



ambea:

January–December 2023

Year-end report

Ambea AB (publ) Corp. Reg. No. 556468-4354

Introduction

Clear earnings improvement creating future opportunities

Fourth quarter October–December

- Net sales rose 6 per cent to SEK 3,412 million (3,225). Organic growth was 7 per cent and acquired/divested growth was -1 per cent.
- Operating profit (EBIT) totalled SEK 264 million (140).
- EBITA was SEK 286 million (170), representing a margin of 8.4 per cent (5.3).
- Profit for the period totalled SEK 133 million (22).
- Earnings per share were SEK 1.48 (0.24) before and after dilution.
- Cash conversion was 125.7 per cent (121.3).
- Free cash flow totalled SEK 592 million (402).

Full-year January–December

- Net sales rose 5 per cent to SEK 13,312 million (12,635). Organic growth was 6 per cent and acquired/divested growth was -1 per cent.
- Operating profit (EBIT) totalled SEK 981 million (843).
- EBITA was SEK 1,076 million (954), representing a margin of 8.1 per cent (7.6).

- Profit for the period totalled SEK 455 million (366).
- Earnings per share were SEK 5.07 (3.89) before and after dilution.
- Cash conversion was 94.9 per cent (95.6).
- Free cash flow totalled SEK 1,631 million (1,451).
- The Board proposes a dividend of SEK 1.50 (1.25) per share for 2023

Events after the balance-sheet date

- Ambea is launching a share buyback programme to repurchase 3 million shares. More information is available in a separate press release.

Consolidated key figures

SEK million	2023 Oct–Dec	2022 Oct–Dec	Δ%	2023 Jan–Dec	2022 Jan–Dec	Δ%
Net sales	3,412	3,225	6	13,312	12,635	5
EBITA*	286	170	68	1,076	954	13
Operating margin, EBITA (%)*	8.4	5.3		8.1	7.6	
Operating profit, EBIT	264	140	89	981	843	16
Operating margin, EBIT (%)*	7.7	4.3		7.4	6.7	
Profit for the period	133	22	505	455	366	24
Earnings per share before dilution, SEK	1.48	0.24	517	5.07	3.89	30
Earnings per share after dilution, SEK	1.48	0.24	517	5.07	3.89	30
Cash conversion (%)*	125.7	121.3		94.9	95.6	
Free cash flow*	592	402	47	1,631	1,451	12

**Alternative performance measures. For reconciliation of financial statements to IFRS, see Note 6. For purpose and definition, see ambea.com/investor-relations/reports-and-presentations/*

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Ambea's interim report is designed for accessibility.

CEO statement: Clear earnings improvement creating future opportunities

We ended the year on a strong note and our large divisions, Vardaga, Nytida and Stendi, posted favourable earnings for the fourth quarter. The strong trend for Stendi continued and the division's occupancy surpassed our expectations, which had a positive impact on earnings. Stendi's EBITA increased to SEK 70 million (SEK 24 million).

Vardaga's earnings strengthened, driven by increased occupancy and operational improvements. Occupancy growth was strongest at the beginning of the period.

Despite a year-on-year earnings improvement, Altiden posted a loss. Adjustments continued in Altiden and we are expecting to see improvements in the coming quarters.

During the period, Nytida opened two new residential facilities under own management with a total of 15 places.

The fact that we delivered a strong financial performance while also receiving high ratings in the quarter's care receiver surveys is particularly gratifying. In the National Board of Health and Welfare's Unit Survey, both Vardaga and Nytida scored well above the average for both private and public providers. We are also proud that our employer brand has been strengthened by more of our employees being likely to recommend Ambea as an employer to a friend or acquaintance.

Organic growth and margin improvement

In the fourth quarter, net sales rose 6 per cent to SEK

3,412 million (3,225). Organic growth was 7 per cent. EBITA increased to SEK 286 million (170), corresponding to a margin of 8.4 per cent (5.3). Growth was particularly strong in Vardaga and Stendi, which contributed to the margin improvement.

Investments in our future

In line with our updated strategy, we will continue to focus on quality and invest in our operations. Over the past year, we have been preparing for the implementation of several large projects in 2024. We identified and developed a welfare technology portfolio, for example, which will be easy for the units to order and use. In the first quarter, we will be launching our new digital workplace – in Nytida initially, and then across all of Ambea. In addition, we are fully focused on occupancy and operational improvements. The aim of this process is to improve the quality and margins of all divisions.

Continued margin improvements

Targeted investments and a focus on care receivers and employees, combined with stronger demand and operational improvements, will help us to achieve our margin target moving forward. Vardaga, Altiden and Stendi are expected to account for most of the margin improvements. At the same time, we also see a higher level of activity in the acquisition market, where we intend to be active during the year and look at high-quality compatible acquisitions that can strengthen the offering to our

clients and make a positive contribution to the Group's margin trend.

Share buyback and raised dividend

Free cash flow totalled SEK 592 million (402). Due to the company's strong financial position and reduced indebtedness, the Board decided to implement a share buyback. The programme comprises a maximum of 3 million shares. The conditions surrounding the buyback have been communicated separately. The dividend proposal for 2024 is SEK 1.50 per share (SEK 1.25 in 2023), in line with the Group's dividend policy.

Enough sustainable care for all

There was much to be satisfied with in the fourth quarter and we are now entering an exciting new year with strength. The growing need for care continues and we are well-positioned to help municipalities solve the welfare challenge. I would like to thank all of our employees who created these results with their commitment and knowledge. There are many major and minor improvements that are continuously developing our operations and creating enough safe and sustainable care for all.



Mark Jensen, *President and CEO Ambea*



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The strong trend for Stendi continued and the division's occupancy surpassed our expectations, which had a positive impact on earnings.

Quality and sustainability

Quality and sustainability that create quality of life

Our mission is to create enough safe and sustainable care for everyone. To achieve this, we have established a robust quality management system that permeates all areas of our operations. Our approach to quality management is based on our vision, our values and the skills of our employees. We also have clear systems and procedures to support this approach. The aim is that it should be easy for employees to do the right thing, and to spend their time on the right things – care that creates quality of life and value. We use a Quality Index to monitor our units on a monthly basis. The index consists of eight selected quality and HR metrics that show us the status of a unit, and allow us to monitor our units systematically.

Sustainable care

In the area of sustainability, we work with Environmental, Social and Governance (ESG) factors, an established framework in the business world that encompasses all sustainability issues.

EWe are working actively to achieve climate-smart care. This means that we are working to reduce the carbon footprint of our food, consumables, premises and transportation. We have adopted an ambitious target to halve our emissions by 2025, compared with 2019. Between 2019 and 2022, we reduced our emissions by 31 per cent.*

*Tonnes of CO₂e per unit of revenue, excluding employee commuting.

Social sustainability is engrained in our DNA. In this area, we are focused on quality, leadership, health and safety, diversity and inclusion, and on spreading knowledge and developing the competence of our own and the sector's employees.

GOur operations are characterised by robust control, transparency and trust, based on compliance with internal and external regulations and procedures. We participate in public debate with our knowledge and use our size to influence society and our sector.

By working actively with quality and sustainability, we are contributing to social development and helping to future-proof care.

”

The percentage of employees who are likely to recommend Ambea as an employer is growing every year, and has shown a strong upward trend in recent years.



High scores from our care receivers

In the fourth quarter, Altiden, Vardaga and Stendi conducted their own surveys of care receivers and their loved ones. Nytida participated in the Swedish Association of Local Authorities and Region’s national care receiver survey and received a high score.

Feedback about our operations from care receivers and their loved ones is very important to us. The results of the surveys are analysed and followed up with action plans in each unit.

How satisfied are you with the unit?

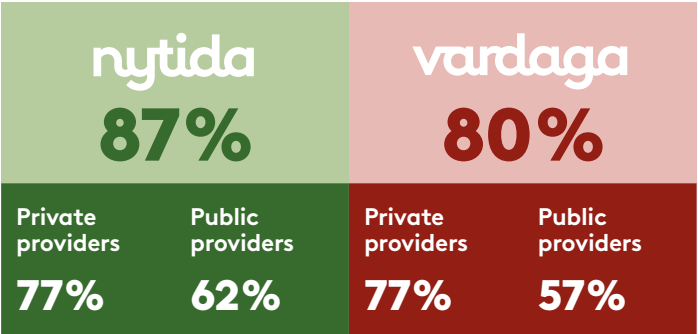
Share of positive respondents (last year’s results in parentheses).

