



Interim report January-June 2017



Investments for the future and fewer working days puts pressure on the result for the period

- Divestment of weak businesses in Århus and Helsinki will strengthen the results in coming periods but has a negative one-time effect of SEK -16.3 million on the quarter
- Considerably fewer working days impact the clinics' results negatively
- Successful start-up of GHP Vård och Hälsa with Trygg Hansa and development of the collaboration with Skandia
- Much greater focus on internal cost control in the clinics in future

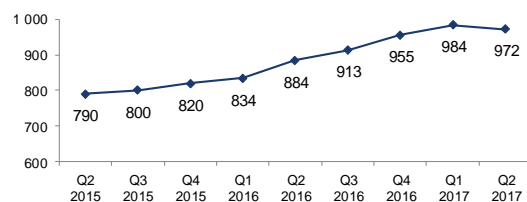
Second quarter 2017

- Sales revenues decreased to SEK 249.6 million (262.0)
- Organic growth amounted to -4.5 percent (22.1)
- Adjusted EBITDA amounted to SEK 9.5 million
- EBITDA amounted to SEK -6.8 million (31.8)
- EBITDA margin amounted to -2.7 percent (12.1)
- Result after tax (EAT) amounted to SEK -14.0 million (20.1)
- Result per share amounted to SEK -0.21 (0.26)

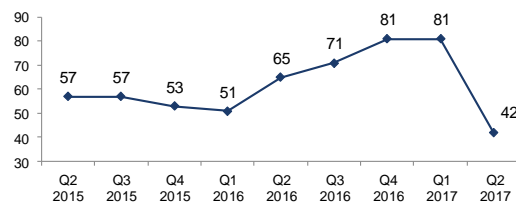
First half year 2017

- Sales revenues increased to SEK 510.4 million (493.5)
- Organic growth amounted to 3.1 percent (13.9)
- Adjusted EBITDA amounted to SEK 27.7 million
- EBITDA amounted to SEK 11.4 million (49.9)
- EBITDA margin amounted to 2.2 percent (10.1)
- Result after tax (EAT) amounted to SEK -5.7 million (29.5)
- Result per share amounted to SEK -0.09 million (0.39)

Sales revenues, rolling 12 months
SEK millions



EBITDA, rolling 12 months
SEK millions



The operating result in Q2 2017 were impacted by a capital loss of SEK -16.3 million.

“By focusing on and taking the appropriate measures, I am confident that we will be able to rapidly improve our profitability.”

Extract from CEO Daniel Öhman's comments on the report

CEO's comments

The second quarter this year was expected to be a challenge from the point of view of profitability. There were considerably fewer working days than the same period last year, GHP International was not going to be more profitable until the end of the year, we have a couple of start-ups and we have invested in new competencies in the Nordic Region and in International. Despite this knowledge, the quarter was still a step backwards in financial terms. Much can be explained, however, by the fact that we have divested unprofitable units, which will mean improved operational results in the future.

We have a strong focus on development of the business, which is something we will draw benefit from later on but it has impacted the result for the quarter negatively. The past quarter we have, for example, started Trygg Hansa health care planning and together with Skandia expanded our collaboration with a new IBS-unit. This strengthens our leading position in the insurance market. We have also entered into a collaboration agreement for a neurorehabilitation hospital in the UAE as part of our continued international expansion and made considerable progress regarding digitalisation in health care.

Our clinics in Århus and Helsinki have for us been a challenge for a long time. Together they have made a loss of approximately SEK 3.5 million so far this year and also laid claim to many central resources. We therefore decided to sell both businesses. This gives a negative one-time effect in the quarter but will strengthen the result going forward.

The number of working days in each quarter has a great impact on our results. Apart from Collaborative Care and International, our remuneration is based entirely on how many patients we help, at the same time as most of our costs are fixed. During the first quarter this year, there were two working days fewer than during the same period last year and during the second quarter we had six working days fewer. We calculate that these eight days had a negative impact on results of at least SEK 14 million (of which SEK 11 million in Q2). Unfortunately, these working days do not come back during the rest of the year, when there will be more or less the same number of working days as last year.

In International we are working according to plan. It is taking a little time to establish processes and improve



the hospitals we have just taken over. We therefore anticipate that it will be at the end of the year that we will be up at approximately the same level of profitability as last year in this part of the business.

Each year over the past eleven years our remuneration for different measures has fallen and salaries have gone up. Moreover, salaries in the health care sector are increasing faster than in the rest of society. This is not a new challenge for us, but it is a question of being better each year. So far this year we have not carried this out at the pace we would have wanted. A big reason for productivity not increasing as intended is that we are now undergoing a change of generation in the management of many of our clinics (for example, five out of seven CEOs in Stockholm are working their first year for GHP). We also have a new financial organisation in a new structure. The desired change of generation has taken time to implement, however, and we cannot yet see its financial impact. Nevertheless, the underlying situation at our clinics looks good. We have strong patient inflows and a new generation of ambitious employees.

In order to manage the challenges that we have encountered as quickly as possible, we are focusing on establishing stricter planning routines and more detailed cost control. By focusing on and taking the appropriate measures, I am confident that we will be able to rapidly improve our profitability.

Daniel Öhman
CEO

Financial summary

Sales revenues

Sales growth amounted to -5 percent (24) for the second quarter and 3 percent (15) for the half year, of which -5 percent (22) was organic growth for the second quarter and 3 percent (14) for the half year.

Operating result

The adjusted operating result before depreciation and amortisation in Q2 2017 amounted to SEK 9,5 million (n/a), corresponding to an adjusted EBITDA margin of 4 percent (n/a). The adjustment in Q2 2017 refers to a capital loss from the divestment of GHP OPA Privathospital Aarhus A/S and GHP Gastro Clinic Helsinki Oy. For the first six months adjusted EBITDA margin amounted to 5 percent (n/a). For the second quarter the adjusted EBIT margin amounted to 1 percent (n/a) and 3 percent (n/a) for the first six months.

The lower adjusted operating result is primarily an effect of six working days fewer in the second quarter compared to same quarter last year. The impact of fewer working days amounted to SEK -11 million.

