

Q2



INTERIM REPORT, JANUARY-JUNE 2021

Summary of the second quarter 2021

- Net sales amounted to SEK 3,207m (3,112). Organic growth amounted to 4.8 percent.
- Lease adjusted EBITA¹, i.e. EBITA according to the previous accounting standard, was SEK 53m (42), corresponding to a lease adjusted operating margin of 1.7 percent (1.3). The negative effects of the Covid pandemic on profits are estimated to SEK 40m (60), which has been partly offset by government compensation of SEK 23m for certain additional costs in 2020. The comparison quarter includes a capital gain of SEK 41m.
- Operating profit (EBITA)¹ amounted to SEK 162m (153), corresponding to an operating margin of 5.1 percent (4.9).
- Impairments of goodwill and right-of-use assets were recognised in the second quarter of 2020, which reduced profit for the comparison quarter by SEK -971m.
- The loss for the period amounted to SEK -19m (-975). Diluted earnings per share were SEK -0.12 (-6.06). Adjusted earnings per share² after dilution were SEK 0.19 (0.11).
- Free cash flow amounted to SEK 72m (198).

Summary of the January-June period

- Net sales amounted to SEK 6,269m (6,240). Organic growth amounted to 3.4 percent.
- Lease adjusted EBITA¹, i.e. EBITA according to the previous accounting standard, was SEK 128m (126), corresponding to a lease adjusted operating margin of 2.0 percent (2.0). The negative effects of the Covid pandemic on profits are estimated to SEK 90m (80), which has been partly offset by government compensation of SEK 73m for certain additional costs in 2020. The comparison period includes a capital gain of SEK 41m.
- Operating profit (EBITA)¹ amounted to SEK 345m (335), corresponding to an operating margin of 5.5 percent (5.4).
- The loss for the period amounted to SEK -28m (-972). Diluted earnings per share were SEK -0.18 (-6.04). Adjusted earnings per share² after dilution were SEK 0.45 (0.48).
- Free cash flow amounted to SEK 210m (424).
- The total number of beds in operation in Attendo homes³ was 20,858 (20,708) at the end of the period. Occupancy in homes³ was 83 percent (80).

Group key figures

SEKm	Q2			Jan-Jun			Jan-Dec
	2021	2020	Δ%	2021	2020	Δ%	2020
Net sales	3,207	3,112	3%	6,269	6,240	0%	12,288
Lease adjusted operating profit (EBITA) ¹	53	42	26%	128	126	2%	375
Lease adjusted operating margin (EBITA) ¹ , %	1.7	1.3	-	2.0	2.0	-	3.1
Operating profit (EBITA) ¹	162	153	6%	345	335	3%	797
Operating margin (EBITA) ¹ , %	5.1	4.9	-	5.5	5.4	-	6.5
Profit for the period	-19	-975	-	-28	-972	-	-904
Earning per share diluted, SEK	-0.12	-6.06	-	-0.18	-6.04	-	-5.63
Adjusted earnings per share diluted ² , SEK	0.19	0.11	73%	0.45	0.48	-6%	1.43
Free cash flow	72	198	-	210	424	-	428

1) Note that unless otherwise stated, EBITA and lease adjusted EBITA in this report refer to EBITA/lease adjusted EBITA excluding items affecting comparability. See also definitions of key data and alternative performance measures on pages 33-34.

2) Profit for the period attributable to the parent company shareholders excluding amortization of acquisition related intangible assets, IFRS 16 and items affecting comparability and related tax effects divided with the average number of shares outstanding, after dilution.

3) From the first quarter of 2021, Attendo reports beds and occupancy for all Attendo homes in own operations and outsourcing and in all service offerings. Historical periods have been restated.

IMPROVEMENT DRIVEN BY FINLAND

We are continuing to deliver according to plan on our turnaround programme in Finland, and report good organic growth based on an increase in the number of sold beds and price adjustments that balance out costs arising from staffing requirements under the new law. While the pandemic has had very limited effect on our Finnish operations, the impact was comparatively more severe in Scandinavia. However, we are seeing a positive trend in the number of sold beds in Scandinavia, rising from a very low level in the first quarter. During the quarter, we have also thoroughly analysed our work during the pandemic in Sweden. This identified several lessons learnt but also showed that Attendo managed the pandemic well overall.

Turnaround programme in Finland continuing as planned

We are still delivering as planned on the long-term turnaround programme we initiated in Finland in 2019. The continued high sales rate combined with lower number of new openings is showing effect in both the occupancy trend and sales. Occupancy is now 85 percent, compared to 79 percent during the same period in 2020. Currency-adjusted net sales in Attendo Finland rose by about 15 percent in relation to the comparison quarter in 2020.

Lease adjusted operating profit (EBITA) in Finland amounted to SEK 0 million during the quarter, up by SEK 67 million in relation to the same quarter in 2020, driven by higher occupancy and positive price effects. The price effects arising from renegotiated contracts ahead of 2021 have mainly offset the higher costs to meet sharper staffing requirements under the new staffing law. We expect further negotiations in the next couple of years to fully compensate for costs related to the new staffing law up to 2023.

Gradual improvement of new sales in Sweden

Following the year of the pandemic that resulted in a historically low rate of new customer move-ins to nursing homes in Sweden, we are seeing a gradual improvement in the move-in rate in the second quarter. This is an effect



Martin Tivéus, CEO

“We have thoroughly analysed our work during the pandemic in Sweden and the analysis shows that Attendo as a whole managed the pandemic better than other providers, in very difficult circumstances .”

of the vaccination programmes and a declining transmission rate in the country. Consequently, we can close the quarter with unchanged occupancy in Sweden compared to the first quarter, even though we opened more than 200 new beds during the quarter. We expect continued normalisation of the sales rate in the second half as the occupancy situation in municipal operations gradually improves. Occupancy is, however, significantly lower compared to last year, as evident in the results.

Net sales in Attendo Scandinavia declined by 4 percent as a consequence of the divestment of the Norwegian operations and lower occupancy in relation to the comparison quarter. Lease adjusted EBITA amounted to SEK 74 million, slightly lower than last year, adjusted for the capital gain in the comparison quarter. Results of operations for the second quarter include non-recurring costs of SEK 15 million for additional recovery days for employees after the pandemic.

Improved overall results driven by Finland

Organic growth was 5 percent, driven primarily by higher customer inflow in Finland and positive price effects. Lease adjusted operating profit (EBITA) amounted to SEK 53 million for the second quarter, a clear underlying improvement driven by the performance in Finland.

Attendo still suffers from a negative financial impact from the Covid pandemic, which has been partially offset by government compensation for Covid-related additional costs that arose in 2020. In spite of the severe impact of the pandemic in both 2020 and 2021, we are following our strategic plan and are certain that we will deliver on our new financial targets for 2023.

Care that makes a difference

Our overall goal is to provide good care that will lead to higher satisfaction and better health for our customers. The ambition is to have the most satisfied customers at every location where we operate. Towards that end, we have spent the last year further developing our common working method – the Attendo Way – to ensure high-quality care based on shared principles while encouraging local engagement. We will continue developing the Attendo Way in 2021, when the focus will be on areas including culture and transparency, digital tools and employee engagement. We are also putting focus on taking the next step in quality, with the ambition to improve our performance in terms of quality of life and preventive health.

The aftermath of the pandemic

As the largest private care provider in the Nordics, it is important to Attendo to evaluate our own efforts during the pandemic. We owe it to our customers and their relatives, as well as every Attendo employee and the local authorities that engage us. Attendo is a learning company and we want to contribute to increasing knowledge about the pandemic and care for older people in general.

To accomplish that end, we initiated a comprehensive internal project that includes all employees in which we are discussing and documenting lessons learnt from managing the pandemic.

We have also engaged outside experts for the evaluation in certain areas. For example, Sirona Health Solutions analysed excess mortality throughout the pandemic and at all nursing homes in municipalities where Attendo operates. This covers one third of all nursing homes in Sweden. The results show that excess mortality within Attendo was 19 percentage points lower than for other providers (private and public) during the period of March 2020-April 2021.

The pandemic has been an extraordinary challenge for Attendo's employees, our residents and their relatives, and there are many lessons to be learnt for the future. Nevertheless, the evaluations show that the measures Attendo has taken to protect our residents during the pandemic were effective overall.

Martin Tivéus, President and CEO

Group

April–June 2021

Net sales and operating profit

Net sales increased by 3.1 percent to SEK 3,207m (3,112) during the quarter. Adjusted for currency effects, net sales increased by 6.0 percent. Organic growth accounted for 4.8 percent and the net change due to acquisitions and divestments was 1.2 percent. The divestment of the Norwegian operations in July 2020 has reduced sales by approximately SEK 90m. The organic growth is explained by increased net sales in Attendo Finland, primarily in nursing homes. The Covid pandemic had adverse impact on net sales in Attendo Scandinavia in the current quarter.