Social care		Elderly care	
Nytida	89% (86)	Vardaga	88% (88)
Stendi	89% (89)	Altiden	89% (91)
Altiden	80% (88)		

High scores for Nytida and Vardaga in the National Board of Health and Welfare’s Unit Survey

Vardaga and Nytida received high scores in the National Board of Health and Welfare’s Unit Survey. In the survey, the units were asked questions about, for example, the participation and influence of individuals, skills development for employees and the unit’s routines.

Nytida received an average score of 87 per cent, compared with 77 per cent for private providers and 62 per cent for public providers. Vardaga also received a high average score of 80 per cent in the survey, compared with 77 per cent for other private providers and 57 per cent for public providers. The aim of the survey is to stimulate knowledge and business development.



Increased transparency with presentation of resident satisfaction

Boendenöjdhet

Verksamhetens resultat baseras på Socialstyrelsens nationella brukarundersökning för 2023. (Skala 1-100)



To increase transparency, we present the results of the national care receiver surveys on the websites of Vardaga and Nytida.

On Vardaga’s website, we present the results of the National Board of Health and Welfare’s care receiver survey. The scores for service, food and mealtimes, activities and overall satisfaction are presented for each facility. For Nytida, we present the total results from the Swedish Association of Local Authorities and Region’s care receiver survey.



More employees are likely to recommend us as an employer

Twice annually we measure our employee Net Promoter Score (eNPS) by asking: *How likely is it that you would recommend us as an employer to a friend or acquaintance?* The survey shows that the number of employees who would be likely to recommend Ambea as an employer is growing every year.

The eNPS is an indicator of how engaged and committed our employees are, and can be benchmarked against other companies and sectors.

The percentage of employees who would be likely to recommend Ambea as an employer is growing every year, and has shown a strong upward trend in recent years. Our systematic work with leadership and quality, and our investments in skills development and career opportunities for our employees is yielding results," says Christian Horne, Head of HR and Sustainability at Ambea.

In 2023, the Ambea Group's eNPS was +21, which was once again up compared with full-year 2022 (19). Ambea's target for 2023 was +19.

eNPS
+21

We invest in language development at our workplaces

According to research, the workplace is the best environment for developing language skills. During the autumn, we conducted our first language steward training programme at Ambea, and entered into an agreement with the Swedish Municipal Workers' Union to work together to support language development at work.

There is much to be gained from language development at work – a better work environment, documentation and interaction, a more open climate, higher quality and better safety.

During the autumn, we conducted our first language steward training programme, to give the participants knowledge about language learning and tools for working with language development. Eight language stewards have now returned to their workplaces in Vardaga and Nytida with new insights and concrete action plans for how language development and skills can be strengthened.

Under our agreement with the Swedish Municipal Workers' Union, we train language stewards according to the Social Care



Malin Ragnegård, Chair of the Swedish Municipal Workers' Union and Mark Jensen, CEO of Ambea.

College concept. At the workplaces where language stewards are trained and there are elected representatives from the Swedish Municipal Workers' Union, these individuals will also be involved.

Unique care assistant training for Ukrainians

During the quarter, we launched a care assistant training programme for Ukrainian employees, in collaboration with Beredskapslyftet and SWEA International. The aim of the programme is to strengthen the position of Ukrainians in the Swedish job market.

In 2022, Ambea formed a partnership with Beredskapslyftet to support those people who had fled the war in Ukraine. A number of recruitment events were held and 110 people from

Ukraine are now employed in Vardaga's and Nytida's units.

We have now taken the next step and offer care assistant training for workers employed in elderly care.

"The care sector is in great need of employees and this initiative will help to increase the skills supply. One problem has been that under the Temporary Protection Directive, Sweden does not give Ukrainians the right to vocational education and therefore an opportunity to enter the Swedish job market and support themselves," says Mark Jensen, CEO of Ambea.

Training provider Medlearn arranges the training.

Ambea’s KPIs for quality and social sustainability

	Target	Outcome Q4 2023	Comments
Ambea’s Quality Index An aggregated index of six quality and HR KPIs for the entire Group. <i>Scale of 1–10</i>	>7.50	7.56	The QHR score declined year-on-year to 7.56 (7.65), but was still above the target. Nytida and Vardaga achieved a slightly higher score, while the scores for Stendi and Altiden were slightly lower. The differences were minor compared with Q4 2022, however. The results are measured on a monthly basis.
Partial report of Ambea’s Quality Index			
1 Perceived care The care receivers’ view of our care and service. <i>Scale of 1–100</i>	>86.5%	86%	All divisions completed care receiver surveys in Q4. The divisions conduct the surveys on an ongoing basis. In Sweden, the Care Receiver Survey is also conducted at national level. The divisions’ results are stable compared with the preceding year, but Vardaga’s results improved by about 3 percentage points.
2 Employee satisfaction Employee satisfaction surveys are carried out on a regular basis during the year to measure satisfaction and engagement. <i>Scale of 0–100</i>	>75	73*	All divisions identify structured objectives and focus areas at both central and local levels, alongside of active and continuous improvements in each individual unit. The survey is carried out six times per year and the figure is the same as for Q3.
3 Leadership Index The employees’ view of leadership at Ambea. <i>Scale of 0–100</i>	>78	76	The biannual survey takes the form of an in-depth questionnaire where employees evaluate their line manager based on Ambea’s prioritised leadership qualities. The result is the average of all individual responses to all leadership questions. This survey generated a 1 percentage point decline compared with the year-on-year period. The next survey will take place in Q2 2024.
4 Recommendation of Ambea Whether the employee would recommend Ambea as an employer. <i>eNPS scale -100 – +100</i>	>+19	+21	The survey is carried out twice annually. In Q4, the results of this survey were 2 percentage points higher than the preceding survey in Q2, and above the target for 2023. The next survey will take place in Q2 2024.
5 Internal control Control and follow-up of a unit’s compliance with the quality management system. <i>Scale of 0–2</i>	>1.83	1.86	All divisions completed a survey in Q4. The results were unchanged compared with the survey in Q4 2022. The results were stable for all divisions. The next survey will take place in Q2 2024.
6 Improvement Index Improvements implemented and documented in the units. <i>Scale of 0–10</i>	>7.50	7.58	The Improvement Index score declined to 7.58 compared with the year-on-year quarter (7.75), but was above the target. Altiden, Vardaga and Nytida improved their score slightly, while Stendi’s score was slightly lower.

* Outcome is unchanged compared with the preceding quarter, since no new survey was carried out during the quarter.

NOTE: All results in areas 1,5 and 6, as well as Ambea’s Quality Index score, are weighted on the basis of each division’s sales in 2022, which also affects comparisons with previous quarterly reports in areas where when no new survey has been carried out. Other KPIs are already weighted.

Reporting

Group

Fourth quarter

Net sales

Net sales rose 6 per cent to SEK 3,412 million (3,225). Organic growth was 7 per cent and acquired/divested growth was -1 per cent.

Net sales in Own Management amounted to SEK 2,641 million (2,487). The year-on-year sales growth was attributable to increased occupancy in Vardaga and Stendi, and higher prices.

Net sales in Contract Management amounted to SEK 702 million (648). The year-on-year sales growth was attributable to start-ups of previously won contracts in Vardaga and Nytida.

Net sales in competence and staffing solutions decreased 23 per cent to SEK 69 million (90). The decline was due to lower demand for staffing services from the regions and divestment of the doctor staffing services.

Earnings

EBIT rose 89 per cent to SEK 264 million (140), representing a margin of 7.7 per cent (4.3).

EBITA rose 68 per cent to SEK 286 million (170). The quarter was characterised by strong occupancy growth in Stendi and Vardaga, operational improvements, electricity support of SEK 12 million and lower energy prices. The EBITA margin was 8.4 per cent (5.3). A revaluation of the earn-out related to the acquisition of SkolPool had a positive earnings effect of SEK 5 million. Since this item is not related to the division's underlying operations, it was recognised at Group level.

The comparative period was negatively impacted by reorganisation costs of SEK 17 million in Altiden, which were recognised at Group level since the item was not related to underlying operations. Excluding the above items, EBITA increased SEK 94 million.

