



# Third quarter 2017 – Presentation

10 November, 2017

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## Financial summary of Q3: Stable growth, profits in line with last year

- Net sales SEK 2,741m (2,568), adjusted growth 7%
- Operating profit (EBITA) of SEK 337m (340)
- Operating margin (EBITA) of 12.3% (13.2)
- Earnings per share SEK 1.39 (1.39)
- Operating cash flow of SEK 73m (101)
- 10,378 own beds in operation (15% growth) and record high number of beds under construction: 2,757



# Business highlights: Record number of opened units

## Highlights by contract model

### Own operations

- Stable growth development of net sales, +8% (in spite of headwind from integration units)
- Record number of new own homes opened, 21 units~720 beds
- Construction of 28 new units started with 1,192 beds
- Increased number of beds under construction: 2,757
- Mikeva acquisition approved. Will add 2 800 beds in own operations

### Outsourcing operations

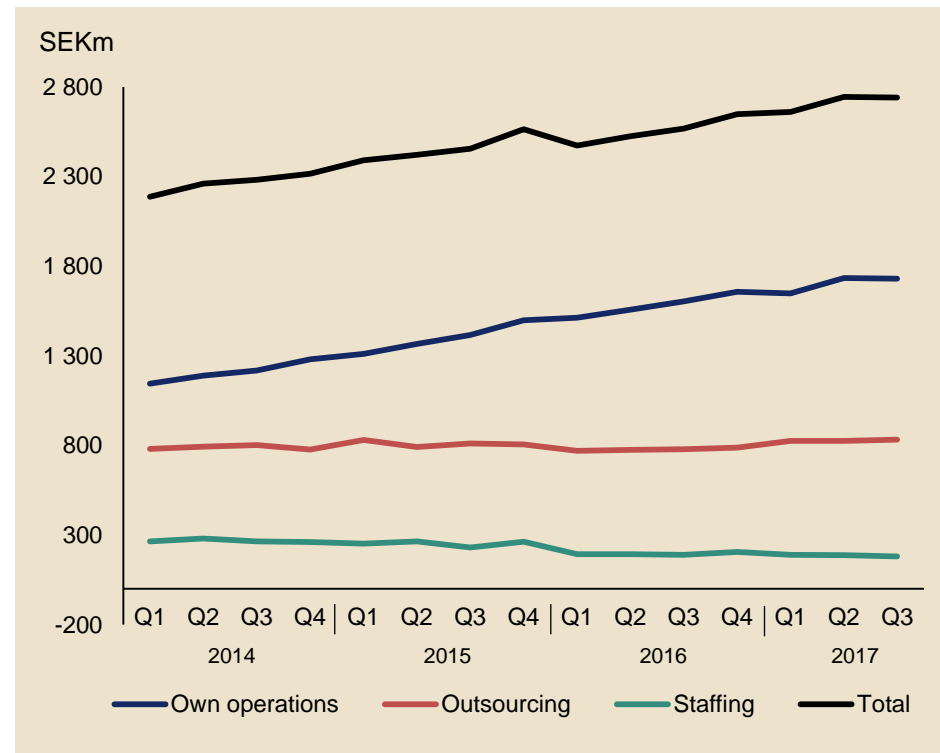
- Net sales increased by 7% compared to Q3 2016, mainly due to the start of combination contracts in Q1
- Contracts won with estimated annual sales of SEK 15m, lost contract volumes of SEK 25m

### Staffing operations

- Net sales decreased compared to previous year due to ended contracts and lower volumes in some existing contracts

