quarter – Group

	2017	2016				FULL YEAR	
	Q1	**Q4**	**Q3**	**Q2**	**Q1**	**RTM**	**2016**
Net sales outpatients	1,982	1,815	1,561	1,802	1,771	7,160	6,949
In % of net sales	*50.6*	*48.7*	*49.3*	*50.4*	*49.2*	*49.8*	*49.4*
Net sales inpatients	1,682	1,659	1,380	1,539	1,600	6,260	6,178
In % of net sales	*43.0*	*44.6*	*43.5*	*43.1*	*44.4*	*43.5*	*43.9*
Net sales other	250	251	227	232	232	960	942
In % of net sales	*6.4*	*6.7*	*7.2*	*6.5*	*6.4*	*6.7*	*6.7*
Net sales	**3,914**	**3,725**	**3,168**	**3,573**	**3,603**	**14,380**	**14,069**
Total sales growth, %	*8.6*	*6.1*	*3.7*	*3.8*	*3.6*	*5.6*	*4.3*
Organic sales growth, %	*3.3*	*2.9*	*2.6*	*4.0*	*3.7*	*3.2*	*3.3*
Direct cost	-3,201	-3,079	-2,690	-2,958	-2,970	-11,928	-11,697
Gross result	**713**	**646**	**478**	**615**	**633**	**2,452**	**2,372**
Gross margin, %	*18.2*	*17.3*	*15.1*	*17.2*	*17.6*	*17.1*	*16.9*
Total overhead	-481	-463	-384	-443	-438	-1,771	-1,728
Operating result (EBITA)	**232**	**183**	**94**	**172**	**195**	**681**	**644**
Operating margin (EBITA), %	*5.9*	*4.9*	*3.0*	*4.8*	*5.4*	*4.7*	*4.6*
Amortization on surplus values	-25	-19	-18	-19	-19	-81	-75
Restructuring and other non-recurring items and acquisition related cost	2	-11	-4	4	0	-9	-11
Operating result (EBIT)	**209**	**153**	**72**	**157**	**176**	**591**	**558**
Net interest	-19	-19	-20	-18	-18	-76	-75
Other financial items	-4	-5	-9	-3	-4	-21	-21
Profit after financial items	**186**	**129**	**43**	**136**	**154**	**494**	**462**
Income tax	-33	7	-9	-22	-31	-57	-55
Profit for the period	**153**	**136**	**34**	**114**	**123**	**437**	**407**
Operating result (EBITDAR)	**537**	**474**	**381**	**456**	**476**	**1,848**	**1,787**
Operating margin (EBITDAR), %	*13.7*	*12.7*	*12.0*	*12.8*	*13.2*	*12.9*	*12.7*
Operating result (EBITDA)	**342**	**289**	**200**	**276**	**296**	**1,107**	**1,061**
Operating margin (EBITDA), %	*8.7*	*7.8*	*6.3*	*7.7*	*8.2*	*7.7*	*7.5*

Quarterly overview (cont.)

Capital employed and financing by quarter – Group

	2017	2016			
	31 Mar	**31 Dec**	**30 Sep**	**30 Jun**	**31 Mar**
Operating capital employed	1,594	1,554	1,614	1,472	1,566
In % of net sales	*11.1*	*11.0*	*11.7*	*10.7*	*11.5*
Other capital employed	7,285	6,790	6,921	6,734	6,603
Capital employed	**8,879**	**8,344**	**8,535**	**8,206**	**8,169**
Return on capital employed, %	***7.7***	***7.7***	***7.5***	***7.7***	***7.3***
Net debt	3,255	2,872	3,149	2,941	3,009
Financial leverage	*2.9*	*2.7*	*3.0*	*2.8*	*3.0*
Equity	5,624	5,472	5,386	5,265	5,160
Financing	**8,879**	**8,344**	**8,535**	**8,206**	**8,169**