Net financial items

Net financial expense was SEK -107 million (-107) for the quarter. Of this amount, SEK -79 million (-67) pertained to interest on a lease liability, SEK -27 million (-40) to interest and financial expenses/income, and SEK -1 million (0) to exchange rate fluctuations.

Income tax

Tax expense for the period was SEK -24 million (-11), corresponding to an effective tax rate of 15 per cent (33). Tax expense for the quarter was impacted by an amount of SEK +8 million related to remeasurement of a tax asset from a prior year.

Profit for the period

Profit for the period totalled SEK 133 million (22), corresponding to earnings per share of SEK 1.48 (0.24) before and after dilution.

Cash flow

Free cash flow for the quarter was SEK 592 million (402). The increase in free cash flow was largely attributable to improved underlying operating profit.



Group

Full-year January–December

Net sales

Net sales rose 5 per cent to SEK 13,312 million (12,635). Organic growth was 6 per cent and acquired/divested growth was -1 per cent.

Net sales in Own Management amounted to SEK 10,317 million (9,685). The year-on-year sales growth was attributable to increased occupancy, higher prices and start-up units.

Net sales in Contract Management amounted to SEK 2,728 million (2,612). The year-on-year sales growth was attributable to previously won contracts in Nytida and Vardaga. The increase was offset by an elderly care contract in Stendi that was handed back.

Net sales in competence and staffing solutions decreased 21 per cent to SEK 267 million (338). The decline was due to divestment of the doctor staffing services.

Earnings

EBIT rose 16 per cent to SEK 981 million (843), representing a margin of 7.4 per cent (6.7).

EBITA rose 13 per cent to SEK 1,076 million (954). Strong occupancy growth in Stendi and Vardaga and operational improvements contributed to the earnings improvement. The EBITA margin was 8.1 per cent (7.6). The period was impacted by two non-recurring items of SEK -11 million net. Since these items do not relate to the underlying operations of the divisions, they were recognised at Group level.

In connection with the handback of three rental

contracts to property owners in Vardaga, an impairment of right-of-use assets generated an earnings effect of SEK -36 million. A revaluation of the earn-out related to the acquisition of SkolPool had a positive earnings effect of SEK 25 million. The comparative period was positively impacted by four non-recurring items totalling SEK 53 million. Excluding the above items, EBITA rose SEK 186 million.

Net financial items

Net financial expense was SEK -416 million (-361) for the quarter. Of this amount, SEK -296 million (-265) pertained to interest on a lease liability, SEK -123 million (-91) to interest and financial expenses/income, and SEK 3 million (-5) to exchange rate fluctuations.

Income tax

Tax expense for the period was SEK -110 million (-116), corresponding to an effective tax rate of 19 per cent (24). Tax expense for the quarter was impacted by an amount of SEK +8 million related to remeasurement of a tax asset from a prior year.

Profit for the period

Profit for the period totalled SEK 455 million (366), corresponding to earnings per share of SEK 5.07 (3.89) before and after dilution.

Cash flow

Free cash flow for the period was SEK 1,631 million (1,451). The increase in free cash flow was largely attributable to improved underlying operating profit.



Cash flow

SEK million	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
EBITDA	591	447	2,278	2,044
Adjustment for non-cash items	31	-64	36	-126
Change in working capital	121	178	-82	-4
Cash flow from investments in fixed assets*	-6	-28	-83	11
Operating cash flow, including investments to increase capacity	737	533	2,149	1,925
Net interest paid	-117	-97	-415	-351
Tax paid	-28	-34	-103	-123
Free cash flow	592	402	1,631	1,451
Acquisition/disposal of shares and participations	0	1	-10	-225
Cash flow from financing activities	-612	-226	-1,880	-1,037
Cash flow for the period	-20	177	-259	189
* of which sales of fixed assets	2	0	7	116
Operating cash flow, excl. IFRS 16 effects	399	226	833	744
Free cash flow, excl. IFRS 16 effects	332	162	612	536

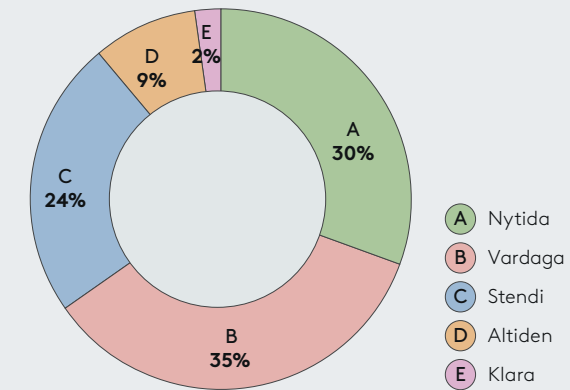
Financial position

SEK million	Excl. IFRS 16 effects		Incl. IFRS 16 effects	
	2023 31 Dec	2022 31 Dec	2023 31 Dec	2022 31 Dec
Net interest-bearing debt*	2,156	2,620	10,739	10,718
Rolling 12 months EBITDA*	961	869	2,278	2,044
Net debt/Rolling 12 months EBITDA	2.2	3.0	4.7	5.2

* Alternative performance measures. For reconciliation of financial statements to IFRS, purpose and definition see ambea.com/investor-relations/re-

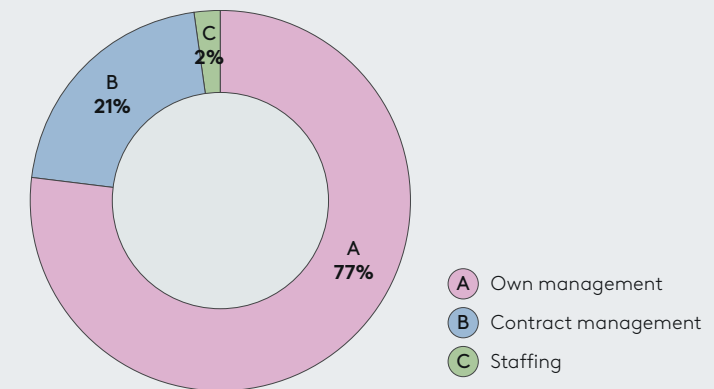
Net sales by segment

October–December 2023



Net sales per contract model

October–December 2023



Nytida – strengthened margin

Nytida provides support and care for children, young people and adults with lifelong disabilities and psychosocial problems. We offer residential care, day services, support for individuals and families, and schools in approximately 450 units across Sweden. Using proven models and in-depth knowledge, our 9,000 employees help to strengthen the ability of individuals to live an independent life.

The quarter

Nytida strengthened its margin during the quarter and opened two new assisted living facilities with a total of 15 places. Nytida successfully won and defended management contracts, which will contribute to organic growth in 2024.

Net sales rose 3 per cent year-on-year to SEK 1,018 million (991).

Net sales in Own Management amounted to SEK 822 million (804). The increase was due to start-up units and higher prices, but offset by closed units.

Net sales in Contract Management amounted to SEK 196 million (187). The increase was due to start-ups of management contracts won.

EBITA rose 12 per cent to SEK 130 million (116). The increase was mainly attributable to operational improvements and electricity support received.

The EBITA margin was 12.8 per cent (11.7).

Full-year January–December

Net sales rose 3 per cent year-on-year to SEK 4,031 million (3,915).

Net sales in Own Management amounted to SEK 3,247 million (3,188). Sales were positively impacted by start-up units and higher prices.

Net sales in Contract Management amounted to SEK 784 million (727). The increase was due to start-ups of management contracts won.

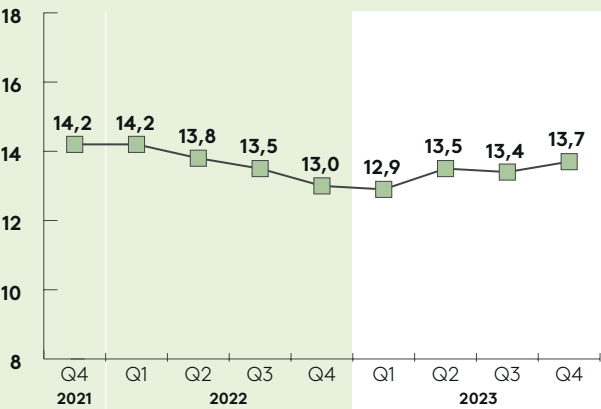
EBITA rose 8 per cent to SEK 551 million (509). Higher prices, operational improvements and electricity support had a positive impact on earnings.