Lease adjusted operating profit (EBITA)¹ amounted to SEK 53m (42). The lease adjusted operating margin (EBITA)¹ was 1.7 percent (1.3). The increase is attributable to higher profit in Attendo Finland, where financial performance improved in all service offerings. Profit in Attendo Scandinavia fell sharply. The negative effect of the Covid pandemic on profit for the quarter is estimated to SEK 40m (60), primarily in Attendo Scandinavia's nursing homes. The impact was partially offset by compensation to Attendo of SEK 23m for additional costs arising from the Covid pandemic and attributable to 2020. Profit in Attendo Scandinavia in the second quarter was reduced by costs of SEK 15m for additional recovery days, while profit in the comparison quarter was positively affected by a capital gain of SEK 41m. The majority of the Covid reimbursements that Attendo applied for has now been paid and public compensation in the next period is expected to be significantly lower.

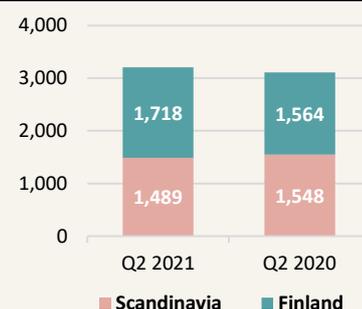
Effects on operating profit (EBITA)¹ related to IFRS 16 effects amounted to SEK 109m (111). The profit in the comparison quarter was positively affected by non-recurring items.

Operating profit (EBITA)¹ amounted to SEK 162m (153) and the operating margin was 5.1 percent (4.9). Currency effects had a marginal negative effect on profits. The increase is attributable to the same factors as the increase in lease adjusted operating profit as explained above.

The total number of beds in operation in all homes was 20,858 (20,708) at the end of the quarter, an increase by 1 percent. Average occupancy in homes was 83 percent (80) at the end of the quarter. Mature units showed lease adjusted operating profit (EBITA)¹ on a rolling 12-month basis (r12) of 6.7 percent including a proportional share of Attendo's administrative expenses, but excluding capital gains. The number of beds under construction in own operations was 608 across 10 homes.

¹⁾ Excluding items affecting comparability

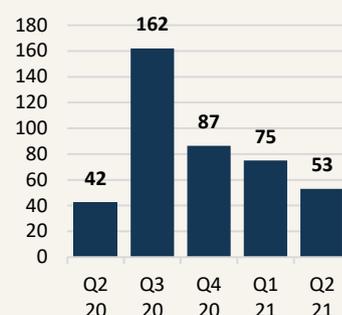
Net sales per business area, Q2 2021, (SEKm)



Lease adjusted operating profit (EBITA) per business area, Q2 2021, (SEKm)



Lease adjusted operating profit (EBITA) by quarter, (SEKm)



Operating profit (EBIT) excluding items affecting comparability amounted to SEK 136m (122), corresponding to an operating margin (EBIT) excluding items affecting comparability of 4.2 percent (3.9). The change is attributable to the same factors described above, as well as lower amortisation of acquisition-related intangible assets.

Items affecting comparability refer to the impairment of goodwill and right-of-use assets related to operations in Finland. Impairment losses were taken in the second quarter of 2020, which reduced profit for the comparison quarter by SEK -971m.

Operating profit (EBIT) amounted to SEK 136m (-849), corresponding to an operating margin (EBIT) of 4.2 percent (-27.3).

Financial net

Net financial items amounted to SEK -158m (-168) for the quarter, including net interest expense of SEK -9m (-15). Interest expense related to the lease liability real estate in accordance with IFRS 16 amounted to SEK -146m (-144).

Income tax

Income tax for the period amounted to SEK +3m (+42), corresponding to a tax rate of 14.3 percent (22.9), adjusted for the impairment of goodwill in Q2 2020. When tax for the period is so close to zero, the tax rate expressed as a percentage is materially affected by non-taxable costs and income and country-based differences in tax rates.

Profit and earnings per share for the period

The loss for the period was SEK -19m (-975), corresponding to basic and diluted earnings per share for shareholders in the parent company of SEK -0.12 (-6.06). Adjusted earnings per share after dilution were SEK 0.19 (0.11).

January–June 2021

Net sales and operating profit

Net sales for the period increased by 0.5 percent to SEK 6,269m (6,240). Adjusted for currency effects, net sales increased by 3.4 percent, which equals organic growth. The divestment of the Norwegian operations in July 2020 reduced sales by approximately SEK 190m. Higher net sales in Attendo Finland, particularly in care for older people, generated an increase in organic growth. The Covid pandemic, which only partially affected the comparison period, had significant negative impact on Attendo Scandinavia's business.

Lease adjusted operating profit (EBITA)¹ amounted to SEK 128m (126). The lease adjusted operating margin (EBITA)¹ was 2.0 percent (2.0). Attendo Finland's profit increased in total and in all service offerings, while Attendo Scandinavia's profit fell sharply due to the Covid pandemic. The negative effect of the Covid pandemic on profit for the period is estimated at SEK 90m (80), primarily in Attendo Scandinavia's nursing homes. The impact was partially offset by government compensation received by Attendo during the period of SEK 73m for additional costs arising from the Covid pandemic and attributable to 2020. In relation to the comparison period, profit was negatively affected by SEK 96m in total, as a result of a number of effects of a non-recurring nature: additional recovery days in 2021 of SEK 15m; compensation to property owners in 2021 of SEK 20m; the leap day in 2020 of SEK 20m; and a capital gain in 2020 of SEK 41m.

Effects on operating profit (EBITA)¹ related to IFRS 16 amounted to SEK 217m (209). The increase is attributable to new homes. The profit in the comparison quarter was positively affected by non-recurring items.

Operating profit (EBITA)¹ amounted to SEK 345m (335) and the operating margin was 5.5 percent (5.4). Currency effects had a marginal negative effect on profits. The increase is attributable to the same factors as the increase in lease adjusted operating profit and effects related to IFRS 16 as explained above.

Operating profit (EBIT) excluding items affecting comparability amounted to SEK 290m (272), corresponding to an operating margin (EBIT) excluding items affecting comparability of 4.6 percent (4.4). The change is attributable to the same factors described above, as well as lower amortisation of acquisition-related intangible assets.

Items affecting comparability refer to the impairment of goodwill and right-of-use assets related to operations in Finland, which reduced profit in the comparison period by SEK -971m.

Operating profit (EBIT) amounted to SEK 290m (-699), corresponding to an operating margin (EBIT) of 4.6 percent (-11.2).

¹⁾ Excluding items affecting comparability

Financial net

Net financial items amounted to SEK -322m (-314) for the period, including net interest expense of SEK -20m (-30). Interest expense related to the lease liability real estate in accordance with IFRS 16 amounted to SEK -289m (-280).

Income tax

Income tax for the period amounted to SEK +4m (+41), corresponding to a tax rate of 13.3 percent (22.8), adjusted for the impairment of goodwill in the comparison period. When tax for the period is so close to zero, the tax rate expressed as a percentage is materially affected by non-taxable costs and income and country-based differences in tax rates.

Profit and earnings per share for the period

The loss for the period amounted to SEK -28m (-972), corresponding to basic and diluted earnings per share of SEK -0.18 (-6.04) for shareholders in the parent company. Adjusted earnings per share after dilution were SEK 0.45 (0.48).

ATTENDO SCANDINAVIA

New sales increased from a low level

SEKm	Q2		Jan-Jun		Jan-Dec
	2021	2020	2021	2020	2020
Net sales	1,489	1,548	2,937	3,142	6,027
Lease adjusted EBITA	74	126	165	251	481
Lease adjusted EBITA margin, %	5.0	8.1	5.6	8.0	8.0
Operating profit (EBITA)	120	175	256	340	658
Operating margin (EBITA), %	8.0	11.3	8.7	10.8	10.9

April-June 2021

Net sales in Attendo Scandinavia amounted to SEK 1,489m (1,548), corresponding to a change of -3.8 percent. The divestment of the Norwegian operations in the third quarter of 2020 reduced net sales by about SEK 90m. Adjusted for the divestment and currency effects, the change was 2.2 percent. The underlying increase is attributable to acquisitions. Organic growth is still inhibited by the Covid situation, as well as ended outsourcing contracts and ended home care operations. Occupancy in Attendo homes was lower than in the comparison quarter but in line with Q1 2021.

Lease adjusted EBITA amounted to SEK 74m (126), corresponding to an operating margin of 5.0 percent (8.1). Profit in the comparison quarter was positively affected by a capital gain of SEK 41m on the sale of real estate. In addition, the decrease in profit is attributable to the costs of nursing homes opened in 2020 and 2021 as occupancy in new homes is initially low. The total effects of the pandemic in Q2 are estimated at SEK -40m (-40). Attendo Scandinavia received SEK 18m during the quarter in compensation for additional costs in 2020 due to the pandemic. Profit in home care operations increased compared to the comparison quarter. Attendo Scandinavia has decided to give all employees two extra rest days in thanks for their strong efforts and to provide the conditions for recovery following the intense working situation during the pandemic, which reduced profit for the quarter by SEK 15m.