Net financial items

Net financial items amounted to SEK -0.8 million (-0.5) for the second quarter and to SEK -1.6 million (-1.0) for the first half year.

Income tax

The tax expense amounted to SEK 0.4 million (-5.2) for the second quarter and to SEK -1.9 million (-7.5) for the first half year. The capital loss from the divestment of subsidiaries is a non-tax deductible expense which impacts the tax rate negatively.

Result for the period

The result after tax for the second quarter of 2017 amounted to SEK -14.0 million (20.1), of which SEK -14.2 million (18.0) was attributable to Parent Company shareholders. For the first half of 2017 the corresponding figure was SEK -5.7 million (29.5), of which SEK -6.2 million (26.1) was attributable to Parent Company shareholders.

Current and non-current interest-bearing liabilities

At 30 June 2017 the company had utilised credit of SEK 139.9 million (114.1). Of this sum, SEK 25.0 million (18.2) is classified as current liabilities and SEK 114.9 million (95.9) as non-current liabilities.

Cash flow and financial position

The cash flow from operating activities included changes in operating capital of SEK -7.6 million (-22.3) for the second quarter of 2017 and SEK -4.9 million (-26.2) for the half year.

The cash flow during the half year was affected, amongst other things, by successive acquisitions of minority shareholdings in existing clinics and settlement of a purchase consideration previously entered as a liability regarding acquisitions carried out at the end of 2016. Most of these transactions were made during the first quarter. In addition, investments were made in hospital equipment and the rebuilding of existing premises. The cash flow from financing activities during the second quarter was negatively impacted by dividend to the company's shareholders, amongst other things.

The Group's cash and cash equivalents amounted to SEK 25.7 million (49.4) at 30 June 2017. GHP has a controlling interest in all cash-generating subsidiaries.

Net loan debt amounted to SEK 114.2 million (64.6) at 30 June 2017 and all covenants were met during the period.

Personnel

The average number of employees for the second quarter of 2017 amounted to 522 (484). For the first half of 2017 the average number of employees amounted to 529 (492).

Consolidated sales revenues and profits					
Sek millions	Second quarter		First six months		Year
	2017	2016	2017	2016	2016
Sales revenues	249.6	262.0	510.4	493.5	955.4
Growth, %	-4.7	24.0	3.4	15.0	16.5
whereof organic, %	-4.5	22.1	3.1	13.9	14.5
whereof acquired, %	1.5	1.6	0.5	1.0	1.6
Operating result before depreciation and amortisation (EBITDA)	-6.8	31.8	11.4	49.9	80.9
Adjusted operating result before depreciation and amortisation (EBITDA) ¹⁾	9.5	-	27.7	-	-
Operating result (EBIT)	-13.6	25.8	-2.2	38.0	56.4
Adjusted operating result (EBIT)	2.7	-	14.1	-	-

1) Adjusted for capital loss of SEK -16,3 million 2017

Consolidated cashflow					
Sek millions	Second quarter		First six months		Year
	2017	2016	2017	2016	2016
Cash flow from operating activities	-4.0	5.2	11.3	11.0	30.9
Cash flow from investing activities	-9.5	-5.4	-18.7	-16.5	-35.6
Cash flow from financing activities	-27.7	-0.4	-41.6	-2.8	21.5
Exchange rate differences in cash and cash equivalents	0.0	0.3	-0.2	0.2	0.6
Cash flow	-41.1	-0.3	-49.1	-8.1	17.4

Segment summary

The GHP Group controls business operations on the basis of geographic location. The Nordic Region business area and the International business area are reported as segments. All head office costs, including business development, are divided between these two segments.

Seasonal variations

GHP's business is affected by seasonal variations, in particular round about the summer holiday. As most of the Group's clinics do not carry out any surgical procedures at all during a few summer weeks, both sales and the operating result and cash flow are affected negatively during the third quarter. The clinics are closed during this period due to the fact that it is inefficient to run a clinic at half capacity as certain economies of scale are lost. It is also the case that the demand for operations is considerably lower during the holidays as many people do not want to have recently undergone surgery during the holiday. With the expansion of our international business operations, primarily in the UAE, the seasonal variations will to some extent be less pronounced.

In order to facilitate understanding of the development of the Group's business, both sales revenues and the operating result before depreciation and amortisation (EBITDA) are also recorded in the interim reports on a rolling 12-month basis (see diagrams on page 1).

Nordic Region

The Nordic Region business area conducts business within specialist care, such as orthopaedics, spine surgery/spine care, obesity surgery and diabetes care, gastroenterology, urology, general surgery, arrhythmia,

sports medicine, plastic surgery, neurology and specialist dentistry via 19 clinics. 17 of the clinics are in Sweden and 2 in Denmark. Furthermore, business development is conducted in these and other diagnostic areas. The clinics' customers consist of County Councils/regions, insurance companies and to certain extent private individuals.

The businesses in the Nordic region had sales in the quarter that were somewhat lower than the previous year. Most of the Group's businesses are greatly affected by the number of working days. The first half year and above all the second quarter had considerably fewer working days compared to the year before. Despite this, the businesses in Copenhagen and Skåne have developed positively in the quarter. The clinics in Stockholm and the west of Sweden have developed less well in the quarter and will be given increased management support in coming quarters. We see clear opportunities to improve productivity in these sub-markets. During the year the Group strengthened central resources with several key competencies which will be part of this work.

In order to be able to focus resources where they create the greatest value, the businesses in Århus and Helsinki were sold during the second quarter. These clinics had a negative impact on the Group's results up until the time they were divested.

Our new investments, GHP Idrottscentrum, GHP Neuro Center and GHP Vård och Hälsa, impacted the results for the quarter negatively to the tune of SEK 1.3 million. This is due to the fact that the businesses are still in a start-up phase.