The EBITA margin was 13.7 per cent (13.0).

12%

EBITA rose 12 per cent compared with the year-earlier quarter.

EBITA margin RTM %



SEK million	2023 Oct– Dec	2022 Oct– Dec	Δ%	2023 Jan– Dec	2022 Jan– Dec	Δ%
Net sales	1,018	991	3	4,031	3,915	3
EBITA*	130	116	12	551	509	8
Operating margin, EBITA (%)*	12.8	11.7		13.7	13.0	

* Alternative performance measures.

Vardaga – clear earnings improvement

At Vardaga’s over 100 residential facilities across Sweden, we offer elderly care where every day is as meaningful as the next. Every one of our nursing homes, short-term residential facilities, home care and day services offers a high level of expertise and a safe environment. Our 12,000 employees ensure quality of life and safety for every care receiver.

The quarter

Vardaga continued to strengthen its margin during the quarter due to increased occupancy and operational improvements. Occupancy growth was strongest at the beginning of the period.

Net sales rose 11 per cent year-on-year to SEK 1,200 million (1,083).

Net sales in Own Management amounted to SEK 830 million (760), up 9 per cent due to increased occupancy and higher prices.

Net sales in Contract Management amounted to SEK 370 million (323). The 15 per cent increase was due to start-ups of several new management contracts during the quarter.

EBITA rose 66 per cent to SEK 88 million (53). The strong earnings growth was due to increased occupancy, lower start-up costs for new residential facilities and electricity support received. Occupancy increases in mature units had a significantly positive effect on earnings.

The EBITA margin was 7.3 per cent (4.9).

Full-year January–December

Vardaga’s net sales rose 10 per cent year-on-year to SEK 4,582 million (4,172).

Net sales in Own Management amounted to SEK 3,202 million (2,856), up 12 per cent due to increased occupancy and higher prices.

Net sales in Contract Management amounted to SEK 1,380 million (1,316). The increase was due to start-ups of management contracts won.

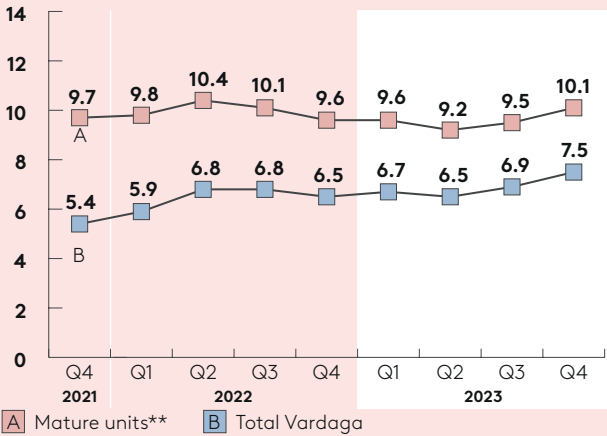
EBITA rose 27 per cent to SEK 345 million (271). The comparative period was positively impacted by a pension repayment of SEK 23 million. The earnings growth was due to increased occupancy, operational improvements and lower start-up costs for new residential facilities.

The EBITA margin was 7.5 per cent (6.5).

66%

EBITA rose 66 per cent compared with the year-earlier quarter.

EBITA margin RTM %



**Mature units do not include residential facilities under own management that were opened after 2021, or residential facilities that are not yet open.



SEK million	2023 Oct– Dec	2022 Oct– Dec	Δ%	2023 Jan– Dec	2022 Jan– Dec	Δ%
Net sales	1,200	1,083	11	4,582	4,172	10
EBITA*	88	53	66	345	271	27
Operating margin, EBITA (%)*	7.3	4.9		7.5	6.5	
Operating margin, EBITA mature units (%)*	9.8	7.4		10.1	9.6	

* Alternative performance measures.

Stendi – strong demand

Stendi is the largest care provider in Norway and runs nationwide operations in support, personal assistance and residential care for adults, children and young people. We have about 6,500 employees and more than 300 units across Norway and are working every day to strengthen individuals and create quality of life.

The quarter

Stendi’s focus on operational improvements and increased occupancy continued, and supported a strengthening of profitability during the quarter.

Net sales rose 6 per cent to SEK 808 million (760). Sales rose 14 per cent in local currency.

Net sales in Own Management amounted to SEK 775 million (725). Sales rose 14 per cent in local currency. The increase was due to increased occupancy and higher prices.

Net sales in Contract Management amounted to SEK 33 million (35). Sales declined 3 per cent in local currency.

EBITA was SEK 70 million (24). Earnings were impacted by occupancy that surpassed our expectations, higher prices and operational improvements.

The EBITA margin was 8.7 per cent (3.2).

Full-year January–December

Net sales rose 3 per cent to SEK 3,142 million (3,047). Sales rose 8 per cent in local currency.

Net sales in Own Management amounted to SEK 3,008 million (2,867). Sales rose 10 per cent in local currency. The increase was due to increased occupancy and higher prices.

Net sales in Contract Management amounted to SEK 134 million (180). Sales declined 18 per cent in local currency. The decrease was due to the hand-back of an elderly care contract.

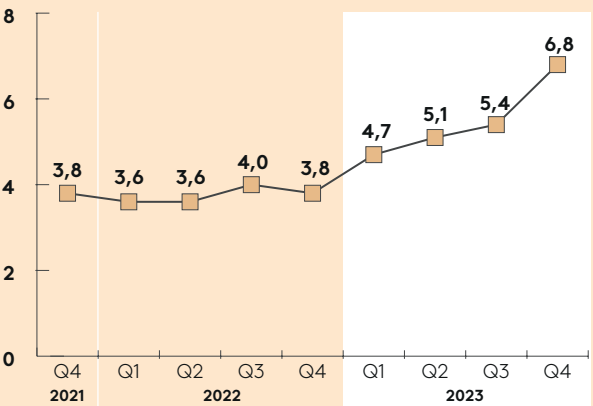
EBITA was SEK 214 million (117). Earnings improved due to increased occupancy, capacity adjustments and operational improvements.

The EBITA margin was 6.8 per cent (3.8).

6.8%

The operating margin for full-year 2023 was 6.8 per cent, compared with 3.8 per cent for full-year 2022.

Adjusted EBITA margin RTM %



SEK million	2023 Oct– Dec	2022 Oct– Dec	Δ%	2023 Jan– Dec	2022 Jan– Dec	Δ%
Net sales	808	760	6	3,142	3,047	3
EBITA*	70	24	192	214	117	83
Operating margin, EBITA (%)*	8.7	3.2		6.8	3.8	

* Alternative performance measures.

Altiden – operational improvements

Altiden is the largest private care provider in Denmark, with about 50 units in elderly care, rehabilitation, disability care and social care. All over Denmark, we provide skilled care services based on respect. Approximately 2,000 employees ensure quality of life and a secure environment with a focus on development.

The quarter

Altiden posted a loss, despite a year-on-year earnings improvement. Altiden continues to work intensively with adjustments and we are expecting to see improvements in the coming quarters.

Net sales rose 5 per cent to SEK 317 million (301).

Net sales in Own Management amounted to SEK 214 million (198). Sales rose 3 per cent in local currency.

Net sales in Contract Management amounted to SEK 103 million (103). Sales declined 4 per cent in local currency.

EBITA was SEK -14 million (-16). The positive change in year-on-year earnings was due to the structural profitability-improvement measures that were implemented with regard to capacity and organisation, but offset by higher sick leave. The EBITA margin was -4.4 per cent (-5.3).

Full-year January–December

Net sales rose 11 per cent to SEK 1,290 million (1,163). Sales rose 3 per cent in local currency.

Net sales in Own Management amounted to SEK 860 million (774). Sales rose 3 per cent in local currency. The sales growth was attributable to start-up units.

Net sales in Contract Management amounted to SEK 430 million (389). Sales rose 3 per cent in local currency. The increase was attributable to higher prices but offset by terminated home care contracts.