Cash flow by quarter – Group

	2017	2016				FULL YEAR	
	Q1	**Q4**	**Q3**	**Q2**	**Q1**	**RTM**	**2016**
Net debt opening	**-2,872**	**-3,149**	**-2,941**	**-3,009**	**-2,936**	**-3,009**	**-2,936**
Operating result (EBITA)	**232**	**183**	**94**	**172**	**195**	**681**	**644**
Capital expenditure	-78	-142	-111	-114	-97	-445	-464
Divestments of fixed assets	11	4	0	1	1	16	6
Net capital expenditure	**-67**	**-138**	**-111**	**-113**	**-96**	**-429**	**-458**
In % of net sales	*1.7*	*3.7*	*3.5*	*3.2*	*2.7*	*3.0*	*3.3*
Add-back depreciation	110	106	106	104	101	426	417
Net investments	**43**	**-32**	**-5**	**-9**	**5**	**-3**	**-41**
Change in net customer receivables	-86	-39	110	13	-117	-2	-33
Other changes in operating capital employed	-44	153	-262	80	-64	-73	-93
Operating cash flow	**145**	**265**	**-63**	**256**	**19**	**603**	**477**
Cash conversion, %	*62.5*	*144.8*	*-67.0*	*148.8*	*9.7*	*88.5*	*74.1*
Income taxes paid	-6	-8	-11	-23	-6	-48	-48
Free cash flow before financial items	**139**	**257**	**-74**	**233**	**13**	**555**	**429**
Cash conversion, %	*59.9*	*140.4*	*-78.7*	*135.5*	*6.7*	*81.5*	*66.6*
Net financial items paid	-25	-21	-24	-19	-24	-89	-88
Free cash flow after financial items	**114**	**236**	**-98**	**214**	**-11**	**466**	**341**
Cash conversion, %	*49.1*	*129.0*	*-104.3*	*124.4*	*-5.6*	*68.4*	*53.0*
Acquisitions/divestments of companies	-498	-9	-16	1	-4	-522	-28
Received/paid restructuring and other non-recurring items	6	69	-32	-15	-7	28	15
Shareholder transactions	0	0	-2	-71	0	-73	-73
Net cash flow	**-378**	**296**	**-148**	**129**	**-22**	**-101**	**255**
Other items affecting net debt	-5	-19	-60	-61	-51	-145	-191
Net debt closing	**-3,255**	**-2,872**	**-3,149**	**-2,941**	**-3,009**	**-3,255**	**-2,872**

Quarterly overview (cont.)