Nordic region							
Sek millions	Second quarter		Change	First six months		Change	Year
	2017	2016	%	2017	2016	%	2016
Sales revenue	233.4	237.8	-1.8	478.7	461.3	3.8	879.8
of which Sweden	199.1	203.3	-2.1	407.0	393.7	3.4	742.0
Operating result before goodwill write-downs	-16.9	19.9		-7.2	29.4		33.7
Goodwill write-downs	0.0	0.0		0.0	0.0		0.0
Operating result	-16.9	19.9		-7.2	29.4		33.7
Net financial items	-0.9	-0.5		-1.6	-1.0		-2.1
Result before tax	-17.8	19.4		-8.8	28.4		31.6
Operating margin, %	-7.2	8.4		-1.5	6.4		3.8

The operating result in the second quarter of 2017 were impacted by a capital loss of SEK -16.3 million.

International

The International business area conducts business in the United Arab Emirates (UAE). GHP has conducted diabetes care at a clinic in the UAE for a number of years but during 2016 GHP expanded its business operations after having won a procurement process at the end of 2015. The procurement process comprised a management contract for the diabetes clinic, two accident and emergency hospitals and a paediatric and obstetric hospital. During the fourth quarter of 2016 GHP took over the day-to-day running of the hospitals. The hospitals' assets and employees remain under hospital management and GHP's company in the UAE only employs the Group management, which consists of seven people, and the four hospital directors. Through this Group management, GHP will run the hospitals with the aim of improving both their quality and efficiency.

GHP's remuneration from the management contract consists of a number of components, which are mainly based on how well we can deliver a number of predefined criteria and on key performance indicators (KPIs) regarding quality and efficiency. GHP's remuneration and profitability during the course of the agreement may therefore vary from quarter to quarter and also because we invoice in the local AED currency. GHP's aim is to have a strong presence in the area so as to be able to develop several similar businesses.

Our remuneration is based on how well we meet the above-mentioned KPIs and as we took over the running of the hospitals in December the work of improving the hospitals to a satisfactory level continued during the second quarter as well. The development of the KPIs is continually followed by GHP's management and simulations of the KPIs in the second quarter strengthen our view that their development is going in the right direction. At the end of the year we anticipate that remuneration from the management contract will be at a long-term satisfactory level.

As an important step in the continued expansion in the region, GHP has entered into a collaboration agreement with Integra Healthcare (IHC). IHC is leading an initiative to establish a world-leading neurorehabilitation hospital and has chosen GHP as the hospital operator. The project is at an early stage and critical factors during the coming months will be to secure financing of the building up of the neurorehabilitation hospital. GHP has entered into a collaboration agreement with IHC, whereby GHP will be the hospital operator if and when financing is secured.

Sek millions	International						
	Second quarter		Change	First six months		Change	Year
	2017	2016	%	2017	2016	%	2016
Sales revenue	16.2	24.2	-33.1	31.7	32.2	-1.6	75.6
Operating result before goodwill write-downs	3.3	5.9		5.0	8.6		22.7
Goodwill write-downs	0.0	0.0		0.0	0.0		0.0
Operating result	3.3	5.9		5.0	8.6		22.7
Net financial items	0.1	0.0		0.0	0.0		0.0
Result before tax	3.4	5.9		5.0	8.6		22.7
Operating margin, %	20.4	24.4		15.8	26.7		29.9

Diagnostic areas and sub-markets

Each business area contains one or more diagnostic areas and one or more sub-markets.

For the purpose of transparency GHP provides information about revenues per diagnostic area and revenues per sub-market.

Sales revenues - diagnostic area					
Sek millions	Second quarter		First six months		Year
	2017	2016	2017	2016	2016
Spine/Orthopaedics	149.2	153.2	314.3	303.8	579.4
Gastro/Surgery	42.7	41.1	84.2	79.7	139.7
Arrhythmia/New Specialities	13.0	18.7	25.4	31.5	61.2
Dental	28.6	28.5	54.8	53.6	99.4
International/management contract	16.2	20.5	31.7	24.9	75.7
Reported sales revenues	249.6	262.0	510.4	493.5	955.4

Sales revenues - sub-market					
Sek millions	Second quarter		First six months		Year
	2017	2016	2017	2016	2016
Stockholm area	139.5	147.2	284.5	284.3	531.5
Finland	0.3	1.0	0.6	1.5	3.2
West of Sweden	41.4	42.6	87.5	83.8	158.8
Denmark	34.8	33.5	71.1	66.1	133.0
Skåne	17.4	13.5	35.0	25.6	53.2
United Arab Emirates	16.2	24.2	31.7	32.2	75.7
Reported sales revenues	249.6	262.0	510.4	493.5	955.4

Consolidated Income statement and statement of comprehensive income

Consolidated Income Statement						
Sek millions	Note	Second Quarter		First six months		Year
		2017	2016	2017	2016	2016
Sales revenues		249.6	262.0	510.4	493.5	955.4
Other operating revenues		1.0	1.6	2.2	2.9	4.6
Operating revenues		250.6	263.6	512.7	496.4	960.0
Purchase of goods and services		-45.3	-45.3	-91.0	-92.9	-173.9
Other external costs		-80.9	-72.3	-148.8	-130.6	-252.9
Personnel costs		-131.2	-114.2	-261.5	-223.0	-452.3
Depreciation, amortisation and write-downs		-6.8	-6.0	-13.6	-11.9	-24.5
Operating costs		-264.2	-237.8	-514.9	-458.4	-903.6
Operating result		-13.6	25.8	-2.2	38.0	56.4
Interest income and similar items		0.0	0.0	0.0	0.0	0.1
Interest expenses and similar items		-0.9	-0.4	-1.7	-0.9	-2.1
Other financial income/expenses		0.1	-0.1	0.1	-0.1	-0.1
Net financial items		-0.8	-0.5	-1.6	-1.0	-2.1
Result before tax		-14.4	25.3	-3.8	37.0	54.3
Tax on result for the period		0.4	-5.2	-1.9	-7.5	-9.2
Result for the period *		-14.0	20.1	-5.7	29.5	45.1
* Result attributable to:						
Parent Company shareholders		-14.2	18.0	-6.2	26.1	40.8
Non-controlling interests		0.2	2.1	0.5	3.4	4.3
		-14.0	20.1	-5.7	29.5	45.1
Result per share, SEK:						
Before dilution		-0.21	0.26	-0.09	0.39	0.60
After dilution		-0.21	0.26	-0.09	0.39	0.60