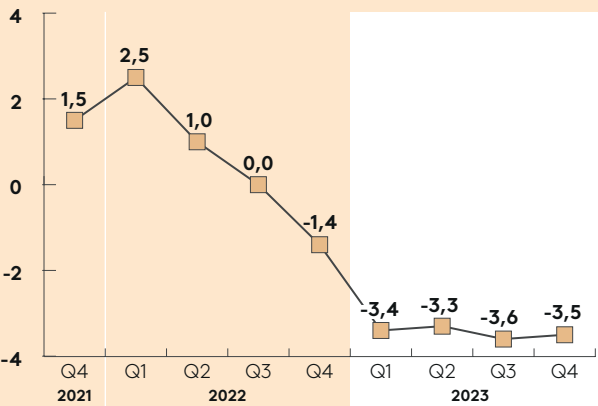
EBITA was SEK -45 million (-16), due to operational challenges with high staffing costs.

The EBITA margin was -3.4 per cent (-1.4).

5%

Net sales rose 5 per cent compared with the year-earlier quarter.

EBITA margin RTM %



SEK million	2023 Oct– Dec	2022 Oct– Dec	Δ%	2023 Jan– Dec	2022 Jan– Dec	Δ%
Net sales	317	301	5	1,290	1,163	11
EBITA*	-14	-16	-	-45	-16	-
Operating margin, EBITA (%)*	-4.4	-5.3		-3.5	-1.4	

* Alternative performance measures.

Klara – weaker demand

Klara is one of the leading providers of specialised solutions for social care in Sweden with a focus on staffing, mobile nursing teams and student health services. We are an authorised and ISO-certified staffing company.

Lära* is a Swedish leader in training and competence-enhancement programmes for social work, care, schools and treatment.

The quarter

Demand for Klara's staffing services declined during the quarter due to an insourcing ban in several regions. During the period, Klara was approved as a provider in the national procurement of temporary staffing. The four-year contract commenced on 1 January 2024.

Net sales decreased 11 per cent to SEK 116 million (130). The decrease was attributable to the divested doctor staffing services and weaker demand for nursing staff. Lära has been included in Klara's figures since 2023, which offset the decline.

EBITA was SEK 14 million (18). The year-on-year decline in earnings was due to slightly lower external demand for staffing solutions.

The EBITA margin was 12.1 per cent (13.8).

Full-year January–December

Net sales decreased 5 per cent to SEK 454 million (477). Sales declined due to the divested doctor staffing services, but were offset by the acquisition of SkolPool and the inclusion of Lära in Klara's figures as of 2023.

EBITA was SEK 54 million (52), representing a margin of 11.9 per cent (10.9). The positive year-on-year performance refers to Klara's mobile staffing solutions. The strategic streamlining of the operations by divesting doctor staffing and increasing the focus on Klara's mobile staffing solutions had a positive impact on margins.

11.9%

The operating margin for full-year 2023 was 11.9 per cent, compared with 10.9 per cent for full-year 2022.

EBITA margin RTM %



SEK million	2023 Oct– Dec	2022 Oct– Dec	Δ%	2023 Jan– Dec	2022 Jan– Dec	Δ%
Net sales	116	130	-11	454	477	-5
EBITA*	14	18	-22	54	52	4
Operating margin, EBITA (%)*	12.1	13.8		11.9	10.9	

*As of 1 January 2023, Lära has been reported together with Klara. Lära is not included in the comparative figures.

* Alternative performance measures.

Operational key figures

SEK million	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4
Ambea					
Number of beds and places in operation under own management on the closing date	9,633	9,575	9,550	9,488	9,464
Number of beds and places opened under own management (RTM)	287	378	293	179	409
Number of beds and places under own management under construction	1,158	1,214	1,119	1,483	1,434
Confirmed management contract start-ups/terminations (RTM), SEK million*	-211	54	167	53	13
Nytida					
Number of beds and places in operation under own management	4,975	4,958	5,004	4,974	4,956
Number of beds and places opened under own management (RTM)	72	57	57	24	24
Number of beds and places under own management under construction	92	87	75	104	116
Confirmed management contract start-ups/terminations (RTM), SEK million*	-70	38	30	4	-20
Vardaga					
Number of beds in operation under own management	3,462	3,462	3,402	3,441	3,431
Number of beds opened under own management (RTM)	60	180	120	120	367
Number of beds under own management under construction	1,016	1,066	986	1,246	1,196
Confirmed management contract start-ups/terminations (RTM), SEK million*	65	135	211	158	39
Stendi					
Number of beds in operation under own management	676	669	669	670	668
Number of beds opened under own management (RTM)	49	31	23	17	–
Number of beds under own management under construction	45	47	32	32	21
Confirmed management contract start-ups/terminations (RTM), SEK million*	-134	-134	-112	-112	–
Altiden					
Number of beds and places in operation under own management	520	486	475	403	409
Number of beds opened under own management (RTM)	106	110	93	18	18
Number of beds and places under own management under construction	5	14	26	101	101
Confirmed management contract start-ups/terminations (RTM), SEK million*	-72	15	38	3	-6

*Net of confirmed contract management start-ups/terminations in the coming 12 months.

Other events

Legal proceeding about costs for temporary staff in Norway

Through the acquisition of Aleris Omsorg in 2019, Ambea has been party to an ongoing legal proceeding in Norway regarding costs for temporary staff. Historically, Aleris had engaged a considerable number of consultants to staff some of its units. Since the acquisition, Aleris has been working actively to increase the proportion of permanent employees in the operations. In 2021, a judgment was handed down in favour of the temporary consultants, granting them the right to additional compensation for overtime, holidays and pension for the time they were engaged as consultants. A subsequent proceeding has now begun regarding the limitation periods for some of the compensation. In the fourth quarter of 2021, Ambea made a provision of SEK 145 million to cover estimated additional claims and legal costs. At 31 December 2023, the remaining provision for known and unknown claims amounted to SEK 81 million.

Dispute with the Swedish Tax Agency

In 2018, Ambea received a reassessment notice from the Swedish Tax Agency regarding VAT of SEK 12 million, including tax surcharges but excluding interest, for prior years in Ambea AB (publ). No provision was made for these costs. The reassessment was mainly related to input VAT on costs arising from the IPO in 2017. The company appealed the Swedish Tax Agency's decision to the Administrative Court. The Administrative Court ruled in favour of the Swedish Tax Agency's decision, so Ambea appealed to a higher court in 2021. At 31 December 2023, the tax dispute amounted to SEK 13 million, including interest.

Related-party transactions

During the quarter, no transactions took place between Ambea and related parties that had any material

impact on the company's position and earnings. The nature and volume of transactions remained unchanged during the period compared with the preceding year.

Events after the balance-sheet date

Ambea's Board has decided to implement a share buy-back in accordance with the AGM's guidelines. The buy-back comprises the repurchase of 3 million shares before the next scheduled AGM.

Seasonal variations

Ambea's operating profit is affected by seasonal variations, weekends and public holidays.

Weekends and public holidays reduce Ambea's profitability due to higher personnel costs for inconvenient working hours. Most of the public holidays in countries where the company operates normally fall in the second quarter. In some years, Easter may fall in the first quarter and then affect its profitability. Christmas and New Year affect the first and fourth quarters.

The company's personnel costs are affected in a similar manner when employees take out their holidays. For example, the company is most profitable in the third quarter, as employees usually take their holidays during July and August and therefore receive holiday pay that is continuously accrued throughout the year. Costs during the summer months are also generally lower due to a reduced schedule for central activities, such as mandatory training programmes and central initiatives, during this period.

Employees

During the quarter, the average number of full-time employees (FTEs) was 14,690 (14,437), and the increase was due to start-up units.

Risks and uncertainties

Ambea is exposed to a variety of risks and attaches great importance to continuously analysing, minimising and managing these risks. The risk assessment is also a key element of the annual strategy process, where risks in relation to the company’s ability to achieve its financial targets and strategic ambitions are specifically evaluated. Ambea has identified the following risks: brand risks, industry and market risks, compliance and legal risks, operational risks and financial risks. For a

description of these risks and how they are managed, refer to pages 55–56 of the 2022 Annual Report.

The Board of Director’s assurance

The Board of Directors and Chief Executive Officer hereby provide their assurance that this year-end report provides a true and fair view of the operations, position and earnings of the Parent Company and the Group, and describes the material risks and uncertainties facing the Parent Company and the companies in the Group.