Income statement overview by quarter – Segment

	2017	2016				FULL YEAR	
	Q1	Q4	Q3	Q2	Q1	RTM	2016
Capio Nordic							
Net sales	2,153	2,009	1,721	1,950	1,904	7,833	7,584
Total sales growth, %	*13.1*	*6.0*	*4.3*	*5.1*	*3.4*	*7.2*	*4.7*
Organic sales growth, %	*4.9*	*4.3*	*3.3*	*4.7*	*3.0*	*4.3*	*3.8*
Operating result (EBITDAR)	260	245	224	233	210	962	912
Operating margin (EBITDAR), %	*12.1*	*12.2*	*13.0*	*11.9*	*11.0*	*12.3*	*12.0*
Operating result (EBITDA)	152	146	127	137	112	562	522
Operating margin (EBITDA), %	*7.1*	*7.3*	*7.4*	*7.0*	*5.9*	*7.2*	*6.9*
Operating result (EBITA)	109	108	88	98	77	403	371
Operating margin (EBITA), %	*5.1*	*5.4*	*5.1*	*5.0*	*4.0*	*5.1*	*4.9*
Capio France							
Net sales	1,434	1,394	1,196	1,336	1,387	5,360	5,313
Total sales growth, %	*3.4*	*5.3*	*3.4*	*2.5*	*5.6*	*3.6*	*4.2*
Organic sales growth, %	*0.7*	*0.2*	*2.2*	*2.0*	*5.1*	*1.3*	*2.4*
Operating result (EBITDAR)	250	203	162	220	247	835	832
Operating margin (EBITDAR), %	*17.4*	*14.6*	*13.5*	*16.5*	*17.8*	*15.6*	*15.7*
Operating result (EBITDA)	170	123	82	143	170	518	518
Operating margin (EBITDA), %	*11.9*	*8.8*	*6.9*	*10.7*	*12.2*	*9.7*	*9.7*
Operating result (EBITA)	111	65	22	85	111	283	283
Operating margin (EBITA), %	*7.7*	*4.7*	*1.8*	*6.4*	*8.0*	*5.3*	*5.3*
Capio Germany							
Net sales	327	322	251	287	312	1,187	1,172
Total sales growth, %	*4.8*	*10.3*	*1.2*	*2.1*	*-3.7*	*4.8*	*2.4*
Organic sales growth, %	*4.6*	*5.5*	*-0.3*	*8.6*	*1.7*	*4.8*	*4.0*
Operating result (EBITDAR)	50	47	11	24	42	132	124
Operating margin (EBITDAR), %	*15.3*	*14.6*	*4.4*	*8.4*	*13.5*	*11.1*	*10.6*
Operating result (EBITDA)	45	43	8	19	38	115	108
Operating margin (EBITDA), %	*13.8*	*13.4*	*3.2*	*6.6*	*12.1*	*9.7*	*9.2*
Operating result (EBITA)	39	36	2	13	32	90	83
Operating margin (EBITA), %	*11.9*	*11.2*	*0.8*	*4.5*	*10.2*	*7.6*	*7.1*
Other							
Net sales	0	0	0	0	0	0	0
Operating result (EBITDAR)	-23	-21	-16	-21	-23	-81	-81
Operating result (EBITDA)	-25	-23	-17	-23	-24	-88	-87
Operating result (EBITA)	-27	-26	-18	-24	-25	-95	-93
Eliminations							
Net sales	-	-	-	-	-	-	-
Operating result (EBITDAR)	-	-	-	-	-	-	-
Operating result (EBITDA)	-	-	-	-	-	-	-
Operating result (EBITA)	-	-	-	-	-	-	-
Capio Group							
Net sales	3,914	3,725	3,168	3,573	3,603	14,380	14,069
Total sales growth, %	*8.6*	*6.1*	*3.7*	*3.8*	*3.6*	*5.6*	*4.3*
Organic sales growth, %	*3.3*	*2.9*	*2.6*	*4.0*	*3.7*	*3.2*	*3.3*
Operating result (EBITDAR)	537	474	381	456	476	1,848	1,787
Operating margin (EBITDAR), %	*13.7*	*12.7*	*12.0*	*12.8*	*13.2*	*12.9*	*12.7*
Operating result (EBITDA)	342	289	200	276	296	1,107	1,061
Operating margin (EBITDA), %	*8.7*	*7.8*	*6.3*	*7.7*	*8.2*	*7.7*	*7.5*
Operating result (EBITA)	232	183	94	172	195	681	644
Operating margin (EBITA), %	*5.9*	*4.9*	*3.0*	*4.8*	*5.4*	*4.7*	*4.6*

Quarterly overview (cont.)

Capital employed by quarter – Segment

	2017	2016			
	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Capio Nordic					
Capital employed	3,492	2,932	3,138	2,903	2,763
Return on capital employed, %	*11.5*	*12.7*	*11.5*	*12.2*	*11.7*
Capio France					
Capital employed	4,191	4,239	4,371	4,222	4,184
Return on capital employed, %	*6.8*	*6.7*	*6.6*	*6.8*	*6.9*
Capio Germany					
Capital employed	1,095	1,109	1,092	1,061	1,048
Return on capital employed, %	*8.2*	*7.5*	*7.2*	*7.4*	*6.8*
Other					
Capital employed	101	64	-66	20	174
Eliminations					
Capital employed	-	-	-	-	-
Capio Group					
Capital employed	8,879	8,344	8,535	8,206	8,169
Return on capital employed, %	*7.7*	*7.7*	*7.5*	*7.7*	*7.3*