Consolidated statement of comprehensive income						
Sek millions		Second Quarter		First six months		Year
		2017	2016	2017	2016	2016
Result for the period		-14.0	20.1	-5.7	29.5	45.1
Items that will not be reclassified to income statement		-	-	-	0	-
Items that may be reclassified subsequently to income statement:						
Change in translation reserve		0.6	1.4	-0.3	1.5	4.4
Total other comprehensive income		0.6	1.4	-0.3	1.5	4.4
Comprehensive income for the period *		-13.4	21.5	-6.1	31.0	49.5
* Attributable to:						
Parent Company shareholders		-14.0	19.4	-7.0	27.7	45.3
Non-controlling interests		0.6	2.1	0.9	3.3	4.2

Consolidated balance sheet and statement of cash flow

Consolidated balance sheet, summarized					
Sek millions	Note	30-Jun 2017	30-Jun 2016	31-Dec 2016	
Assets					
Non-current assets					
Intangible assets		389.6	390.0	389.9	
Other intangible assets		94.4	77.1	95.0	
Total non-current assets		484.0	467.1	484.9	
Current assets					
Trade receivables and other assets		169.6	172.0	166.4	
Cash and cash equivalents		25.7	49.4	74.9	
Total current assets		195.3	221.4	241.3	
Total assets		679.3	688.5	726.2	
Equity and liabilities					
Equity pertaining to Parent Company shareholders		345.6	361.9	369.1	
Total equity		345.6	361.9	369.1	
Non-current liabilities	4.5	169.1	148.9	176.0	
Current liabilities	4.5	164.6	177.7	181.1	
Total liabilities		333.7	326.6	357.0	
Total equity and liabilities		679.3	688.5	726.2	

Consolidated statement of cash flows					
Sek millions	Note	Second quarter		First six months	Year
		2017	2016	2017	2016
Operating activities					
Operating result		-13.6	25.8	-2.2	38.0
Depreciation/amortisation and write-downs		6.8	6.0	13.6	11.9
Paid tax		-3.0	-2.0	-6.2	-8.6
Other adjustments – net		13.4	-2.3	11.0	-4.1
Change in working capital – net		-7.6	-22.3	-4.9	-26.2
Cash flow from operating activities		-4.0	5.2	11.3	11.0
Investing activities					
Acquisition of subsidiary		0.0	-	-	-5.0
Divestment of subsidiary		-3.8	-	-3.4	-
Other investments		-5.7	-5.4	-15.3	-11.5
Other disposals		0.0	-	-	0.6
Cash flow from investing activities		-9.5	-5.4	-18.7	-16.5
Financing activities					
Acquisition of participating interest from non-controlling interests	4	-1.3	-12.4	-9.3	-12.4
Contribution/reimbursement of contribution non-controlling interests		-0.2	-	-0.2	-
Divestment of participating interest to non-controlling interests		0.0	1.0	-	1.0
Dividend to shareholders		-20.5	-10.2	-20.49	-10.2
Dividend to non-controlling interests		-0.2	-1.8	-1.1	-2.7
New borrowings		18.7	24.6	19.2	24.6
Repayment of loans		-24.2	-1.6	-29.7	-3.1
Cash flow from financing activities		-27.7	-0.4	-41.6	-2.8
Exchange rate differences in cash and cash		0.0	0.3	-0.2	0.2
Cash flow for the period		-41.1	-0.3	-49.1	-8.1
Cash and cash equivalents at beginning of period		66.9	49.7	74.9	57.5
Cash and cash equivalents at end of period		25.7	49.4	25.7	49.4
Interest paid		-0.6	-0.3	-1.2	-0.7
Interest received		-	-	-	-

Consolidated statement and changes in equity, summarized

Consolidated statement of changes in equity, summarized			
Sek millions	Second quarter		
	2017		
	Shareholders' share	Attributable to non-controlling interests	Total
Opening balance	374.7	0.0	374.7
Result after tax	-14.2	0.2	-14.0
Other comprehensive income	0.2	0.4	0.6
Total comprehensive income	-14.0	0.6	-13.2
Transfer of surplus value between majority owners and non-controlling interests	0.0	0.2	0.2
Dividend to shareholders	-20.5	-	-20.5
Dividend to non-controlling interests	-	-0.1	-0.1
Re-payment of capital injection from non-controlling interests	-	-0.2	-0.2
Sales to (+) acquisitions from (-) non-controlling interests	-1.0	5.8	4.8
Revaluation, liability put option	0.0	-	0.0
Reclassification of non-controlling interests	6.3	-6.3	0.0
Closing balance	345.6	0.0	345.6

	Second quarter		
	2016		
	Shareholders' share	Attributable to non-controlling interests	Total
Opening balance	346.3	0.0	346.3
Result after tax	18.0	2.1	20.1
Other comprehensive income	1.4	0.0	1.4
Total comprehensive income	19.4	2.1	21.5
Dividend to shareholders	-10.2	-	-10.2
Dividend to non-controlling interests	-	-1.8	-1.8
Convertible bond issue	1.0	-	1.0
Sales to (+) acquisitions from (-) non-controlling interests	8.7	-1.7	7.0
Revaluation, liability put option	-1.9	-	-1.9
Reclassification of non-controlling interests	-1.4	1.4	0.0
Closing balance	361.9	0.0	361.9

	First six months		
	2017		
	Shareholders' share	Attributable to non-controlling interests	Total
Opening balance	369.1	0.0	369.1
Result after tax	-6.2	0.5	-5.7
Other comprehensive income	-0.8	0.4	-0.4
Total comprehensive income	-7.0	0.9	-6.1
Transfer of surplus value between majority owners and non-controlling interests	-0.2	0.2	0.0
Dividend to shareholders	-20.5	0.0	-20.5
Dividend to non-controlling interests	-	-1.1	-1.1
Re-payment of capital injection from non-controlling interests	-	-0.2	-0.2
Sales to (+) acquisitions from (-) non-controlling interests	-1.3	5.6	4.3
Reclassification of non-controlling interests	5.4	-5.4	0.0
Closing balance	345.6	0.0	345.6