Stockholm, 7 February 2024

Yrjö Närhinen
Chair of the Board

Daniel Björklund
Board member

Dan Olsson
Board member

Patricia Briceño
Employee representative

Gunilla Rudebjer
Board member

Charalampos Kalpakas
Employee representative

Mark Jensen
President and CEO

Hilde Britt Mellbye
Board member

Samuel Skott
Board member

Magnus Sällström
Employee representative

Presentation of the fourth quarter of 2023

Ambea will hold a presentation for the financial market, with the possibility to participate by phone, at 10:00 a.m. CET on Thursday, 8 February 2024. The presentation will be held in English, and also be available as a webcast at [ambea.se](https://edge.media-server.com/mmc/p/72p94oom), or via Direct Link: <https://edge.media-server.com/mmc/p/72p94oom>

Join conference by phone

To join the conference call, register before the call using the number link below. When you register, you will receive a dial-in number and a unique dial-in PIN. To make sure your connection to the conference call works, please call ten minutes before the conference call is due to start.

Conference call registration

<https://register.vevent.com/register/BI503887ba91644da99b0188468b86d56b>

Contact

Susanne Vogt, Head of IR, Reporting & Group Business Control
ir@ambea.se

Forthcoming report occasions

- 2023 Annual Report, 27 March 2024
- Q1 interim report for 2024, 3 May 2024
- Annual General Meeting, 15 May 2024
- Q2 interim report for 2024, 16 August 2024
- Q3 interim report for 2024, 6 November 2024

Consolidated earnings in summary

SEK million	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Operating income				
Net sales	3,412	3,225	13,312	12,635
Other operating income	95	96	269	321
Operating income	3,507	3,321	13,581	12,956
Operating expenses				
Consumables	-116	-121	-465	-443
Other external costs	-382	-409	-1,434	-1,474
Personnel costs	-2,419	-2,343	-9,406	-8,998
Depreciation, amortisation and impairment of fixed assets	-327	-307	-1,297	-1,201
Other operating expenses	1	-1	2	3
Operating expenses	-3,243	-3,181	-12,600	-12,113
Operating profit	264	140	981	843
Financial income	–	–	–	–
Financial expenses	-107	-107	-416	-361
Net financial items	-107	-107	-416	-361
Profit before tax	157	33	565	482
Tax on profit for the period	-24	-11	-110	-116
Profit for the period	133	22	455	366
Profit for the period attributable to shareholders of the Parent Company	133	22	455	366
Earnings per share before dilution, SEK	1.48	0.24	5.07	3.89
Earnings per share after dilution, SEK	1.48	0.24	5.07	3.89

Consolidated statement of comprehensive income in summary

SEK million	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Profit for the period after tax	133	22	455	366
Other comprehensive income, items not transferable to profit or loss				
Remeasurement of defined-benefit pension plans	22	1	22	1
Tax related to remeasurement of defined-benefit pension plans	-5	0	-5	0
Total items not transferable to profit or loss	17	1	17	1
Other comprehensive income, items transferable to profit or loss				
Translation differences	-49	11	-70	41
Hedging of net investments in foreign operations	20	-6	34	-14
Cash flow hedges	-6	-1	-10	12
Cash flow hedge reserve	-11	-2	-29	41
Remeasurement of tenant-owned apartments	-4	-2	-4	-2
Tax	-1	2	3	-8
Total items transferable to profit or loss	-51	2	-76	70
Total other comprehensive income	-34	3	-59	71
Total comprehensive income for the period	99	25	396	437
Comprehensive income for the period attributable to shareholders of the Parent Company	99	25	396	437

Earnings per share

	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Profit for the period attributable to shareholders of the Parent Company, SEK million	133	22	455	366
Earnings per share before dilution				
Average number of shares, thousands	89,563	92,876	89,765	94,127
Earnings per share before dilution, SEK	1.48	0.24	5.07	3.89
Earnings per share after dilution				
Average number of shares, thousands	89,576	92,876	89,765	94,127
Earnings per share after dilution, SEK	1.48	0.24	5.07	3.89

Consolidated balance sheet in summary

SEK million	2023 31 Dec	2022 31 Dec
Assets		
Fixed assets		
Goodwill	7,006	7,095
Customer contracts and customer relationships	296	384
Other intangible assets	25	26
Right-of-use assets	8,176	7,827
Tangible assets	306	341
Derivative instruments	17	56
Surplus in funded pension plans	22	–
Deferred tax assets	149	105
Non-current receivables	113	121
Total fixed assets	16,110	15,955
Current assets		
Accounts receivable	1,278	1,180
Other receivables	93	118
Prepaid expenses and accrued income	406	361
Cash and cash equivalents	6	259
Total current assets excluding assets held for sale	1,783	1,918
Assets held for sale	–	2
Total current assets	1,783	1,920
Total assets	17,893	17,875

SEK million	2023 31 Dec	2022 31 Dec
Equity and liabilities		
Equity		
Share capital	2	2
Other capital contributions	6,174	6,172
Reserves	–38	38
Retained earnings, including profit for the year	–1,218	–1,531
Total equity	4,920	4,681
Non-current liabilities		
Non-current interest-bearing liabilities	1,423	2,421
Lease liabilities	7,546	7,155
Other non-interest-bearing liabilities	–	14
Pension provisions	15	29
Other provisions	82	83
Deferred tax liabilities	246	220
Total non-current liabilities	9,312	9,922
Current liabilities		
Commercial papers	739	458
Lease liabilities	1,037	943
Accounts payable	402	320
Other provisions	4	37
Tax liabilities	67	38
Other non-interest-bearing liabilities	195	231
Accrued expenses and deferred income	1,217	1,245
Total current liabilities	3,661	3,272
Total equity and liabilities	17,893	17,875

Consolidated statement of changes in equity in summary

SEK million	2023 Jan–Dec	2022 Jan–Dec
Opening balance	4,681	4,530
Comprehensive income	396	437
Warrants issued	2	2
Share buybacks	-47	-179
Dividends	-112	-109
Closing balance	4,920	4,681

Consolidated cash flow statement in summary

SEK million	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Operating activities				
Profit before financial items	264	140	981	843
Depreciation, amortisation and impairment losses	327	307	1,297	1,201
Capital gain/loss	-3	1	-4	-49
Changes in provisions	34	-65	40	-77
Total non-cash items	358	243	1,333	1,075
Net interest paid	-117	-97	-415	-351
Tax paid	-28	-34	-103	-123
Cash flow from operating activities before changes in working capital	477	252	1,796	1,444
Cash flow from changes in working capital				
Decrease/increase in receivables	-1	-29	-152	15
Decrease/increase in current liabilities	122	207	70	-19
Cash flow from operating activities	598	430	1,714	1,440

SEK million	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Investing activities				
Acquisition of tangible assets	-3	-27	-80	-97
Acquisition of intangible assets	-5	-1	-10	-8
Sale of fixed assets	2	0	7	116
Acquisition of subsidiaries	0	1	-10	-225
Acquisition of financial assets	-	-	-	-
Cash flow from investing activities	-6	-27	-93	-214
Cash flow after investments	592	403	1,621	1,225
Financing activities				
Loans raised	755	1,125	4,070	3,221
Repayment of debt	-1,315	-1,002	-3,808	-4,404
Repayment of lease liability	-260	-216	-1,019	-915
Net change in checking account	208	63	-966	1,364
Cost of loans raised	-	-17	-	-17
Premiums for warrants	-	-	2	2
Share buybacks	-	-179	-47	-179
Dividends paid	-	-	-112	-109
Cash flow from financing activities	-612	-226	-1,880	-1,037
Cash flow for the period	-20	177	-259	189
Cash and cash equivalents on the opening date	18	82	259	86
Exchange rate differences in cash and cash equivalents	8	-	6	-16
Cash and cash equivalents on the closing date	6	259	6	259

Parent Company income statement in summary

SEK million	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Operating income				
Net sales	0	2	0	8
Operating income	0	2	0	8
Operating expenses				
Other external costs	-4	-3	-16	-15
Personnel costs	-4	-4	-17	-16
Amortisation of intangible assets	0	0	0	0
Operating expenses	-8	-7	-33	-31
Operating loss	-8	-5	-33	-23
Financial items	-38	-24	-70	-40
Loss after financial items	-46	-29	-103	-63
Appropriations	99	108	99	108
Profit/loss before tax	53	79	-4	45
Tax on profit for the period	-7	-10	-7	-10
Profit/loss for the period	46	69	-11	35