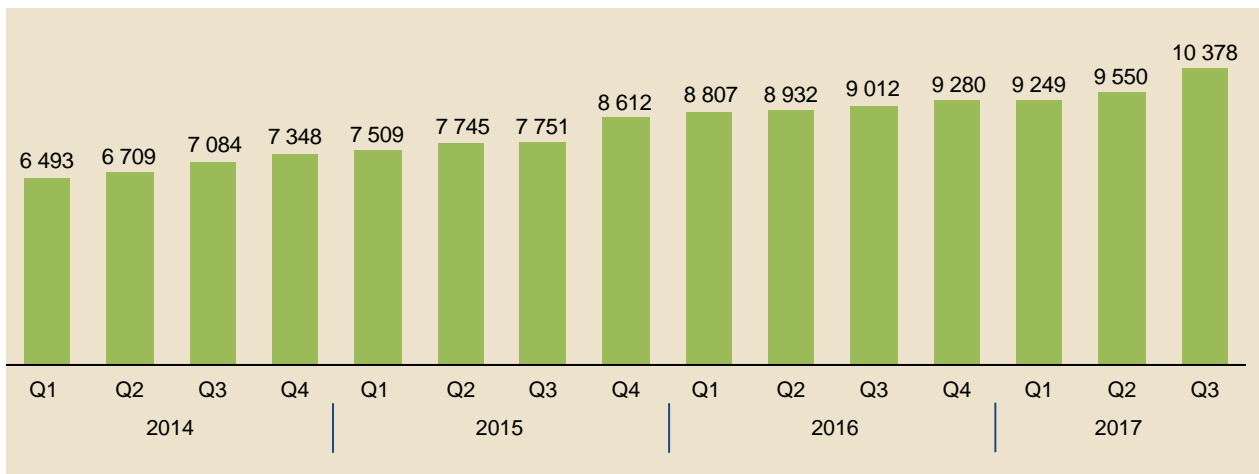
## Net sales by contract model

SEKm	Q3 2017	Q3 2016	Chg (%)
Own operations	1,729	1,603	8
Outsourcing	832	777	7
Staffing	180	188	-4



# Own operations: 15% increase of beds in operation (Y/Y)

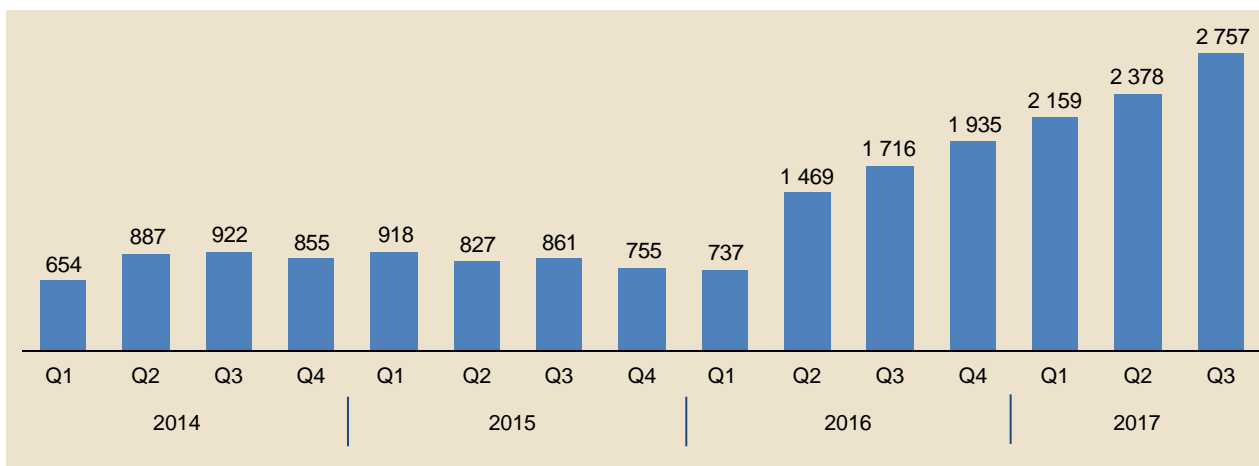
No. of beds in operation<sup>1)</sup>



New openings



No. of beds under construction<sup>2)</sup>



1) Own nursing homes (CoP) and own care homes (care for people with disabilities, social psychiatry and individuals and families)

2) Own nursing homes (CoP) and own care homes (care for people with disabilities and social psychiatry)

## Market highlights: Solid underlying demand for new nursing homes, SOTE reform moves forward

### Sweden

- Solid demand for own operations solutions
- Outsourcing contract volumes declined vs last year
- Sharp decline in demand for integration services
- The Swedish government has announced that it will put forward proposal to ban profit and freedom of choice in care sector
  - Up for voting in parliament in spring 2018
  - Strong criticism from authorities and local authorities as well as experts and companies
  - There is no parliamentary majority to support the proposal