Net capital expenditure by quarter – Segment

	2017	2016				FULL YEAR	
	Q1	Q4	Q3	Q2	Q1	RTM	2016
Capio Nordic							
Net capital expenditure	-37	-45	-28	-51	-44	-161	-168
In % of net sales Nordic	*1.7*	*2.2*	*1.6*	*2.6*	*2.3*	*2.1*	*2.2*
Capio France							
Net capital expenditure	-24	-76	-70	-57	-41	-227	-244
In % of net sales France	*1.7*	*5.5*	*5.9*	*4.3*	*3.0*	*4.2*	*4.6*
Capio Germany							
Net capital expenditure	-4	-10	-10	-5	-10	-29	-35
In % of net sales Germany	*1.2*	*3.1*	*4.0*	*1.7*	*3.2*	*2.4*	*3.0*
Other							
Net capital expenditure	-2	-7	-3	0	-1	-12	-11
Capio Group							
Net capital expenditure	-67	-138	-111	-113	-96	-429	-458
In % of net sales Group	*1.7*	*3.7*	*3.5*	*3.2*	*2.7*	*3.0*	*3.3*

Definitions

Key performance indicators

Number of outpatients Number of patient visits, for patients with length of stay shorter than 24 hours.

Number of inpatients Number of patient visits, for patients with length of stay longer than 24 hours.

Average length of stay (AVLOS) Average length of an inpatient stay measured in number of days. AVLOS presented excludes psychiatry, rehabilitation, nursing and eating disorder patients. AVLOS in France has also been adjusted for the effect from the transfer between in- and outpatient treatments. These adjustments have been made in order to show a comparable AVLOS between segments and over time.

Number of employees Number of employees as full-time equivalents on average during the year.

Income statement

Total sales growth, % Increase in net sales for the period as a percentage of the previous year's net sales.

Organic sales growth, % Increase in net sales for the period, adjusted for acquisitions/divestments and changes in exchange rates, as a percentage of the previous year's net sales adjusted for divestments.

Operating result (EBITDAR) Operating result (EBITDA) adjusted for rent of premises.

Operating result (EBITDA) Operating result (EBITA) adjusted for depreciations and impairments related to operating fixed assets.

Operating result (EBITA) Operating result before amortizations of group surplus values, restructuring and other non-recurring items and acquisition related costs.

Operating result (EBIT) Operating result before interest and income tax.

Adjusted profit/loss for the period Profit/loss for the period attributable to parent company shareholders adjusted for amortization of group surplus values, restructuring and other non-recurring items, acquisition related costs and write-off of capitalized borrowing costs, net of income tax.

Earnings per share (before dilution) Profit/loss for the period attributable to parent company shareholders in relation to the average number of outstanding common shares during the period. Refer to note 2 for calculation of earnings per share before dilution.

Earnings per share (after dilution) Profit/loss for the period attributable to parent company shareholders, excluding the net cost of outstanding convertible debenture loans issued during the third quarter 2016, in relation to the average number of shares including effects from the convertible debenture loans. Refer to note 2 for calculation of earnings per share after dilution.

Adjusted earnings per share (before dilution) Adjusted profit/loss for the period attributable to parent company shareholders in relation to the average number of outstanding common shares during the period. Refer to note 2 for calculation of adjusted earnings per share after dilution.

Adjusted earnings per share (after dilution) Adjusted profit/loss for the period attributable to parent company shareholders, excluding the net cost of outstanding convertible debenture loans issued during the third quarter 2016, in relation to the average number of shares including effects from the convertible debenture loans. Refer to note 2 for calculation of adjusted earnings per share after dilution.

Capital employed and financing

Net customer receivables and DSO Accounts receivables and accrued production less bad debt provision and advances from customers. DSO, Days sales outstanding, average number of days outstanding on net sales, at balance sheet date.