Consolidated statement of changes in equity, summarized

	First six months		
	2016		
	Shareholders' share	Attributable to non-controlling interests	Total
Opening balance	326.6	0.0	326.6
Result after tax	26.1	3.4	29.5
Other comprehensive income	1.6	-0.1	1.5
Total comprehensive income	27.7	3.3	31.0
Dividend to shareholders	-10.2	0.0	-10.2
Dividend to non-controlling interests	-	-2.7	-2.7
Conversion of loan to equity	11.1	-	11.1
Issue of convertible instruments	1.0	0.0	1.0
Sales to (+) acquisitions from (-) non-controlling interests	8.3	-1.3	7.0
Revaluation, liability put option	-1.9	0.0	-1.9
Reclassification of non-controlling interests	-0.7	0.7	0.0
Closing balance	361.9	0.0	361.9

	Year		
	2016		
	Shareholders' share	Attributable to non-controlling interests	Total
Opening balance	326.6	0.0	326.6
Result after tax	40.8	4.3	45.1
Other comprehensive income	4.5	-0.1	4.4
Total comprehensive income	45.3	4.2	49.5
Transfer of surplus value between majority owners and non-controlling interests	-0.5	0.5	0.0
Dividend to shareholders	-10.2	-	-10.2
Dividend to non-controlling interests	-	-2.7	-2.7
Conversion of loan to equity	11.1	-	11.1
Issue of convertible instruments	1.0	-	1.0
Sales to (+) acquisitions from (-) non-controlling interests	-1.0	-3.3	-4.3
Revaluation, liability put option	-1.9	-	-1.9
Reclassification of non-controlling interests	-1.3	1.3	0.0
Closing balance	369.1	0.0	369.1

Quarterly figures

Quarterly figures					
Consolidated Income statement					
Sek millions unless otherwise stated	16Q2	16Q3	16Q4	17Q1	17Q2
Sales revenues	262.0	189.1	272.8	260.8	249.6
Other operating revenues	1.6	0.8	0.8	1.3	1.0
Operating revenues	263.6	189.9	273.6	262.0	250.6
Purchase of goods and services	-45.3	-32.2	-46.9	-45.7	-45.3
Other external costs	-72.3	-56.1	-68.0	-67.8	-80.9
Personnel costs	-114.2	-94.2	-135.1	-130.3	-131.2
Depreciation, amortisation and write-downs	-6.0	-6.0	-6.6	-6.8	-6.8
Operating costs	-237.8	-188.5	-256.7	-250.7	-264.2
Operating result	25.8	1.4	17.0	11.4	-13.6
Interest income and similar items	0.0	0.0	0.1	0.0	0.0
Interest expenses and similar items	-0.4	-0.6	-0.6	-0.8	-0.9
Other financial income/expenses	-0.1	0.0	0.0	0.0	0.1
Net financial items	-0.5	-0.6	-0.5	-0.8	-0.8
Result before tax	25.3	0.8	16.5	10.6	-14.4
Tax on result for the period	-5.2	0.0	-1.7	-2.3	0.4
Result for the period *	20.1	0.8	14.8	8.2	-14.0
* Result attributable to:					
Parent Company shareholders	18.0	0.4	14.3	8.0	-14.2
Non-controlling interests	2.1	0.4	0.5	0.2	0.2
	20.1	0.8	14.8	8.2	-14.0
Key ratios					
EBITDA	31.8	7.4	23.6	18.2	-6.8
EBITDA margin, %	12.1	3.9	8.6	7.0	-2.7
Adjusted EBITDA ¹⁾	n/a	n/a	n/a	n/a	9.5
Adjusted EBITDA margin, % ¹⁾	n/a	n/a	n/a	n/a	3.8
EBIT	25.8	1.4	17.0	11.4	-13.6
EBIT margin, %	9.8	0.7	6.2	4.4	-5.4
Adjusted EBIT ¹⁾	n/a	n/a	n/a	n/a	2.7
Adjusted EBIT margin, % ¹⁾	n/a	n/a	n/a	n/a	1.1
Resultat per aktie, SEK	0.26	0.01	0.21	0.12	-0.21
Cash flow from operating activities per share, SEK	0.08	-0.41	0.71	0.22	-0.06
Cash flow per share, SEK	0.00	-0.64	1.01	-0.12	-0.60
Equity/assets ratio, %	53	55	51	52	51
Net loan debt	64.6	111.7	82.4	84.1	114.2
Equity per share, SEK	5.30	5.27	5.41	5.49	5.06
Return on equity, %	11.3	12.6	12.8	12.1	2.7

1) Adjusted for one-time expense regarding divestment of subsidiaries

Quarterly figures

Alternative measures

Sek millions unless otherwise stated

	16Q2	16Q3	16Q4	17Q1	17Q2
EBITDA					
Operating result	25.8	1.4	17.0	11.4	-13.6
Reversal: Depreciation and amortization	6.0	6.0	6.6	6.8	6.8
EBITDA	31.8	7.4	23.6	18.2	-6.8
Sales revenues, change					
Sales revenues	262.0	189.1	272.8	260.8	249.6
Sales revenues compared with corresponding period previous year	212.1	160.4	229.9	231.5	262.0
Sales revenues, change	49.9	28.7	42.9	29.3	-12.4
Acquisitions/divestments	-3.4	-3.7	3.7	-2.2	3.8
Fluctuations in exchange rates	0.3	-0.2	1.4	-1.6	-3.3
Organic growth	46.8	24.8	37.8	25.5	-11.8
Acquisitions, %	1.6	2.3	1.6	1.0	1.5
Organic growth, %	22.1	15.4	16.4	11.0	-4.5
Net loan debt					
Interest-bearing provisions and liabilities	114	117.5	157.3	151.0	139.9
Minus: Interest-bearing assets	-49.4	-5.8	-74.9	-66.9	-25.7
Net loan debt	64.6	111.7	82.4	84.1	114.2

Definitions

Sales revenues

Revenues from core business.