Parent Company balance sheet in summary

SEK million	2023 31 Dec	2022 31 Dec
Assets		
Intangible assets	0	0
Financial assets		
Participations in Group companies	7,212	7,212
Receivables from Group companies	598	481
Derivative instruments	0	1
Total fixed assets	7,810	7,694
Current assets		
Receivables from Group companies	3,533	3,721
Other receivables	17	15
Prepaid expenses and accrued income	32	12
Total current assets	3,582	3,748
Total assets	11,392	11,442

SEK million	2023 31 Dec	2022 31 Dec
Equity and liabilities		
Share capital	2	2
Statutory reserve	0	0
Total restricted equity	2	2
Share premium reserve	1,407	1,407
Retained earnings	1,413	1,537
Profit/loss for the period	-11	35
Total non-restricted equity	2,809	2,979
Total equity	2,811	2,981
Untaxed reserves	85	77
Non-current liabilities		
Liabilities to credit institutions	1,460	2,405
Total non-current liabilities	1,460	2,405
Current liabilities		
Commercial papers	739	458
Accounts payable	10	3
Tax liabilities	8	15
Liabilities to Group companies	6,254	5,490
Other liabilities	0	0
Accrued expenses and deferred income	25	13
Total current liabilities	7,036	5,979
Total equity and liabilities	11,392	11,442

Notes

NOTE 1 Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act, as well as the Swedish Financial Reporting Board's RFR 1, Supplementary Accounting Rules for Groups, and RFR 2 Accounting for Legal Entities. The accounting policies applied are consistent with those applied in the preparation of the most recent annual report. Since all amounts are rounded, rounding differences can occur.

New or revised IFRSs as of 2023

None of the new or revised standards or interpretations effective from 1 January 2023 had any material impact on the financial statements of the Group or the Parent Company. No new or revised standards have been adopted in advance.

Reclassification of the Lära training organisation

As of 1 January 2023, Ambea's training organisation, Lära, has been reclassified. Lära has been reclassified from central costs to the Klara segment. In the comparative figures, Lära is reported centrally in Ambea.

NOTE 2 Segment information

Ambea's operations consist of the following segments:

- **Nytida.** Comprises social care services and schools for children and young people with neuropsychiatric disorders in Sweden.
- **Vardaga.** Comprises nursing homes and home care in Sweden.
- **Stendi.** Comprises social care for adults, children and young people. We also offer personal assistance in Norway.
- **Altiden.** Comprises social care and elderly care in Denmark.
- **Klara.** Comprises competence and staffing solutions for social care and training, and competence-enhancement programmes in social work, care, schools and treatment.

Quarterly overview

SEK million	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4
Net sales									
Nytida	1,018	1,005	1,017	991	991	980	980	963	949
Vardaga	1,200	1,159	1,131	1,092	1,083	1,063	1,034	992	970
Stendi	808	806	765	763	760	767	756	765	737
Altiden	317	326	329	318	301	293	286	283	259
Klara	116	106	116	116	130	121	120	106	100
Group adjustments	-47	-47	-48	-45	-40	-37	-33	-29	-28
Ambea	3,412	3,355	3,310	3,235	3,225	3,187	3,143	3,080	2,988
EBITA									
Nytida	130	168	134	119	116	170	104	119	128
Vardaga	88	123	68	66	53	99	69	49	59
Stendi	70	88	19	37	24	77	4	12	28
Altiden	-14	-2	-18	-11	-16	4	-18	14	1
Klara	14	14	13	13	18	18	9	8	8
Unallocated items	-2	-8	-25	-8	-25	-8	60	-7	-9
Ambea	286	383	191	216	170	359	229	195	214

NOTE 2 Segment information

October–December 2023								
SEK million	Nytida	Vardaga	Stendi	Altiden	Klara	Unallocated items*	Group adjustments	Group
Operating income								
Net sales	1,018	1,200	808	317	116	–	-47	3,412
Other operating income	20	66	4	-2	0	7	–	95
Total income	1,038	1,266	812	315	116	7	-47	3,507
EBITA	130	88	70	-14	14	-2	–	286
EBITA margin (%)	12.8	7.3	8.7	-4.4	12.1	–	–	8.4
Amortisation of intangible assets								-22
Operating profit (EBIT)								264
Net financial items								-107
Profit before tax								157
Tax on profit for the period								-24
Profit for the period								133
Assets	6,366	7,580	1,995	1,505	312	135	–	17,893

October–December 2022								
SEK million	Nytida	Vardaga	Stendi	Altiden	Klara	Unallocated items*	Group adjustments	Group
Operating income								
Net sales	991	1,083	760	301	130	–	-40	3,225
Other operating income	9	51	2	25	1	8	–	96
Total income	1,000	1,134	762	326	131	8	-40	3,321
EBITA	116	53	24	-16	18	-25	–	170
EBITA margin (%)	11.7	4.9	3.2	-5.3	13.8	–	–	5.3
Amortisation of intangible assets								-30
Operating profit (EBIT)								140
Net financial items								-107
Profit before tax								33
Tax on profit for the period								-11
Profit for the period								22
Assets	6,230	7,462	2,140	1,322	304	417	–	17,875

*The 'Unallocated items' column consists of centrally approved costs

NOTE 2 Segment information, cont.

January–December 2023								
SEK million	Nytida	Vardaga	Stendi	Altiden	Klara	Unallocated items*	Group adjustments	Group
Operating income								
Net sales	4,031	4,582	3,142	1,290	454	–	-187	13,312
Other operating income	43	161	9	20	5	31	–	269
Total income	4,074	4,743	3,151	1,310	459	31	-187	13,581
EBITA	551	345	214	-45	54	-43		1,076
EBITA margin (%)	13.7	7.5	6.8	-3.5	11.9	–	–	8.1
Amortisation of intangible assets								-95
Operating profit (EBIT)								981
Net financial items								-416
Profit before tax								565
Tax on profit for the period								-110
Profit for the period								455
Assets	6,366	7,580	1,995	1,505	312	135	–	17,893
January–December 2022								
SEK million	Nytida	Vardaga	Stendi	Altiden	Klara	Unallocated items*	Group adjustments	Group
Operating income								
Net sales	3,915	4,172	3,047	1,163	477	–	-139	12,635
Other operating income	26	120	8	60	1	106		321
Total income	3,941	4,292	3,055	1,223	478	106	-139	12,956
EBITA	509	271	117	-16	52	21	–	954
EBITA margin (%)	13.0	6.5	3.8	-1.4	10.9	–	–	7.6
Amortisation of intangible assets								-111
Operating profit (EBIT)								843
Net financial items								-361
Profit before tax								482
Tax on profit for the period								-116
Profit for the period								366
Assets	6,230	7,462	2,140	1,322	304	417	–	17,875

*The 'Unallocated items' column consists of centrally approved costs

NOTE 3 Revenue from contracts with customers**Type of service delivery (October–December)**

SEK million	Nytida		Vardaga		Stendi		Altiden		Klara		Group eliminations		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Own Management	822	804	830	760	775	725	214	198	–	–	–	–	2,641	2,487
Contract Management	196	187	370	323	33	35	103	103	–	–	–	–	702	648
Competence and staffing solutions	–	–	–	–	–	–	–	–	116	130	-47	-40	69	90
Total	1,018	991	1,200	1,083	808	760	317	301	116	130	-47	-40	3,412	3,225

Type of service delivery (January–December)

SEK million	Nytida		Vardaga		Stendi		Altiden		Klara		Group eliminations		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Own Management	3,247	3,188	3,202	2,856	3,008	2,867	860	774	–	–	–	–	10,317	9,685
Contract Management	784	727	1,380	1,316	134	180	430	389	–	–	–	–	2,728	2,612
Competence and staffing solutions	–	–	–	–	–	–	–	–	454	477	-187	-139	267	338
Total	4,031	3,915	4,582	4,172	3,142	3,047	1,290	1,163	454	477	-187	-139	13,312	12,635

NOTE 4 Fair value of financial instruments in the fair value hierarchy

SEK million	2023 31 Dec	2022 31 Dec	Classification in the fair value hierarchy					
			1		2		3	
			2023 31 Dec	2022 31 Dec	2023 31 Dec	2022 31 Dec	2023 31 Dec	2022 31 Dec
Assets								
Interest-rate derivatives	17	56	–	–	17	56	–	–
Investments in housing cooperative associations	88	95	–	–	–	–	88	95
Total	105	151	0	0	17	56	88	95
Liabilities								
Earn-out	–	34	–	–	–	–	–	34
Total	0	34	0	0	0	0	0	34

Fair value of financial instruments in the fair value hierarchy

Ambea applies the following hierarchy for the fair value measurement of financial instruments:

- **Level 1** – Listed prices (unadjusted) on active markets for identical assets or liabilities.
This level includes Eligible treasury bills, Bonds and Other interest-bearing securities. Remeasurement is recognised in Net financial items.
- **Level 2** – Observable data for assets or liabilities other than quoted prices included in Level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations). This level includes derivative instruments that are recognised under Other current assets or Other current liabilities.
- **Level 3** – Data for assets or liabilities that are not based on observable market data. Participations in tenant-owner associations are measured using the price trend for tenant-owned apartments in the area, with adjustments for the specific conditions that apply to Ambea's apartments. Earn-out liabilities measured at fair value based on management's best estimate of possible outcome.