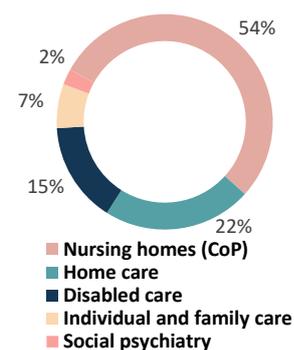
Effects on operating profit related to IFRS 16 amounted to SEK 46m (50). The lower amount is explained by positive non-recurring items in the comparison quarter.

Operating profit (EBITA) amounted to SEK 120m (175), corresponding to an operating margin (EBITA) of 8.0 percent (11.3). The decrease is attributable to the same factors described above for lease adjusted EBITA and effects related to IFRS 16.

Two nursing homes for older people with a total of 206 beds were opened during the quarter. The number of beds opened in own operations in the last twelve months amounts to 518, a historically high level for Scandinavia. One nursing home was closed. A high percentage of new units has negative effect on the average occupancy rate.

Share of net sales Q2 2021

46%

Net sales by service offering, Q2 2021

ATTENDO SCANDINAVIA

At the end of the quarter, there were 386 beds under construction in own operations. Attendo Scandinavia won three outsourcing contracts, not yet started, with estimated annual revenues of SEK 58m and one home care contract with estimated annual revenues of SEK 61m. Attendo Scandinavia lost three not yet ended outsourcing contracts with estimated annual revenues of SEK 49m. Since the comparison quarter, Attendo has ended home care operations in several municipalities, including in Denmark, and executed some acquisitions.

Key data per quarter

Attendo Scandinavia	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Number of beds in homes in operation ¹	6,941	6,492	6,645	6,677	6,772
Occupancy in homes ¹ , %	82	80	80	77	77
Number of opened beds in own homes (r12) ²	626	614	548	497	518
Number of beds in own homes under construction ²	898	898	796	592	386
Number of home care customers	10,289	10,110	10,327	9,868	10,391

1) All homes.

2) Own homes.

January–June 2021

Net sales in Attendo Scandinavia amounted to SEK 2,937m (3,142), corresponding to a change of -6.5 percent. The divestment of the Norwegian operations in the third quarter of 2020 reduced net sales by about SEK 190m. Adjusted for the divestment and currency effects, the change was -0.5 percent. Organic growth was negatively affected by the pandemic, ended outsourcing contracts and home care operations and the leap day in 2020. Occupancy in Attendo homes was lower than in the comparison period.

Lease adjusted EBITA amounted to SEK 165m (251), corresponding to an operating margin of 5.6 percent (8.0). The decrease is due to lower profit in care for older people consequent upon negative Covid effects and the costs of nursing homes opened in 2020 and 2021, as occupancy in new homes is initially low. The profit impact of the pandemic during the period is estimated to SEK -80m (-55). Attendo Scandinavia received SEK 54m during the period in compensation for additional costs in 2020 due to the Covid pandemic. Profit in home care operations increased compared to the comparison period. In relation to the comparison period, profit was negatively affected by non-recurring items of SEK 86m in total, as a result of a number of effects of a non-recurring nature: additional recovery days in 2021 of SEK 15m; compensation to real estate owner in 2021 of SEK 20m; the leap day in 2020 of SEK 10m; and a capital gain in 2020 of SEK 41m.

Effects on operating profit related to IFRS 16 amounted to SEK 91m (90). The increase is attributable to new nursing homes. The profit in the comparison quarter was positively affected by non-recurring items.

Operating profit (EBITA) amounted to SEK 256m (340), corresponding to an operating margin (EBITA) of 8.7 percent (10.8). The decrease is attributable to the same factors described above for lease adjusted EBITA.

Positive occupancy trend persists

SEKm	Q2		Jan-Jun		Jan-Dec
	2021	2020	2021	2020	2020
Net sales	1,718	1,564	3,332	3,098	6,261
Lease adjusted EBITA ¹	0	-67	2	-89	-45
Lease adjusted EBITA margin ¹ , %	0.0	-4.3	0.1	-2.9	-0.7
Operating profit (EBITA) ¹	64	-5	129	31	200
Operating margin (EBITA) ¹ , %	3.7	-0.3	3.9	1.0	3.2

1) Excluding items affecting comparability

April–June 2021

Net sales in Attendo Finland amounted to SEK 1,718m (1,564) corresponding to growth of 9.8 percent. Adjusted for currency effects, net sales increased by 15.5 percent. The growth is attributable mainly to higher net sales in care for older people as a result of an increase in beds sold, price increases and acquisitions. The total price increases correspond to more than 3 percent of total net sales. Occupancy in homes was higher than in the comparison quarter and higher than in Q1 2021. Subsequent to the comparison quarter, Attendo Finland has discontinued several units and most residents were moved to newly built and modern Attendo homes, although a few units were discontinued entirely.

Lease adjusted EBITA¹ amounted to SEK 0m (-67) and the adjusted EBITA margin¹ was 0.0 percent (-4.3). The profit increase is due to improved results in care for older people and care for people with disabilities arising from more sold beds, price effects and lower Covid-related costs. Price increases in care for older people were partially offset by higher operating costs in local units arising from the new law that took effect in 2020 and annual cost inflation. Attendo Finland received SEK 5m during the quarter in compensation for additional costs in 2020 due to the pandemic. Covid effects during the quarter are estimated to be marginal. Lease adjusted operating profit rose in Attendo Finland in all service offerings.

Effects on operating profit (EBITA)¹ related to IFRS 16 amounted to SEK 64m (61). The increase is attributable to new homes.

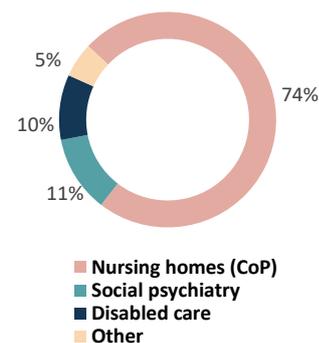
Operating profit (EBITA)¹ excluding items affecting comparability increased to SEK 64m (-5) and the operating margin (EBITA)¹ increased to 3.7 percent (-0.3). The increase is attributable to the same factors described above for lease adjusted EBITA and effects related to IFRS 16. Currency effects amounted to SEK -3m.

¹⁾ Excluding items affecting comparability

Share of net sales Q2 2021

54%

Net sales by service offering, Q2 2021



Business area:

ATTENDO FINLAND

One own nursing home with 30 beds was opened during the quarter, bringing the number of beds opened in the last twelve months to 192. About 150 beds were discontinued during the quarter. Construction of a nursing home with 50 beds began during the quarter, bringing the total number of beds in own operations under construction at the end of the quarter to 222. Attendo Finland has lost an outsourcing contact, which has not yet ended, with estimated annual revenues of SEK 10m.

Key data per quarter

Attendo Finland	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Number of beds in homes in operation ¹	13,767	13,615	13,704	14,175	14,086
Occupancy in homes ¹ , %	79	81	82	83	85
Number of opened beds in own homes (r12) ²	1,416	1,016	801	458	192
Number of beds in own homes under construction ²	212	330	240	190	222
Number of home care customers	835	677	674	675	655

1) All homes.

2) Own homes.

January–June 2021

Net sales in Attendo Finland amounted to SEK 3,332m (3,098) corresponding to growth of 7.6 percent. Adjusted for currency affects, net sales increased by 13.3 percent. The growth is attributable mainly to higher net sales in care for older people as a result of an increase in beds sold, price increases and acquisitions. Organic growth was negatively affected by the leap day in 2020. The total price increases correspond to more than 3 percent of total net sales. Occupancy in Attendo homes was higher than in the comparison period. Since the comparison period, Attendo Finland has discontinued several units and most residents were moved to newly built and modern Attendo homes, although a few units were discontinued entirely.

Lease adjusted EBITA¹ amounted to SEK 2m (-89) and the adjusted EBITA margin¹ was 0.1 percent (-2.9). The profit increase is due to improved profit in care for older people and care for people with disabilities arising from more sold beds, price effects and lower Covid-related costs. Price increases in care for older people were partially offset by higher operating costs in local units arising from the new law that took effect in 2020 and annual cost inflation. Lease adjusted EBITA¹ rose in Attendo Finland in all service offerings. Attendo Finland received SEK 19m during the period in compensation for additional costs in 2020 due to the Covid pandemic. Covid effects for the period are estimated to SEK -10m (-25). In relation to the comparison period, profit was negatively affected by SEK 10m due to the leap day in 2020.

Effects on operating profit related to IFRS 16 amounted to SEK 64m (61). The increase is attributable to new homes.

¹⁾ Excluding items affecting comparability

Operating profit (EBITA)¹ increased to SEK 129m (31) and the operating margin (EBITA)¹ increased to 3.9 percent (1.0). The increase is attributable to the same factors described above for lease adjusted EBITA¹ and effects related to IFRS 16. Currency effects amounted to SEK -7m.

¹⁾ *Excluding items affecting comparability*

Cash flow

April–June 2021

Free cash flow was SEK 72m (198) during the quarter, whereof changes in working capital amounted to SEK 43m (249).