EBITDA

Operating result before depreciation and amortisation.

EBIDTA adjusted

Operating result before depreciation and amortisation and one-time expenses/revenues.

EBIT

Operating result.

EBIT adjusted

Operating result before one-time expenses/revenues.

EBIT margin, adjusted %

Operating result as a percentage of the sales revenues for the period.

Result per share

The result for the period attributable to the Parent Company's shareholders divided by the average number of shares before dilution (convertibles).

Cash flow from operating activities per share

The cash flow from operating activities for the period divided by the average number of shares before dilution (convertibles).

Cash flow per share

The net cash flow for the period divided by the average number of shares outstanding before dilution (convertibles).

Equity/assets ratio

Total equity as a percentage of the total assets.

Net loan debt

Net of interest-bearing provisions and liabilities minus interest-bearing assets at closing day. A negative figure indicates a net loan receivable.

Equity per share, SEK

Total equity per share outstanding at the end of the period.

Return on equity

Rolling 12 months result after tax as a percentage of the average total equity.

Share data

Result per share

For the second quarter of 2017 the average number of outstanding ordinary shares amounted to 68,282,585 (68,282,585) and for the first half of 2017 to 68,282,585 (67,738,580).

With regard to the convertible instrument programme implemented during the second quarter of 2016, there has been no dilution effect pursuant to IAS 33. Convertible liabilities do not give rise to a dilution effect when their

interest per ordinary share that can be obtained upon conversion is greater than the result per share before dilution. As only marginal interest has been charged to the result during 2017, there is no dilution for the period.

Share capital

As of 30 June 2017, there were 68,282,585 outstanding ordinary shares (68,282,585) with a nominal value of SEK 1 per share.

Quarterly figures					
Share data					
	16Q2	16Q3	16Q4	17Q1	17Q2
Result per share before dilution, SEK ¹⁾	0.26	0.01	0.21	0.12	-0.21
Result per share after dilution, SEK ¹⁾	0.26	0.01	0.21	0.12	-0.21
Number of outstanding shares in thousands	68,283	68,283	68,283	68,283	68,283
Average number of shares outstanding before dilution, thousands	68,283	68,283	68,283	68,283	68,283
Average number of shares outstanding after dilution, thousands	68,283	68,283	68,283	68,283	68,283

1) The result per share has been calculated by the result after tax attributable to the Parent Company's shareholders being divided by the average number of outstanding ordinary shares during the period.

Note 1 Accounting principles

GHP Specialty Care AB (publ), corporate identity number 556757-1103, is registered in Gothenburg, Sweden, and the head office is located at Södra Hamngatan 45.

The Company's financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union. The preparation of financial statements in compliance with IFRS requires the use of estimates and assumptions that affect the reported values of assets, liabilities, revenues and costs for the reporting period. Although these estimates are based on management's knowledge of the amounts, events and actions taken, actual results may differ from the estimates and assumptions made.

Unless otherwise stated, all amounts are in millions of Swedish kronor (SEK millions).

On 27 April 2016 an incentive programme was approved by the Annual General Meeting. The programme consists of issued convertible bonds. During the period 24 February 2020 until 23 March 2020 bond holders are able to convert these to new shares in GHP at a predetermined conversion rate of SEK 9.67. If conversion does not take place, the loan matures on 14 April 2020. A convertible bond is a so-called compound financial instrument which gives rise to a financial liability for the Company and which contains an option for the owner of the instrument to convert the liability into an equity instrument in the Company. These two parts are recognised separately in accordance with IAS 32, p. 29. IAS 39 deals with the valuation of the financial instrument, which means that the value of the option will form the residual amount after the liability has been valued and deducted from the fair value of the instrument as a whole (IAS 32, p 31, 32). The cost of producing the convertible instrument, SEK 0.5 million, is allocated proportionately to the liability and the option (IAS 39, p 43). That part that has been referred to the liability is distributed over the term of the loan and will then be recognised as an interest expense calculated according to the effective interest method together with the liability. The equity component, that is the value of the option, amounts to the price of the option, SEK 1.38, (according to a calculation received from Swedbank) and GHP received SEK 9,650,000, which corresponds to 958,292 convertible instruments. The loan will initially be recognised at its fair value (present value of payments) and during the term of the loan the present value of the convertible instrument will increase up to its nominal value. The difference is distributed over the term of the loan as an interest expense and increases the liability. The Parent Company of the Group, which applies RFR2, recognises the convertible instruments in the same way as the Group. Costs for the programme of SEK 0.2 million were charged against results for the quarter.

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Annual Accounts Act. The Parent Company applies the Annual Accounts Act and RFR2 for legal entities. Accounting principles that have been applied are in accordance with what is stated in the Annual Report 2016.

For further information on the accounting rules, please refer to GHP's Annual Report for 2016, pages 39-43.

Note 2 Risks and uncertainties

GHP is exposed to various types of risk in its business. In general, these can be divided into market-related risks, business-related risks and risks related to financing activities. A more detailed description of these risks is to be found in GHP's Annual Report for 2016, page 31.

During the fourth quarter Ilmar Reepalu, who led the government enquiry Ordning och reda i välfärden (Order and Control in Social Welfare), presented its findings, including a proposal for a profit ceiling for companies offering welfare services. It cannot be completely ruled out that any legislation that arises from this may have a certain negative impact on GHP and/or its owners.

In the company's assessment, no further significant risks have arisen during 2017, apart from those described in "Events after closing day" in GHP's Annual Report for 2016, page 57 (in Swedish only).

Note 3 Transactions with related parties

During the first half of 2017 dividend of SEK 1.1 million was paid to non-controlling interests. Of this sum, SEK 0.2 million was paid during the second quarter of 2017.