Ambea has borrowings/loans in Swedish, Norwegian and Danish kronor and is thereby exposed to interest-rate risk. According to the company's financial policy, at least 50 per cent of the interest-rate risk should be hedged. To hedge the company's interest-rate risk, the company has purchased interest-rate derivatives, and the remaining terms of these hedges is up to three years. In total, about 60 per cent of the company's average interest-bearing liabilities within 12 months have been hedged with interest-rate derivatives.

Derivatives are classified as Level 2 assets in the fair value hierarchy. The change in fair value of the interest-rate cap and interest-rate swap was recognised in other comprehensive income. Ambea uses standard bank pricing models for the valuation of purchased interest-rate caps and interest-rate swaps. The valuation is based on the bank's standard pricing model and methodology. The valuation is based on the bank's average price.

NOTE 5 Pledged assets and contingent liabilities

SEK million	2023 31 Dec	2022 31 Dec
Leased assets	211	131
Total pledged assets	211	131
Tax audit	13	12
Total contingent liabilities	13	12

NOTE 6 Reconciliation of financial statements

SEK million	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Growth/Acquired growth				
Growth in net sales (%)	6	8	5	10
Of which organic growth (%)	7	4	6	5
Of which acquired/divested growth (%)	-1	2	-1	3
Of which currency effect (%)	0	2	0	2
Operating margin (EBIT)				
Net sales	3,412	3,225	13,312	12,635
Operating profit (EBIT)	264	140	981	843
Operating margin, EBIT (%)	7.7	4.3	7.4	6.7
EBITA				
Operating profit (EBIT)	264	140	981	843
Amortisation and impairment of intangible assets	22	30	95	111
EBITA	286	170	1,076	954
Net sales	3,412	3,225	13,312	12,635
EBITA margin (%)	8.4	5.3	8.1	7.6
EBITDA				
Operating profit (EBIT)	264	140	981	843
Depreciation, amortisation and impairment of tangible and intangible assets	327	307	1,297	1,201
EBITDA	591	447	2,278	2,044
EBITDA excluding IFRS 16 effects				
Operating profit (EBIT)	264	140	981	843
Depreciation, amortisation and impairment of tangible and intangible assets	327	307	1,297	1,201
Less: Rental payments Properties	-316	-291	-1,255	-1,131
Less: Rental payments Vehicles	-24	-10	-59	-39

SEK million	2023 Oct–Dec	2022 Oct–Dec	2023 Jan–Dec	2022 Jan–Dec
Less Capital loss from terminated agreements	-1	-1	-3	-5
Net IFRS 16 effects on EBITDA	-341	-302	-1,317	-1,175
EBITDA IFRS 16	250	145	961	869
EBITA excluding IFRS 16 effects				
Operating profit (EBIT)	264	140	981	843
Amortisation and impairment of intangible assets	22	30	95	111
EBITA	286	170	1,076	954
Plus IFRS 16 depreciation	286	252	1,110	983
Less: Rental payments Properties	-316	-291	-1,255	-1,131
Less: Rental payments Vehicles	-24	-10	-59	-39
Less Capital loss from terminated agreements	-1	-1	-3	-5
Net effects of IFRS 16 on EBITA	-55	-50	-207	-192
EBITA excluding IFRS 16 effects	231	120	869	762
EBITA margin, excluding IFRS 16 effects	6.8	3.7	6.5	6.0
Operating cash flow				
EBITDA	591	447	2,278	2,044
Adjustment for non-cash items	31	-64	36	-126
Cash flow from investing activities excl. acquisition and divestment of subsidiaries	-6	-28	-83	11
Adjustment for cash flow from investing activities related to increased capacity/growth	6	9	12	30
Change in working capital	121	178	-82	-4
Operating cash flow	743	542	2,161	1,955
Cash conversion (%)				
Operating cash flow	743	542	2,161	1,955
EBITDA	591	447	2,278	2,044
Cash conversion (%)	125.7	121.3	94.9	95.6

NOTE 6 Reconciliation of financial statements, cont.

SEK million	2023 31 Dec	2022 31 Dec
Net debt, net debt/EBITDA RTM		
Non-current interest-bearing liabilities	8,969	9,576
Current interest-bearing liabilities	1,776	1,401
Less: cash and cash equivalents	-6	-259
Net debt	10,739	10,718
EBITDA RTM	2,278	2,044
Net debt/EBITDA RTM (times)	4.7	5.2
Net debt, net debt/EBITDA RTM excl. IFRS 16 effects		
Non-current interest-bearing liabilities	8,969	9,576
Less: non-current lease liabilities pertaining to properties recognised on the lease liability line	-7,381	-7,044
Less: non-current lease liabilities pertaining to vehicles, recognised on the lease liability line	-165	-111
Current interest-bearing liabilities	1,776	1,401
Less: current lease liabilities pertaining to properties recognised on the lease liability line	-966	-876
Less: current lease liabilities pertaining to vehicles, recognised on the lease liability line	-71	-67
Less: cash and cash equivalents	-6	-259
Net debt, excluding IFRS 16 effects	2,156	2,620
EBITDA RTM	961	869
Net debt/EBITDA RTM (times)	2.2	3.0

Reports and quality inspections during the quarter

Sweden

IVO inspections: The IVO performed 29 inspections in the fourth quarter, one in Vardaga and 28 in Nytida. Decisions have been issued for 12 of these inspections, one with remarks. The IVO also issued decisions on ten inspections that were carried out in Nytida in 2023. Remarks in two cases were related to problems with register extracts, permits and suitability assessments. Eight were closed without any remarks.

Lex Sarah reports: Two Lex Sarah reports were lodged in Q4, one by Vardaga and one by Nytida. A decision was issued for Vardaga, and the case was closed without any need for further action. During the quarter, the IVO also issued a decision on a report lodged earlier in 2023 by Nytida, which was closed without any need for further action.

Lex Maria reports: Five Lex Maria reports were lodged in Q4, two by Vardaga and three by Nytida. No decisions have been issued by the IVO. During the quarter, the IVO issued decision on three previously lodged reports, two by Vardaga and one by Nytida. The IVO closed the cases without any need for further action.

Individual complaints investigated by the IVO: Six individual complaints were lodged and investigated by the IVO in Q4 – four regarding Vardaga, and two for Nytida. A decision has been issued in relation to Vardaga, and the case was closed without any remarks.

Norway

Regulatory inspections based on quality management:

A total of 54 inspections were carried out in Q4, 45 of children's units and nine of care services. Remarks were issued for four of the inspections of children's units, and for two cases in care services. Action has been taken for all cases. Five of the six cases have been closed.

Denmark

Regulatory inspections based on quality management:

There were eight regulatory inspections of Altiden in the fourth quarter. The authority issued remarks for one of the inspections in social care, and Altiden is now taking action.

Swedish Authority for Privacy Protection (IMY)

Sweden: In Q4, the Swedish Data Protection Officer notified the IMY of ten personal data breaches. We have received eight of ten decisions, where the IMY does not intend to take any action. Corrective actions were taken to prevent recurrence.

Norway: No breaches were reported by the Data Protection Officer in Q4.

Denmark: No breaches were reported to the Norwegian Data Protection Authority in Q4.



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place, one person at a time.

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