Cash flow from operating activities was SEK 347m (550). Cash used for net investments in non-current assets was SEK -29m (-118) and cash flow from assets and liabilities held for sale amounted to SEK 2m (149). Business acquisitions reduced cash flow by SEK -56m (-55). Cash from investing activities thus amounted to SEK -83m (-24).

Cash flow from financing activities was SEK -246m (-382). Total cash flow amounted to SEK 18m (144).

January–June 2021

Free cash flow was SEK 210m (424) during the quarter, whereof changes in working capital amounted to SEK 117m (448).

Cash flow from operating activities was SEK 751m (1,105). Cash used for net investments in non-current assets was SEK -62m (-232) and cash flow from assets and liabilities held for sale amounted to SEK 2m (196). Business acquisitions reduced cash flow by SEK -246m (-114). Cash flow from investing activities thus amounted to SEK -306m (-150).

Cash flow from financing activities was SEK -479m (-604). Total cash used amounted to SEK -34m (351).

Financial position

Equity attributable to shareholders in the parent amounted to SEK 4,838m (4,852) as of 30 June 2021, representing diluted equity per share attributable to shareholders in the parent of SEK 30.06 (30.15). Net debt amounted to SEK 13,180m (12,817). Lease adjusted net debt, excluding lease liability for land and buildings, amounted to SEK 1,612m (1,937).

Interest-bearing liabilities amounted to SEK 13,862m (13,638) on 30 June 2021. Cash and cash equivalents as of 30 June 2021 amounted to SEK 686m (834) and Attendo had SEK 1,800m (1,800) in unutilised committed credit facilities.

Net debt/EBITDA was 6.3 (6.5). Lease adjusted net debt/lease adjusted EBITDA was 2.7 (3.3).

SEKm	30 Jun		31 Dec
	2021	2020	2020
Interest-bearing liabilities	13,862	13,638	12,976
Provisions for post-employment benefits	4	13	8
Cash and cash equivalents	-686	-834	-716
Net debt	13,180	12,817	12,268
Lease liability real estate	-11,568	-10,880	-10,695
Lease adjusted net debt	1,612	1,937	1,573

SEKm	30 Jun		31 Dec
	2021	2020	2020
Net debt / EBITDA	6.3	6.5	6.0
Lease adjusted net debt / Lease adjusted EBITDA	2.7	3.3	2.6

Quality and employees

Transmission of the Corona virus is subsiding and society is re-opening gradually as increasing numbers of the population are vaccinated. The trend had positive effect on Attendo's business during the quarter and made more activities possible with both residents and home care customers.

Attendo carried out an extensive project in the second quarter to evaluate the company's actions during the pandemic. The evaluation covers the entire Nordic region, but has clear focus on Sweden because the pandemic had limited impact on local operations in other countries. The aim was to obtain objective data and assessments of how well we managed the pandemic and to utilise lessons learnt to improve operations. In addition, Attendo wants to be involved and contribute to an exchange of knowledge with other providers to develop the care for older people for the future.

Since Covid-19 had such severe impact on mortality among older people, mortality data is the indicator that can most clearly describe how well individual providers and society as a whole managed the pandemic. Attendo engaged external experts to ensure the most objective assessment possible. Excess mortality data at all nursing homes in municipalities where Attendo operates were analysed by Sirona Health Solutions. The analysis, which covers one third of all nursing homes in Sweden, shows that excess mortality within Attendo was 19 percentage points lower than for other providers (private and public) during the period of March 2020-April 2021. Compared with municipal providers, excess mortality within Attendo was 25 percentage points lower during the period. The entire report (in Swedish) is available on Attendo's website, www.attendo.se.

One possible explanation for the difference in excess mortality is that Attendo quickly managed to compile and transfer internal experience among local operations in Sweden and the rest of the Nordic region. In so doing, Attendo was early to take actions that went further than official recommendations and maintained these throughout the pandemic. For example, Attendo required masks to be worn when providing care services earlier than recommended by government authorities and was the first provider to ban visits and institute methodical, daily health checks of all employees.

Supported by an external party (Helseplan) during the quarter, Attendo analysed how our nursing homes in Sweden worked with cohort care based on a sample of the most severely affected units and a sample of the units that came through the pandemic best. Cohort care involves isolating the group of ill patients from healthy residents and having employees dedicated to caring for either the ill patients only or healthy residents only. The analysis shows that the cohort care approach worked well overall under the circumstances, but that some difficulties were experienced, primarily in nursing homes with dementia care units and where there were many vacancies due to a high rate of sick-leave. Attendo shares these challenges with many care providers, both public and private.

We have launched a comprehensive programme in Finland aimed at improving customer interaction, service and dialogue with customers and their relatives and contracting local authorities. This work is carried out in workshops, dialogue games and ongoing training and includes all managers and employees. The programme has been enthusiastically received by employees and clear improvements can be seen in the latest customer and family satisfaction surveys.

Significant events in the first quarter

Acquisitions and divestments

- Attendo acquired Tjust Behandlingsfamiljer AB, a provider of enhanced family home care. Sales amount to around SEK 75m annually.
- A number of small home care operations were acquired in Sweden.

Other information

Number of shares

The total number of shares is 161,386,592. Attendo's holding of treasury shares amounts to 473,744, which means the number of shares outstanding at 30 June 2021 was 160,912,848.

Number of employees

The average number of employees was 18,518 (18,659) in the second quarter and 18,265 (18,305) in the first half.

Transactions with related parties

Related party transactions had a value of SEK 0m (0) during the period. All related party transactions take place on market terms.

For further details, please refer to page 81 of Attendo's 2020 annual report.

Parent company, Attendo AB (publ)

The business of the parent company is to provide services to the subsidiaries and manage shares in subsidiaries. The company's expenses relate mainly to executive salaries, directors' fees and costs for external consultants.

Net sales for the period were SEK 8m (6), and were entirely related to services provided to subsidiaries. The loss for the period after net financial items was SEK -21m (-18). At the end of the quarter, cash and cash equivalents amounted to SEK 0m (1), shares in subsidiaries to SEK

6,494m (6,494), and non-restricted equity to SEK 5,989m (5,977).

Seasonal and calendar effects

Attendo's profitability is affected by factors including seasonal variations, weekends and national public holidays. For Attendo, public holidays and weekends have a negative effect on profitability mainly due to wage compensation for unsocial working hours. For example, profitability is affected by Easter in either the first or second quarter, depending on the quarter in which Easter falls, while the first and fourth quarters are affected by the Christmas and New Year's holidays. The leap day had positive effect on net sales and profit because the majority of net sales are based on 24-hour periods while the majority of costs are based on monthly periods.

Roundings

Note that roundings occur in text, charts and tables.

Risks and uncertainties

All business requires companies to take risks in various forms and to various extents. Risk management, defined as the work involved in identifying, managing and monitoring risks, is an important part of Attendo's strategy and operations. Attendo takes a structured approach to managing risks, based on a framework that covers industry and market risks, operational risks and financial risks. External risks are related to the conditions for private companies to operate care operations, political risks, regulatory risks and reputational risks. Operational risks refer to risks linked directly to Attendo's operations, such as occupancy, pricing and access to skilled employees. Financial risks are related to factors including access to capital, exchange rates, interest rates and liquidity. Risks and how Attendo manages them are described in greater detail in Attendo's annual report (see the "Risks and risk management" section in the 2020 annual report, pages 24-27).

Current risks and risk management

As part of the development of Attendo, risks related to the opening rate of new establishments, regulatory conditions and staffing are continuously evaluated in the light of Attendo's strategy and financial goals.

The corona pandemic has had profound impact on Attendo's operations and financial performance. As a result of the pandemic, known risks such as occupancy in our units and access to qualified employees have become more apparent.

Occupancy declined significantly in Attendo Scandinavia, mainly due to the ban on visits to nursing homes for older people and concerns about the pandemic. In addition, the entire organisation has been forced to work under very challenging circumstances, with rapid changes of method and direction to protect our customers, many of whom are at high risk of contracting covid-19. Lower occupancy is currently the risk that has the greatest short-term financial impact on Attendo's operations. However, due to the rapid development that has characterized both the spread of the corona virus and the measures that can and need to be taken by both Attendo and other actors in society, all kinds of estimates of the operational or financial impact of the pandemic are associated with significant uncertainty.

In Finland, a comprehensive care reform has been implemented, where, among other things, staffing requirements are now being raised in several steps. Increased staffing requirements mean increased costs for all providers. The government is responsible for ensuring that the local authorities receive the necessary funding to be able to implement the new law. Private providers must negotiate with each local authority or county, which means uncertainty about how the compensation to private providers will be handled. Costs linked to the new law, such as new recruitment, arise some time before the various steps, which means that compensation can be obtained with a time lag.

Accounting policies

The group applies International Financial Reporting Standards (IFRS) and interpretations from IFRIC, as adopted by the European Union, the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups and related interpretations and the Swedish Annual Accounts Act.