During the first quarter of 2017 a purchase consideration of SEK 5 million entered as a liability for an acquisition in December 2016 was paid to non-controlling interests in GHP Arytmi Center Stockholm AB. In addition, successive acquisitions of outstanding shares in GHP Stockholm Gastro Center, GHP Kirurgkliniken and GHP Ortho Center Stockholm were carried out to the tune of SEK 4.4 million in total. Of this sum, SEK 1.4 million was paid in the second quarter.

A consultant's fee of SEK 0.8 million has been paid during the year to a doctor who is the husband of the CEO of GHP Gastro Center Skåne. Remuneration was in line with market rates.

There were no other significant transactions with related parties in the first six months 2017.

Note 4 Acquisitions and divestments

During the first half year a purchase consideration of SEK 5 million entered as a liability was paid to interests in GHP Arytmi Center. This occurred in the first quarter.

Successive acquisitions of outstanding shares in GHP Kirurgkliniken Stockholm AB, GHP Stockholm Gastro Center AB and GHP Ortho Center Stockholm AB were carried out to the tune of SEK 4.4 million in total. Of this sum SEK 1.4 million was paid in the second quarter.

On 30 June 2017 the subsidiaries GHP OPA Privathospital Aarhus A/S and GHP Gastro Clinic Helsinki Oy were divested. The impact on cash and cash equivalents is partly in the third quarter. Preliminary effects on the Group's income statement and balance sheet are summarised below.

Acquisition/divestment of subsidiaries and bolt-on acquisition	
	30-Jun 2017
Sek millions	Total
Transaktioner med innehavare utan bestämmande inflytande - påverkan på koncernens likvida medel:	
a) Payment of supplementary consideration previously entered as a liability GHP Arytmi Center Stockholm AB	-5.0
b) Acquisition of 3,5 percent of shares outstanding in GHP Stockholm Gastro Center AB from non-controlling interests	-2.3
c) Acquisition of 2,9 percent of shares outstanding in GHP Kirurgkliniken AB from non-controlling interests	-0.7
d) Acquisition of 3,0 per cent of shares outstanding in Orthocenter Stockholm AB from non-controlling interests	-1.4
Effect on Group's cash and cash equivalents, total net cash flow	-9.4
a) Effects on Group's financial position of settlement of purchase price in GHP Arytmi Center Stockholm AB previously entered as a liability:	
Total net value of divested assets and liabilities:	
Purchase price entered as a liability, current portion	-5.0
Effect on Group's cash and cash equivalents, total net cash flow	-5.0
b) Effects on Group's financial position of settlement of put option in GHP Stockholm Gastro Center AB previously entered as a liability:	
Total purchase consideration	2.3
Total net value of divested assets and liabilities:	
Put option entered as a liability	-2.5
Value adjustment put option	0.2
Effect on Group's cash and cash equivalents, total net cash flow	-2.3
c) Effects on Group's financial position of settlement of put option in GHP Kirurgkliniken AB previously entered as a liability:	
Total purchase consideration	0.7
Total net value of divested assets and liabilities:	
Put option entered as a liability	-0.1
Value adjustment put option	-0.6
Effect on Group's cash and cash equivalents, total net cash flow	-0.7
d) Effects on Group's financial position of settlement of put option in GHP Orthocenter Stockholm AB previously entered as a liability:	
Total purchase consideration	1.4
Total net value of divested assets and liabilities:	
Value adjustment put option	-1.4
Effect on Group's cash and cash equivalents, total net cash flow	-1.4

	30-Jun 2017
Sek millions	Total
Transactions with external party at divestment/acquisition of subsidiaries - effect on Group's cash and cash equivalents:	
a) Divestment of subsidiary GHP Admira Kvinnohälsa AB (Q1)	0.4
b) Divestment of GHP OPA Privathospital	-3.1
c) Divestment of GHP Gastro Clinic Helsinki	-0.7
Effect on Group's cash and cash equivalents, total net cash flow	-3.4
a) Effects on the Group's financial position of the divestment of GHP Admira Kvinnohälsa:	
Total purchase consideration	0.5
Total net value of divested assets and liabilities:	
Current receivables	0.4
Cash and cash equivalents	0.1
Current liabilities	-0.4
Total net assets	0.1
Effect on Group's cash and cash equivalents, total net cash flow	0.4
Capital gain of divestment of Group Company	0.4
b) Effects on the Group's financial position of the divestment of GHP OPA Privathospital:	
Total purchase consideration (negative)	-7.3
Total net value of divested assets and liabilities:	
Tangible assets	1.2
Deferred tax asset	1.9
Current receivable	6.1
Inventory	0.6
Non-controlling interests	6.4
Cash and cash equivalents	0.0
Current liabilities	-5.1
Liability against creditor	-3.6
Total net assets	7.5
Liability against buyer at end of period	-4.3
Effect on Group's cash and cash equivalents, total net cash flow	-3.1
Accumulated translation differences to be reclassified to income statement at divestment	-0.7
Preliminary selling expenses	-0.2
Capital loss of divestment of Group company	-15.7
c) Effects on the Group's financial position of GHP Gastro Clinic Helsinki:	
Total purchase consideration	0.3
Total net value of divested assets and liabilities:	
Tangible assets	0.1
Current receivable	0.1
Inventory	0.2
Non-controlling interests	0.1
Cash and cash equivalents	0.7
Current liabilities	-0.1
Skuld aktieägarlån (innehavare utan bestämmande inflytande)	-0.3
Total net assets	0.8
Receivable against buyer at end of period	0.3
Effect on Group's cash and cash equivalents, total net cash flow	-0.7
Accumulated translation differences to be reclassified to income statement at divestment	-0.1
Capital loss of divestment of Group company	-0.6

Note 5 Financial instruments

In the table below information is given on the measurement of fair value for the financial instruments valued at fair value in the report on the financial position.

Measurement of fair value is divided up into three levels:

Level 1: in accordance with prices in an active market for identical instruments

Level 2: on the basis of direct or indirect observable market data not included in level 1

Level 3: on the basis of inputs that are not observable in the market

The liability for put options and any supplementary considerations entered as a liability have been valued at fair value. The liability is dependent on assessments of the subsidiaries' future profitability. There is also an uncertainty factor regarding when the liability will be settled.