### Finland

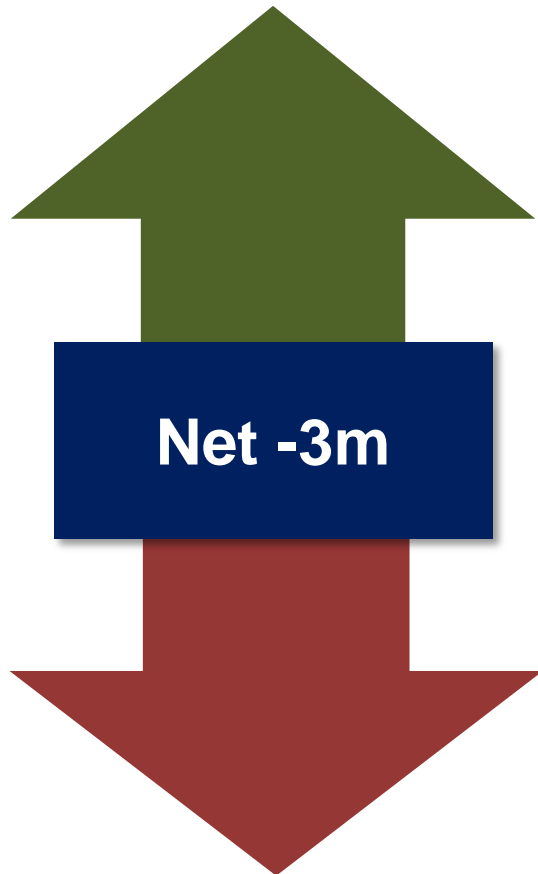
- Solid demand for own operations solutions
- Higher activity in outsourcing market expected due to delay in SOTE-reform
- Staffing stable but challenging
- SOTE reform moves forward
  - Government aims to delay implementation of active care choice in primary care to 2021
  - A modified proposal to congress will be worked out in H2 2017



## P&L: Higher sales growth vs 2016, organic and through acquisitions

SEKm	Q3 2017	Q3 2016	Change (%)
<b>Net sales</b>	<b>2,741</b>	<b>2,568</b>	<b>7</b>
<i>Organic</i>	3.0	1.8	-
<i>Acquired</i>	3.6	2.4	-
<i>Currency</i>	0.1	0.4	-
<b>Operating profit (EBITA)</b>	<b>337</b>	<b>340</b>	<b>-1</b>
<i>Operating margin (EBITA), %</i>	12.3	13.2	-
<b>EBIT</b>	<b>305</b>	<b>310</b>	<b>-2</b>
Financial net	-21	-25	-
Income tax	-61	-61	-
<b>Profit for the period</b>	<b>223</b>	<b>224</b>	<b>0</b>
<b>Diluted earnings per share, SEK</b>	<b>1.39</b>	<b>1.39</b>	<b>0</b>

**EBITA change:** Improved planning and processes but headwind from integration solutions, home care and openings



**Q3 2017 vs. Q3 2016:**

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- + Improved planning and processes
- + Acquisitions
- + Improved occupancy in units that were under start-up during Q3 2016
- Integration solutions
- Home care
- Own units under start-up/openings

## Cash flow: Stable operating cash flow but increased investment level

SEKm	Q3 2017	Q3 2016
<b>Operating profit (EBITA)</b>	<b>337</b>	<b>340</b>
Change in working capital, paid tax and non cash items	-199	-214
<b>Cash flow after changes in working capital</b>	<b>138</b>	<b>126</b>
Net investments in tangible and intangible assets	-65	-25
<b>Operating cash flow</b>	<b>73</b>	<b>101</b>
Interest received/paid	-8	-14
<b>Free cash flow</b>	<b>65</b>	<b>87</b>
Net change in assets and liabilities held for sale	-300	-
Net of acquisitions/divestments	-95	-307
Cash flow from financing	-14	213
<b>Total cash flow</b>	<b>-344</b>	<b>-7</b>
Net debt	<b>3,322</b>	<b>3,035</b>
Net debt/EBITDA	<b>2.7x</b>	<b>2.7x</b>



# Quality & employees: Focus on activities and improved dementia care

Examples from third quarter 2017



- Focus on older peoples need for movement and outdoor activities
  - Several units have arranged the “Attendo fitness walk”
  - “Outdoors sleepover” activity in Norway - older people at Attendo Romsås and Attendo Rødvet Sykehjem camped out in tents
- Improved dementia care
  - All Attendo’s own homes in Sweden will be connected to the Swedish register for behavioural and psychological symptoms in dementia
- New communication and interaction aids through large-format computer tablets at Finnish nursing homes
- During the quarter Attendo Örkelljunga LSS expanded its Bed & Breakfast operations with a hostelry

Attendo 

*Care your way*