This interim report has been prepared according to IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act and should be read together with the annual report for 2020. The most significant accounting policies under IFRS, the reporting norm applied in preparing this interim report, are set forth in Note C1 on pages 61-65 of the annual report for 2020, which were applied to the preparation of this interim report.

The interim information on pages 1-15 is an integrated part of this financial report. The parent company's financial statements are prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation, RFR 2 Accounting for Legal Entities.

The interim report has not been reviewed by the company's auditors. This English report is an unofficial translation. In case of any discrepancy between the English version and the Swedish version, the Swedish text shall prevail.

Outlook

Attendo does not publish forecasts.

The Board of Directors and the CEO certify that this half year report gives a fair view of the operation, profit and financial position of the parent company and the group, and that it describes all significant risks and uncertainties related to the parent company and group.

Danderyd, on July 22, 2021

Ulf Lundahl

Chairman of the Board

Margareta Danelius

Board member

Catarina Fagerholm

Board member

Alf Göransson

Board member

Tobias Lönnevall

Board member

Suvi-Anne Siimes

Board member

Anssi Soila

Board member

Faya Lahdou

*Board member
Union representative*

Martin Tivéus

President and CEO

Financial reports

Consolidated Income Statement

SEKm	Q2		Jan-Jun		Jan-Dec
	2021	2020	2021	2020	2020
Net sales	3,207	3,112	6,269	6,240	12,288
Other operating income	9	52	15	59	73
Total revenue	3,216	3,164	6,284	6,299	12,361
Personnel costs	-2,233	-2,162	-4,319	-4,292	-8,285
Other external costs	-487	-531	-967	-1,044	-2,023
Operating profit before amortization and depreciations (EBITDA)¹	496	471	998	963	2,053
Amortization and depreciation of tangible and intangible assets	-334	-318	-653	-628	-1,256
Operating profit after depreciation (EBITA)¹	162	153	345	335	797
<i>Operating margin (EBITA)¹, %</i>	5.1	4.9	5.5	5.4	6.5
Amortization of acquisition related intangible assets	-26	-31	-55	-63	-124
Operating profit (EBIT), excluding items affecting comparability	136	122	290	272	673
<i>Operating margin (EBIT), excluding items affecting comparability, %</i>	4.2	3.9	4.6	4.4	5.5
Items affecting comparability	-	-971	-	-971	-955
Operating profit (EBIT)	136	-849	290	-699	-282
<i>Operating margin (EBIT), %</i>	4.2	-27.3	4.6	-11.2	-2.3
Net financial items	-158	-168	-322	-314	-644
Profit before tax	-22	-1,017	-32	-1,013	-926
Income tax	3	42	4	41	22
Profit for the period	-19	-975	-28	-972	-904
<i>Profit margin, %</i>	-0.6	-31.3	-0.4	-15.6	-7.4
Profit for the period attributable to the parent company shareholders	-19	-976	-29	-973	-906
Profit for the period attributable to non-controlling interest	-	1	1	1	2
Basic earnings per share, SEK	-0.12	-6.06	-0.18	-6.05	-5.63
Diluted earnings per share, SEK	-0.12	-6.06	-0.18	-6.04	-5.63
Average number of shares outstanding, basic, thousands	160,913	160,901	160,913	160,897	160,904
Average number of shares outstanding, diluted, thousands	160,926	160,911	160,926	160,909	160,920

1) Excluding items affecting comparability

Consolidated Statement of Comprehensive Income

SEKm	Q2		Jan-Jun		Jan-Dec
	2021	2020	2021	2020	2020
Profit for the period	-19	-975	-28	-972	-904
Other comprehensive income for the period					
Items that will not be reclassified to profit or loss					
Remeasurements of defines benefit pension plans, net of tax	-	-1	5	-12	-8
Items that may be reclassified to profit or loss					
Exchange rate differences on translating foreign operations attributable to the parent company shareholders	-15	-119	14	17	-56
Other comprehensive income for the period	-15	-120	19	5	-64
Total comprehensive income for the period	-34	-1,095	-9	-967	-968
Total comprehensive income attributable to the parent company shareholders	-33	-1,096	-10	-968	-970
Total comprehensive income attributable to non-controlling interest	-1	1	1	1	2

Consolidated Balance Sheet

SEKm	30 Jun 2021	30 Jun 2020	31 Dec 2020
ASSETS			
Non-current assets			
Goodwill	6,874	6,702	6,644
Other intangible assets	488	550	493
Equipment	544	1,052	562
Right-of-use assets	10,484	10,044	9,709
Financial assets	432	388	410
Total non-current assets	18,822	18,736	17,818
Current assets			
Trade receivables	1,103	1,052	1,039
Other current assets	400	312	481
Cash and cash equivalents	686	834	716
	2,189	2,198	2,236
Assets held for sale	18	19	18
Assets in operations held for sale	-	174	-
Total current assets	2,207	2,391	2,254
Total assets	21,029	21,127	20,072
EQUITY and LIABILITIES			
Equity			
Equity attributable to the parent company shareholders	4,838	4,852	4,849
Non-controlling interest	24	22	22
Total equity	4,862	4,874	4,871
Non-current liabilities			
Liabilities to credit institutions	2,259	2,722	2,246
Long-term lease liabilities ¹	10,586	9,995	9,811
Provisions for post-employment benefits	4	13	8
Other provisions	77	180	64
Other non-current liabilities	115	153	120
Total non-current liabilities	13,041	13,063	12,249
Current liabilities			
Liabilities to credit institutions	0	3	0
Short-term lease liabilities ²	1,017	918	919
Trade payables	336	464	358
Short-term provisions	94	88	117
Other current liabilities	1,675	1,605	1,554
	3,122	3,078	2,948
Liabilities held for sale	4	4	4
Liabilities in operations held for sale	-	108	-
Total current liabilities	3,126	3,190	2,952
Total equity and liabilities	21,029	21,127	20,072

1) Long-term lease liabilities include car leases amounting to SEK 9m (8m) and full year SEK 16m.

2) Short-term lease liabilities include car leases amounting to SEK 27m (25m) and full year SEK 19m.

Consolidated Cash Flow Statement

	Q2		Jan-Jun		Jan-Dec
	2021	2020	2021	2020	2020
Operational cash flow (alternative performance measure), SEKm					
Operating profit (EBITA) ¹	162	153	345	335	797
Depreciation and amortization of tangible and intangible assets	334	318	653	628	1,256
Changes in working capital	43	249	117	448	246
Paid income tax	-23	-35	-32	-27	-37
Other non-cash items	-9	16	-15	23	15
Cash flow after changes in working capital	507	701	1,068	1,407	2,277
Investments on tangible and intangible assets	-43	-122	-84	-240	-345
Divestments of tangible and intangible assets	14	4	22	8	26
Operating cash flow	478	583	1,006	1,175	1,958
Interest received/paid	-14	-7	-28	-22	-73
Interest expense for lease liabilities of real estate	-146	-144	-289	-280	-559
Repayment of lease liabilities	-246	-234	-479	-449	-898
Free cash flow	72	198	210	424	428
Net change in assets and liabilities held for sale	2	149	2	196	196
Acquisition of operations	-56	-55	-246	-114	-114
Divestment of subsidiaries	-	-	-	-	-22
Warrants	-	2	-	2	2
Repayment of loans	-	-150	-	-225	-475
New borrowings	-	-	-	68	199
Total cash flow	18	144	-34	351	214
Cash and cash equivalents at the beginning of the period	670	747	716	523	523
Effect of exchange rate changes on cash	-2	-24	4	-7	-21
Cash and cash equivalents at the end of the period	686	867	686	867	716

	Q2		Jan-Jun		Jan-Dec
	2021	2020	2021	2020	2020
Cash flow according to IFRS, SEKm					
Cash flow from operations	347	550	751	1,105	1,645
Cash flow from investing activities	-83	-24	-306	-150	-258
Cash flow from financing activities	-246	-382	-479	-604	-1,172
Total cash flow	18	144	-34	351	214

1) Excluding items affecting comparability

Consolidated Statement of Changes in Equity

SEKm	30 Jun 2021	30 Jun 2020	31 Dec 2020
Opening balance	4,871	5,831	5,831
Total comprehensive income attributable to:			
The parent company shareholders	-10	-968	-970
Non-controlling interest	1	1	2
Transactions with owners			
Warrants	-	2	2
Vested shares	-	1	1
Transactions with non-controlling interest	-	-15	-14
Share-savings plan	-	-	-1
Total transactions with owners	-	-12	-12
Equity attributable to the parent company shareholders	4,838	4,852	4,849
Non-controlling interests	24	22	22
Closing balance	4,862	4,874	4,871

Segment in Summary

SEKm	Scandinavia		Finland		Other and eliminations		Group	
	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2
	2021	2020	2021	2020	2021	2020	2021	2020
Net sales	1,489	1,548	1,718	1,564	-	-	3,207	3,112
operations	1,146	1,113	1,703	1,514	-	-	2,849	2,627
- Net sales, outsourcing	344	435	14	50	-	-	358	485
Lease adjusted EBITA¹	74	126	0	-67	-21	-17	53	42
<i>Lease adjusted operating margin (EBITA), %</i>	5.0	8.1	0.0	-4.3	-	-	1.7	1.3
Operating profit (EBITA)¹	120	175	64	-5	-21	-17	162	153
<i>Operating margin (EBITA)¹, %</i>	8.0	11.3	3.7	-0.3	-	-	5.1	4.9

1) Excluding items affecting comparability.