Financial assets and liabilities				
				30-Jun
				2017
Sek millions	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets available for sale	-	-	0.0	0.0
Total financial assets	-	-	0.0	0.0
Financial liabilities				
Put options entered as a liability, long-term portion	-	-	35.4	35.4
Put options entered as a liability, current portion	-	-	1.1	1.1
Additional purchase price entered as a liability, long-term portion	-	-	0.1	0.1
Additional purchase price entered as a liability, current portion	-	-	4.4	4.4
Total financial liabilities	-	-	41.0	41.0
				30-Jun
				2016
Sek millions	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets available for sale	-	-	0.0	0.0
Total financial assets	-	-	0.0	0.0
Financial liabilities				
Put options entered as a liability, long-term portion	-	-	33.2	33.2
Put options entered as a liability, current portion	-	-	12.1	12.1
Total financial liabilities	-	-	45.3	45.3
				31-Dec
				2016
Sek millions	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets available for sale	-	-	0.0	0.0
Total financial assets	-	-	0.0	0.0
Financial liabilities				
Put options entered as a liability, long-term portion	-	-	35.1	35.1
Put options entered as a liability, current portion	-	-	3.8	3.8
Additional purchase price entered as a liability, long-term portion	-	-	4.4	4.4
Total financial liabilities	-	-	43.3	43.3

Parent Company income statement and statement of comprehensive income

GHP Specialty Care AB (publ) has a limited central organisation which gives expert support within areas such as business development, finance, IR, communication, IT, marketing and agreement processes. Steering and control are carried out via corporate governance and the following up of results.

A considerable part of the costs for the central organisation are aimed at generating new business within the selected diagnostic areas and at analysing and researching other expansion opportunities within the health care sector.

The operating result for the second quarter of 2017 amounted to SEK -11.8 million (8.5) and to SEK -22.2 million (-16.5) for the half year.

Shares in subsidiaries amounted to SEK 690.8 million (681.0) at 30 June 2017 while cash and cash equivalents were SEK 0.6 million (38.7).

At 30 June 2017 the Parent Company had invested SEK 0.4 million (0.1) in property, plant and equipment.

Parent company - Income statement summarized					
Sek millions	Second quarter		First six months		Year
	2017	2016	2017	2016	2016
Operating revenues	0.0	0.0	0.0	0.0	0.0
Operating costs, incl. depreciation and amortisation	-11.8	-8.5	-22.2	-16.5	-33.0
Operating result	-11.8	-8.5	-22.2	-16.5	-33.0
Net financial items	0.6	0.9	1.2	1.7	3.1
Result before tax	-11.2	-7.6	-20.9	-14.8	-29.9
Allocations	0.0	0.0	0.0	0.0	54.5
Result after allocations	-11.2	-7.6	-20.9	-14.8	24.6
Tax on result for the period	2.5	0.0	4.6	0.0	-1.1
Result for the period	-8.8	-7.6	-16.4	-14.8	23.5

Parent company - Statement of comprehensive income					
Sek millions	Second quarter		First six months		Year
	2017	2016	2017	2016	2016
Result for the period	-8.8	-7.6	-16.4	-14.8	23.5
Items that will not be reclassified to income statement	-	-	-	-	-
Items that may be reclassified subsequently to income statement:	-	-	-	-	-
Total other comprehensive income	0	0	0	0	0
Comprehensive income for the period	-8.8	-7.6	-16.4	-14.8	23.5

Parent Company balance sheet

Parent company - Balance sheet, summarized			
Sek millions	30-Jun 2017	30-Jun 2016	31-Dec 2016
Assets			
Non-current assets			
Intangible assets	0.1	0.1	0.1
Tangible assets	0.4	0.1	0.1
Financial assets			
Shares and participations in Group companies	690.8	681	690.9
Receivables from Group companies	0.0	0.0	0.0
Deferred tax assets	14.3	10.9	9.8
Other financial assets	1.3	1.7	1.3
Total non-current assets	707.0	693.8	702.2
Current assets			
Current receivables from Group companies	175.2	133.9	170.9
Other assets	2.9	2.4	3.0
Cash and cash equivalents	0.6	38.7	59.6
Total current assets	178.8	175.0	233.5
Total assets	885.7	868.8	935.7
Shareholder's equity and liabilities			
Shareholder's equity	665.7	664.2	702.5
Non-current liabilities	10.3	10.5	14.5
Current liabilities to Group companies	182.0	190.1	207.9
Other current liabilities	27.8	4	10.8
Total liabilities	220.1	204.6	233.2
Total shareholder's equity and liabilities	885.7	868.8	935.7

Important events after closing day

No important events have occurred after closing day.

Certification

The Board and the CEO certify that the half-year report gives a true and fair view of the company's and the Group's business activities, financial position and results, and describes the essential risks and uncertainty factors facing the company and the companies which are part of the Group.

18 July 2017
Gothenburg
GHP Specialty Care AB (publ)

Carsten Browall
Chairman of the Board

Bo Wahlström
Member of the Board

Mikael Olsson
Member of the Board

Johan Wachtmeister
Member of the Board

Elisabeth Hansson
Member of the Board

Daniel Öhman
CEO

This report has not been the subject of review by the company's auditor.

This is a translation of the Swedish version of the interim report. When in doubt, the Swedish version prevails.

Financial calendar

Interim report January-September 2017	26 October 2017
Year-end report 2017	21 February 2018
Interim report January-March 2018	24 April 2018
Annual General Meeting 2018	25 April 2018

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GHP Specialty Care AB (publ) is required to publish the information herein pursuant to the Swedish Securities Market Act. This information was published, through the agency of the contact persons set out above, on 18 July 2017 at 08:00 am CET.



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*GHP is an internationally active health care provider that operates specialist clinics in a select number of diagnostic areas through the application of a business model that is unique in the health care industry, where leading doctors become partners and shareholders. Each clinic specialises in a particular patient group, and this leads to increased efficiency and higher quality. This is the cornerstone of GHP's business philosophy – “**Quality through specialisation**”.*