Operating capital employed Operating capital employed consists of non-interest bearing operating assets and liabilities, mainly operating fixed assets, net customer receivables, supplier payables and other operating assets and liabilities.

Other capital employed Other operating capital employed consists of acquisition related surplus values (real estate, goodwill, trademark and other surplus values), tax assets and liabilities and other non-operating capital employed items.

Capital employed Capital employed includes all non-interest bearing assets and liabilities as well as provisions for employee-benefits.

Return on capital employed RTM operating result (EBITA) as a percentage of capital employed.

Net debt The Group's external interest-bearing assets and liabilities adjusted for cash and cash equivalents.

Financial leverage Financial leverage is the closing balance of net debt in relation to RTM operating result (EBITDA).

Cash flow

Net capital expenditure Investments in fixed assets, net of divestments of fixed assets excluding items classified as non-operating, for the period.

Net investments Investments in fixed assets, net of divestments of fixed assets, depreciations and impairments, excluding items classified as non-operating, for the period.

Operating cash flow Operating cash flow relates to operating result (EBITA) adjusted for net investments and changes in working capital.

Free cash flow before financial items Corresponds with operating cash flow less income taxes paid.

Free cash flow after financial items Corresponds with free cash flow before financial items less net financial items paid.

Cash conversion Cash conversion in % is defined as the cash flow in relation to operating result (EBITA).

Acquisitions and divestments of companies in the operational cash flow statement relate to the total net debt impact.

Other

RTM Rolling 12 months.

Presentation of the interim report

Investors, analysts and media are invited to participate in a telephone conference on May 3, 2017 at 13.30 pm (CET). President and CEO Thomas Berglund and CFO Olof Bengtsson will present the report and answer questions. The telephone conference will be audio casted live on www.capio.com. To participate in the telephone conference, please register at www.capio.com and dial in five minutes prior to the start of the conference call.

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UK: +44 203 008 98 01
US: +1 855 753 22 35
Finland: +35 898 171 04 93
France: +33 170 75 07 12

Prior to the start of the telephone conference, presentation slides will be available at www.capio.com.

A recorded version of the audio cast will be available at www.capio.com during the afternoon (CET).

Financial calendar

May 3, 2017, Annual General Meeting 2017
July 21, 2017, Interim report January – June 2017
October 27, 2017, Interim report January – September 2017
February 7, 2018, Full year report January – December 2017

Capio's annual general meeting will be held on Wednesday, May 3, 2017 in Gothenburg, Sweden. The venue for the AGM is Chalmers Kårhus, Chalmersplatsen (hall RunAn).

For further information

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For further information regarding Capio's IR activities, refer to www.capio.com.

This information is information that Capio AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person Henrik Brehmer set out above, at 12.30 (CET) on May 3, 2017.

About Capio

Capio AB (publ) is a leading, pan-European healthcare provider offering a broad range of high quality medical, surgical and psychiatric healthcare services through its hospitals, specialist clinics and primary care units. Since the Danish operation was acquired at the beginning of 2017, Capio operates in five countries; Sweden, Norway, Denmark, France and Germany. In 2016, Capio's 12,435 employees provided healthcare services during 4.7 million patient visits across the Group's facilities, generating net sales of MSEK 14,069. Capio operates across three geographic segments: Nordic (54 percent of Group net sales 2016), France (38 percent of Group net sales 2016) and Germany (8 percent of Group net sales 2016). For more information about Capio, please see www.capio.com.

A reliable, long-term partner for public healthcare

VALUES
Quality. Compassion. Care

MISSION
Cure. Relief. Comfort

VISION
The best achievable quality of life for every patient

By delivering high-quality healthcare with responsible and efficient use of resources, Capio is aiming to be the preferred choice of healthcare provider, the best place to work, and an attractive long-term investment.

Read more about Capio's role in society in Capio Annual Report 2016 pages 24-35.

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