SEKm	Scandinavia			Finland			Other and eliminations			Group		
	Jan-Jun	Jan-Jun	Full-year	Jan-Jun	Jan-Jun	Full-year	Jan-Jun	Jan-Jun	Full-year	Jan-Jun	Jan-Jun	Full-year
	Net sales	2,937	3,142	6,027	3,332	3,098	6,261	-	-	-	6,269	6,240
- Net sales, own	2,246	2,250	4,425	3,303	3,005	6,102	-	-	-	5,549	5,255	10,527
- Net sales, outsourcing	691	892	1,602	29	93	159	-	-	-	720	985	1,761
Lease adjusted EBITA¹	165	251	481	2	-89	-45	-39	-36	-61	128	126	375
<i>Lease adjusted operating margin (EBITA)¹, %</i>	5.6	8.0	8.0	0.1	-2.9	-0.7	-	-	-	2.0	2.0	3.1
Operating profit (EBITA)¹	256	340	658	129	31	200	-39	-36	-61	345	335	797
<i>Operating margin (EBITA)¹, %</i>	8.7	10.8	10.9	3.9	1.0	3.2	-	-	-	5.5	5.4	6.5

1) Excluding items affecting comparability.

Net Financial Items

SEKm	Q2		Jan-Jun		Jan-Dec
	2021	2020	2021	2020	2020
Net interest expense (excluding lease liabilities for real estate)	-9	-15	-20	-30	-57
Interest expense, lease liabilities for real estate	-146	-144	-289	-280	-559
Other	-3	-9	-13	-4	-28
Net financial items	-158	-168	-322	-314	-644

Investments

SEKm	Q2		Jan-Jun		Jan-Dec
	2021	2020	2021	2020	2020
Investments					
Investments in intangible assets	14	2	18	6	13
Investments in tangible assets	29	120	66	234	333
Divestments of tangible and intangible assets	-14	-4	-22	-8	-27
Total net investments	29	118	62	232	319
Intangible assets acquired through business combination					
Goodwill	50	67	213	92	129
Customer relations	7	26	36	52	82
Other	0	0	0	0	0
Total intangible assets acquired through business combination	57	93	249	144	211

Financial Assets and Liabilities

SEKm	30 Jun 2021	30 Jun 2020	31 Dec 2020
ASSETS			
Financial assets measured at fair value			
Trade receivables	1,103	1,052	1,039
Cash and cash equivalents	686	834	716
Total financial assets	1,789	1,886	1,755
LIABILITIES			
Financial liabilities at fair value through profit or loss			
Contingent considerations	1	0	0
Financial liabilities measured at amortised cost			
Borrowings	2,259	2,725	2,246
Lease liabilities	11,603	10,913	10,730
Trade payables	336	464	358
Total financial liabilities	14,199	14,102	13,334

The table shows the Group's significant financial assets and liabilities. Assets and liabilities recognized as loans and receivables, and other financial liabilities are valued at amortized cost. Fair value for all financial assets and liabilities are equal to the carrying value. For complete table and further information see Attendo's Annual report 2020, note C26.

Valuation technique

Level 3: The fair value of contingent considerations is based on estimated outcome from the contractual clauses in the share purchase agreements.

Pledged Assets and Contingent Liabilities

SEKm	30 Jun 2021	30 Jun 2020	31 Dec 2020
Assets pledged as collateral	55	74	64
Contingent liabilities ¹	4,056	4,496	4,615

1) Leases of assets not yet in use are reported in contingent liabilities. Contingent liabilities also include a potential outflow of resources to complete acquisitions of real estate and operations from a few local authorities in Finland.

Adjusted Earnings and Adjusted Earnings per Share Q2 2021

	Reported	Acq. ¹	IFRS 16 ²	Items affecting comparability ³	Total adj.	Adjusted earnings
SEKm						
Net sales	3,207	-	-	-	-	3,207
Other operating income	9	-	-	-	-	9
Operating profit before amortization and depreciation (EBITDA)	496	-	-392	-	-392	104
Amortization and depreciation of tangible and intangible assets	-334	-	283	-	283	-51
Operating profit (EBITA)	162	-	-109	-	-109	53
Amortization of acquisition related intangible assets	-26	26	-	-	26	-
Operating profit excluding items affecting comparability (EBIT)	136	26	-109	-	-83	53
Items affecting comparability	-	-	-	-	-	-
Operating profit (EBIT)	136	26	-109	-	-83	53
Net financial items	-158	-	146	-	146	-12
Profit before tax (EBT)	-22	26	37	-	63	41
Income tax	3	-5	-7	-	-12	-9
Profit for the period	-19	21	30	-	51	32
Profit for the period attributable to:						
The parent company shareholders	-19	21	30	-	51	32
Non-controlling interests	-	-	-	-	-	-
Average number of shares outstanding, diluted, thousands	160,913	160,913	160,913	160,913	160,913	160,913
Earnings per share diluted, SEK	-0.12	0.18	0.18	-	0.32	0.19

Profit for the period attributable to the parent company shareholders excluding amortization of acquisition related intangible assets (1), IFRS 16 (2) and items affecting comparability (3) and related tax effects divided with the average number of shares outstanding, after dilution.

Adjusted Earnings and Adjusted Earnings per Share Q2 2020

	Reported	Acq. ¹	IFRS 16 ²	Items affecting comparability ³	Total adj.	Adjusted earnings
SEKm						
Net sales	3,112	-	-	-	-	3,112
Other operating income	52	-	-	-	-	52
depreciation (EBITDA)	471	-	-373	-	-373	98
Amortization and depreciation of tangible and intangible assets	-318	-	262	-	262	-56
Operating profit (EBITA)	153	-	-111	-	-111	42
Amortization of acquisition related intangible assets	-31	31	-	-	31	-
Operating profit excluding items affecting comparability (EBIT)	122	31	-111	-	-80	42
Items affecting comparability	-971	-	137	834	971	-
Operating profit (EBIT)	-849	31	26	834	891	42
Net financial items	-168	-	144	-	144	-25
Profit before tax (EBT)	-1,017	31	170	834	1,035	17
Income tax	42	-6	-33	-	-40	2
Profit for the period	-975	25	137	834	995	19
Profit for the period attributable to:						
The parent company shareholders	-976	25	137	834	996	20
Non-controlling interests	1	-	-	-	-	1
Average number of shares outstanding, diluted, thousands	160,911	160,911	160,911	160,911	160,911	160,911
Earnings per share diluted, SEK	-6.06	0.16	0.85	5.18	6.18	0.11

Profit for the period attributable to the parent company shareholders excluding amortization of acquisition related intangible assets (1), IFRS 16 (2) and items affecting comparability (3) and related tax effects divided with the average number of shares outstanding, after dilution.

Adjusted Earnings and Adjusted Earnings per Share Jan-Jun 2021

	Reported	Acq. ¹	IFRS 16 ²	Items affecting comparability ³	Total adj.	Adjusted earnings
SEKm						
Net sales	6,269	-	-	-	-	6,269
Other operating income	15	-	-1	-	-1	14
Operating profit before amortization and depreciation (EBITDA)	998	-	-769	-	-769	229
Amortization and depreciation of tangible and intangible assets	-653	-	552	-	552	-101
Operating profit (EBITA)	345	-	-217	-	-217	128
Amortization of acquisition related intangible assets	-55	55	-	-	55	-
Operating profit excluding items affecting comparability (EBIT)	290	55	-217	-	-162	128
Items affecting comparability	-	-	-	-	-	-
Operating profit (EBIT)	290	55	-217	-	-162	128
Net financial items	-322	-	289	-	289	-33
Profit before tax (EBT)	-32	55	72	-	127	95
Income tax	4	-11	-14	-	-25	-21
Profit for the period	-28	44	58	-	102	74
Profit for the period attributable to:						
The parent company shareholders	-29	44	58	-	102	73
Non-controlling interests	1				-	1
Average number of shares outstanding, diluted, thousands	160,913	160,913	160,913	160,913	160,913	160,913
Earnings per share diluted, SEK	-0.18	0.27	0.36	-	0.63	0.45

Profit for the period attributable to the parent company shareholders excluding amortization of acquisition related intangible assets (1), IFRS 16 (2) and items affecting comparability (3) and related tax effects divided with the average number of shares outstanding, after dilution.

Adjusted Earnings and Adjusted Earnings per Share Jan-Jun 2020

	Reported	Acq. ¹	IFRS 16 ²	Items affecting comparability ³	Total adj.	Adjusted earnings
SEKm						
Net sales	6,240	-	-	-	-	6,240
Other operating income	59	-	-	-	-	59
Operating profit before amortization and depreciation (EBITDA)	963	-	-724	-	-724	239
Amortization and depreciation of tangible and intangible assets	-628	-	515	-	515	-113
Operating profit (EBITA)	335	-	-209	-	-209	126
Amortization of acquisition related intangible assets	-63	63	-	-	63	-
Operating profit excluding items affecting comparability (EBIT)	272	63	-209	-	-146	126
Items affecting comparability	-971	-	137	834	971	-
Operating profit (EBIT)	-699	63	-72	834	825	126
Net financial items	-314	-	280	-	280	-34
Profit before tax (EBT)	-1,013	63	208	834	1,105	92
Income tax	41	-13	-41	-	-54	-13
Profit for the period	-972	50	167	834	1,051	79
Profit for the period attributable to:						
The parent company shareholders	-973	50	167	834	1,051	78
Non-controlling interests	1	-	-	-	-	1
Average number of shares outstanding, diluted, thousands	160,909	160,909	160,909	160,909	160,909	160,909
Earnings per share diluted, SEK	-6.04	0.31	1.04	5.18	6.53	0.49

Profit for the period attributable to the parent company shareholders excluding amortization of acquisition related intangible assets (1), IFRS 16 (2) and items affecting comparability (3) and related tax effects divided with the average number of shares outstanding, after dilution.

Adjusted Earnings and Adjusted Earnings per Share 2020

SEKm	Reported	Acq. ¹	IFRS 16 ²	Items affecting comparability ³	Total adj.	Adjusted earnings
Net sales	12,288	-	-	-	-	12,288
Other operating income	73	-	-	-	-	73
Operating profit before amortization and depreciation (EBITDA)	2,053	-	-1,454	-	-1,454	599
Amortization and depreciation of tangible and intangible assets	-1,256	-	1,032	-	1,032	-224
Operating profit (EBITA)	797	-	-422	-	-422	375
Amortization of acquisition related intangible assets	-124	124	-	-	124	-
Operating profit excluding items affecting comparability (EBIT)	673	124	-422	-	-298	375
Items affecting comparability	-955	-	134	821	955	-
Operating profit (EBIT)	-282	124	-288	821	657	375
Net financial items	-644	-	559	-	559	-85
Profit before tax (EBT)	-926	124	271	821	1,216	290
Income tax	22	-25	-54	-	-79	-57
Profit for the period	-904	99	217	821	1,137	233
Profit for the period attributable to:						
The parent company shareholders	-906	99	217	821	1,137	231
Non-controlling interests	2	-	-	-	-	2
Average number of shares outstanding, diluted, thousands	160,920	160,920	160,920	160,920	160,920	160,920
Earnings per share diluted, SEK	-5.63	0.61	1.35	5.10	7.06	1.43

Profit for the period attributable to the parent company shareholders excluding amortization of acquisition related intangible assets (1), IFRS 16 (2) and items affecting comparability (3) and related tax effects divided with the average number of shares outstanding, after dilution.

Key Data

		Q2		Jan-Jun		Jan-Dec
		2021	2020	2021	2020	2020
Organic growth	%	4.8	3.9	3.4	4.8	4.4
Acquired growth	%	1.2	0.4	-	1.0	-0.7
Change in currencies	%	-2.9	-0.2	-2.9	0.5	-0.7
Operating margin (EBITA margin) r12 ¹	%	-	-	6.6	6.2	6.5
Lease adjusted operating margin (lease adjusted EBITA margin) r12 ¹	%	-	-	3.1	3.0	3.1
Working capital	SEKm	-	-	-602	-778	-508
Return on capital employed	%	-	-	3.7	3.5	3.7
Net debt to equity ratio	times	-	-	2.7	2.6	2.5
Equity to asset ratio	%	-	-	23	23	24
Net debt/EBITDA r12 ¹	times	-	-	6.3	6.5	6.0
Lease adjusted net debt / Lease adjusted EBITDA r12 ¹	times	-	-	2.7	3.3	2.6
Free cash flow	SEKm	72	198	210	424	428
Net investments	SEKm	-29	-118	-62	-232	-319
Average number of employees		18,518	18,659	18,265	18,305	18,178
Key data per share						
Earnings per share, basic	SEK	-0.12	-6.06	-0.18	-6.05	-5.63
Earnings per share, diluted	SEK	-0.12	-6.06	-0.18	-6.04	-5.63
Adjusted earnings per share, diluted	SEK	0.19	0.11	0.45	0.48	1.43
Equity per share, basic	SEK	-	-	30.06	30.15	30.14
Equity per share, diluted	SEK	-	-	30.06	30.15	30.13
Average number of shares outstanding, basic	thousands	160,913	160,901	160,913	160,897	160,904
Average number of shares outstanding, diluted	thousands	160,926	160,911	160,926	160,909	160,920
Number of shares, end of period	thousands	161,387	161,387	161,387	161,387	161,387
Number of treasury shares, end of period	thousands	474	480	474	480	474
Number of shares outstanding, end of period	thousands	160,913	160,906	160,913	160,906	160,913

1) Excluding items affecting comparability.

Quarterly Data

SEKm	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Total net sales	3,013	3,054	3,128	3,112	2,983	3,065	3,062	3,207
- Net sales, own operations	2,521	2,555	2,628	2,627	2,604	2,668	2,700	2,849
- Net sales, outsourcing	492	499	500	485	379	397	362	358
Total net sales	3,013	3,054	3,128	3,112	2,983	3,065	3,062	3,207
- Net sales, Scandinavia	1,584	1,596	1,594	1,548	1,410	1,475	1,447	1,489
- Net sales, Finland	1,429	1,458	1,534	1,564	1,573	1,590	1,615	1,718
Lease adjusted operating profit (EBITDA)	259	90	141	98	218	142	125	104
<i>Lease adjusted operating margin (EBITDA margin), %</i>	8.6	2.9	4.5	3.2	7.3	4.6	4.1	3.2
Lease adjusted operating profit (EBITA)	204	35	84	42	162	87	75	53
<i>Lease adjusted operating margin (EBITA margin), %</i>	6.8	1.1	2.7	1.4	5.4	2.8	2.4	1.7
Operating profit (EBITDA)	584	435	492	471	581	509	502	496
<i>Operating margin (EBITDA margin), %</i>	19.4	14.2	15.7	15.1	19.5	16.6	16.4	15.5
Operating profit (EBITA)	294	139	182	153	269	193	183	162
<i>Operating margin (EBITA margin), %</i>	9.8	4.5	5.8	4.9	9.0	6.3	6.0	5.1
Profit for the period	94	-40	3	-975	64	4	-9	-19
<i>Profit margin, %</i>	3.1	-1.3	0.1	-31.3	2.1	0.1	-0.3	-0.6
Earnings per share basic, SEK	0.58	-0.25	0.02	-6.06	0.40	0.02	-0.06	-0.12
Earnings per share diluted, SEK	0.58	-0.25	0.02	-6.06	0.40	0.02	-0.06	-0.12
Adjusted earnings per share diluted, SEK	0.90	0.04	0.37	0.11	0.65	0.32	0.26	0.19
Average number of employees	16,984	16,163	17,950	18,659	18,514	17,523	18,012	18,518
Operational data								
Number of units in operation ¹	697	698	706	709	700	707	716	716
Number of beds in homes ²	19,568	19,720	20,391	20,708	20,107	20,349	20,852	20,858
Occupancy in homes, % ²	82	82	82	80	81	81	81	83
Number of beds under construction ³	2,094	1,980	1,423	1,110	1,228	1,036	782	608
Number of opened beds (r12) ³	1,867	1,950	2,186	2,042	1,630	1,349	955	710

1) All units in all contract models and segments.

2) All homes.

3) Own homes.

Parent Company Income Statement

SEKm	Q2		Jan-Jun		Jan-Dec
	2021	2020	2021	2020	2020
Net sales	4	3	8	6	13
Personnel costs	-10	-7	-19	-14	-28
Other external costs	-3	-3	-5	-5	-10
Operating profit	-9	-7	-16	-13	-25
Net financial items	-3	-3	-5	-5	-9
Profit after financial items	-12	-10	-21	-18	-34
Group contributions	-	-	-	-	54
Profit before tax	-12	-10	-21	-18	20
Income tax	-	-	-	-	-5
Profit for the period	-12	-10	-21	-18	15

Profit for the period corresponds to total comprehensive income.

Parent Company Balance Sheet

SEKm	30 Jun 2021	30 Jun 2020	31 Dec 2020
ASSETS			
Non-current assets			
Shares in subsidiaries	6,494	6,494	6,494
Total non-current assets	6,494	6,494	6,494
Current assets			
Receivables to group companies	2	5	54
Other receivables	6	8	1
Cash and cash equivalents	0	1	0
Total current assets	8	14	55
Total assets	6,502	6,508	6,549
EQUITY AND LIABILITIES			
Equity	5,990	5,978	6,011
Current liabilities			
Liabilities to group companies	497	513	525
Other liabilities	15	17	13
Total current liabilities	512	530	538
Total equity and liabilities	6,502	6,508	6,549

Attendo's operations

Attendo is the leading private provider of care services in the Nordics. The company has operations in Sweden, Finland and Denmark. Attendo is the largest private care provider in Sweden and Finland. Attendo is a locally based company and has more than 700 units in operation in about 300 municipalities. The company has about 25,000 employees. With the vision of empowering the individual, Attendo provides services within care for older people, care for people with disabilities, social psychiatry and care for individuals and relatives.

Attendo provides services through two business areas, Attendo Scandinavia and Attendo Finland.

Attendo provides care services under two contract models:

- Own operations, where Attendo provides services in own controlled units/premises or provides home care in customer choice models. Attendo has own units within care for older people, people with disabilities, social psychiatry and care for individuals and relatives.
- Outsourcing operations, where Attendo provides services in publicly controlled units/premises or provides home care services based on outsourcing contracts. Attendo has outsourced units for care for older people, care for people with disabilities and care for individuals and relatives.

Local authorities (mainly municipalities) are usually the contracting authorities for a large majority of Attendo's service offerings, but contract types and duration of contracts vary depending on the contract model and service offering. Own operations are normally based on framework agreements and outsourcing operations are based on outsourcing contracts, following a tender process. The contract period is typically 2-5 years.

Definitions of key data and alternative performance measures (APM)

Explanations of financial measures

Acquired growth (APM)	The net between the increase in the company's net sales from businesses and operations acquired during the past 12 months and loss of net sales from businesses and operations divested during the past 12 months.
Adjusted earnings per share (APM)	Profit or loss for the period attributable to the parent company shareholders excluding effects from amortization of acquisition-related intangible assets as well effects from the implementation of IFRS 16 and items affecting comparability and related tax items divided by the number of outstanding shares after dilution.
Lease adjusted EBITA (APM)	See the definition of operating profit (EBITA) below. Lease adjusted operating profit (EBITA) is operating profit according to the previous reporting standard IAS 17, i.e. excluding the effects of the implementation of IFRS 16. Car leases were reported as finance leases under the previous standard. Consequently, it is the effects of leases of real estate under IFRS 16 that differentiate operating profit from lease adjusted operating profit. See the tables adjusted earnings and adjusted earnings per share for more information.
Lease adjusted EBITDA (APM)	See the definition of operating profit (EBITDA) below. Lease adjusted operating profit (EBITDA) is operating profit according to the previous accounting standard IAS 17, i.e., excluding the effects of the implementation of IFRS 16. Car leases were reported as finance leases under the previous standard. Consequently, it is the effects of leases of real estate under IFRS 16 that differentiate operating profit from lease adjusted operating profit. See the tables adjusted earnings and adjusted earnings per share for more information.
Lease adjusted net debt (APM)	See the definition of net debt below. Lease adjusted net debt is net debt according to the previous reporting standard IAS 17, i.e., excluding the IFRS 16 effect on lease liabilities attributable to right-of-use assets for real estate. See the table showing net debt calculation for more information.
Lease adjusted net debt / lease adjusted EBITDA	Lease adjusted net debt in relation to lease adjusted EBITDA r12.
Lease adjusted operating margin (EBITA) (APM)	Lease adjusted operating profit (EBITA) divided by net sales.
Lease adjusted operating margin (EBITDA) (APM)	Lease adjusted operating profit (EBITDA) divided by net sales.
Capital employed	Equity plus interest-bearing liabilities and provisions for post-employment benefits.
Cash and cash equivalents	Cash and bank balances, short term investments and derivatives with a positive fair value.
Earnings per share	Profit or loss for the period attributable to the parent company shareholders divided by average shares outstanding.
Equity/assets ratio	Equity divided by total assets.
Equity per share	Equity attributable to the parent company shareholders divided by average shares outstanding.
Free cash flow (APM)	Free cash flow is a measure of the cash and cash equivalents the group generates in operating activities and investing activities. The performance measure is defined as operational cash flow after changes in working capital, cash flow from investments in and divestments of tangible and intangible assets, as well as received/paid interest, interest expense for lease liabilities of real estate and repayment of lease liabilities according to IFRS 16. See the Consolidated cash flow table for reconciliation.
Items affecting comparability	Items whose effects on profit are important to pay attention to when profit for the period is compared with earlier periods, such as significant impairment losses and other significant, non-recurring costs or income.
Net debt (APM)	Net debt is a way of describing the group's indebtedness and its ability to repay its debt with cash and cash equivalents if all debts were to be due for payment today. Net debt is defined as interest-bearing liabilities plus provisions for post-employment benefits minus cash and cash equivalents. Net debt is presented both including and excluding lease liabilities attributable to right-of-use assets for real estate. See the section Financial position in this report for a reconciliation of net debt.
Net debt / EBITDA	Net debt divided by EBITDA r12.

Net debt to equity ratio	Net debt divided by equity.
Net investments	The net of investments in and divestments of tangible and intangible assets, excluding acquisitions and divestment of operations as well as investments in and divestments of assets held for sale.
Organic growth (APM)	Attendo reports organic growth as a performance measure to show underlying sales development excluding acquisitions and currency effects. The performance measure is calculated as sales growth excluding acquisitions and changes in exchange rates. See Note C35 in the 2020 annual report for a reconciliation of the performance measure on a full year basis.
Operating margin (EBIT margin)	Operating profit or loss (EBIT) divided by net sales. Operating margin (EBIT margin) is presented including and excluding items affecting comparability.
Operating margin (EBITA margin)	Operating profit (EBITA) divided by net sales.
Operating profit (EBIT) (APM)	Attendo reports operating profit (EBIT) as a performance measure because it shows the development of operating activities independent of financing. Operating profit (EBIT) refers to profit before financial items and tax. Operating profit (EBIT) is presented including and excluding items affecting comparability. See the Consolidated income statement for a reconciliation of EBIT.
Operating profit (EBITA) (APM)	Operating profit (EBITA) is used as a performance measure because it shows the development of operating activities without the effect of amortization and impairments of intangible assets from acquired companies and independently of financing. Operating profit (EBITA) refers to profit before amortization of acquisition-related intangible assets, financial items and tax. Operating profit (EBITA) is excluding items affecting comparability. See the Consolidated income statement for a reconciliation of EBITA.
Operating profit (EBITDA) (APM)	Attendo reports operating profit (EBITDA) as a performance measure because it shows the development of operating activities independent of financing and investments. Operating profit (EBITDA) refers to profit or loss before depreciation, amortization and impairments. Operating profit (EBITDA) is excluding items affecting comparability. See the Consolidated income statement for a reconciliation of EBITDA.
Profit (-loss) for the period	Profit or loss for the period attributable to parent company shareholders and non-controlling interest.
Profit margin	Profit or loss for the period divided by net sales.
r12 “rolling 12 months”	The sum of the period’s past 12 months.
Return on capital employed (APM)	Attendo reports return on capital employed because it shows profits in relation to the capital used in operations. The definition of return on capital employed is operating profit (EBIT) excluding items affecting comparability for the past 12 months divided by average capital employed.
Working capital (APM)	Working capital is a key performance measurement for optimising cash generation. The performance measure is defined as current assets excluding cash and cash equivalents and current interest-bearing assets minus current non-interest-bearing liabilities and provisions. Assets and liabilities held for sale are not included in working capital. See Note C35 in the 2020 annual report for a reconciliation of the performance measure on a full year basis.

Explanations of operating measures

CoP	Care for older people
Mature unit	Own home in care for older people, care for people with disabilities and social psychiatry opened during the calendar year of 2017 or earlier, and units in other contract models and segments in operation for more than 12 months.
Occupancy	The number of occupied beds divided by the number of available beds. Occupancy is a weighted average in the last month of each reporting period.



INFORMATION TO SHAREHOLDERS AND ANALYSTS

Financial Calendar

Interim report January-September 2021 26 October 2021

Telephone conference

A telephone conference will be held on 22 July 2021 at 10.00 (CET) with Attendo's CEO Martin Tivéus and CFO Fredrik Lagercrantz. For participation please dial in on the following number:

SE: +46 8 505 583 53
FI: +358 9 315 837 75
UK: +44 3 333 009 268

You can follow the presentation and the conference on the following page: <https://tv.streamfabriken.com/attendo-q2-2021>

For further information please contact:

Fredrik Lagercrantz	Andreas Koch
CFO	Communications and IR Director
Phone +46 8 586 252 00	Phone +46 70 509 77 61

This is information that Attendo AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above at 08.00 CET on 22 July 2021.

Forward-looking information

This report contains forward-looking information based on current expectations of the Attendo's management. Although management deems that the expectations presented by such forward-looking information are reasonable, no guarantee can be given that these expectations will prove correct. Accordingly, the actual future outcome could vary considerably compared to what is stated in the forward-looking information, due to such factors as changed market conditions for Attendo's services and more general conditions regarding business cycles, market and competition, changes in legal requirements and other political measures, and fluctuation in exchange rates.

Company number : 559026-7885

