

Q2 2020 report presentation

July 23, 2020

Q2 2020 Highlights, Martin Tiveus, CEO

Financial Summary, Fredrik Lagercrantz, CFO

Q&A



Highlights second quarter 2020: Corona situation clearly improved but significant financial impact in the quarter

- **Corona situation clearly improved – zero infected residents in current operations**
 - Since introduction of PPE 24-7 in May for all staff, the number of infected declined radically
 - Zero infected residents at present in current operations (excl. infected clients moved in from hospitals)
 - Attendo intends to keep current safety-measures
 - Operations back to normal in Finland and Denmark, still some impact in Sweden
- **Corona pandemic had a large operational and financial impact**
 - Negative impact of ~SEK -60m in Q2 – higher cost and more empty beds
 - No net cost impact in H2 expected. Additional revenue effects expected – profit impact of ~SEK -10m per month
- **Stable result but lower occupancy in Scandinavia due to pandemic**
 - Improved result in outsourcing and home care
 - High number of openings, higher cost and lower occupancy due to corona situation impacts own operations nursing homes
- **Early effect of turn-around program in Finland**
 - Positive price impact while new salary agreement not valid until Q3
 - Lower net sold beds due to corona situation during quarter, back on normal levels past weeks
 - Continued high number of openings in Q2. Sharp decline of openings in Q3 and onwards

Group highlights in Q2

Net Sales, growth¹

4%

Q1/20: 8% Q2/19: 8%

EBITA-margin*

4.9%

Q1/20: 5.8% Q2/19: 4.0%

Leverage (adj ND/adj EBITDA)

3.3x

Q1/20: 3.9x Q2/19: 3.3x

Quality Index

85%

Q1/20: 83% Q2/19: 84%



Total Occupancy

78%

Q1/20: 80% Q2/19: 79%

Total # of beds in own operation²

17,650

Q1/20: 17,260 Q2/19: 16,216

Opened beds in own operation²

481

Q1/20: 648 Q2/19: 625

Beds under construction²

1,110

Q1/20: 1,423 Q2/19: 2,335

1) Excluding currency effects

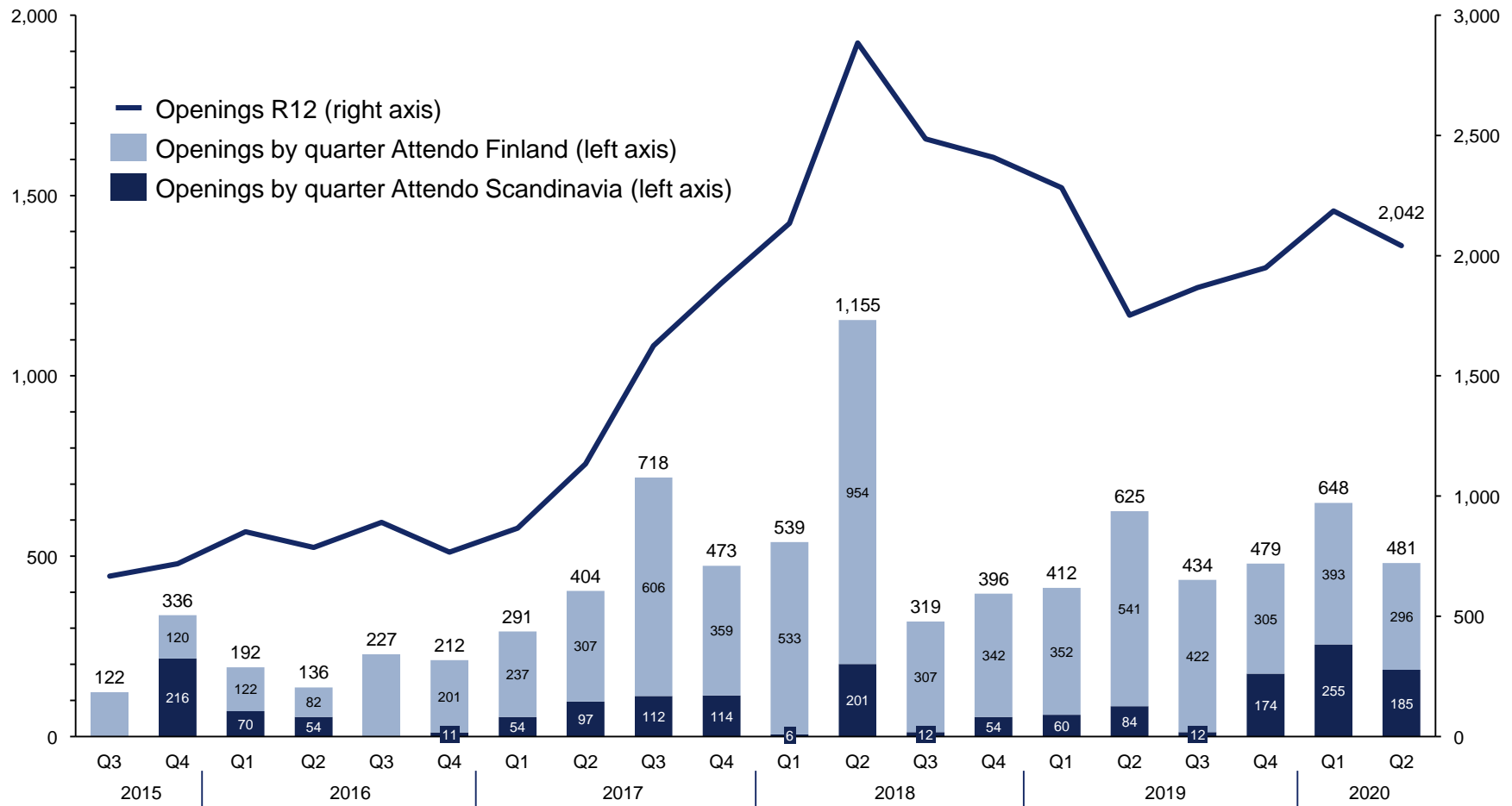
2) Own nursing homes (care for older people, CoP) and own care homes (care for people with disabilities, social psychiatry)

*Excluding items affecting comparability

Own operations growth pace:

Continued high opening pace, will decrease in Finland from Q3 onwards

No. of opened beds in own operation¹⁾, by quarter and rolling 12 months

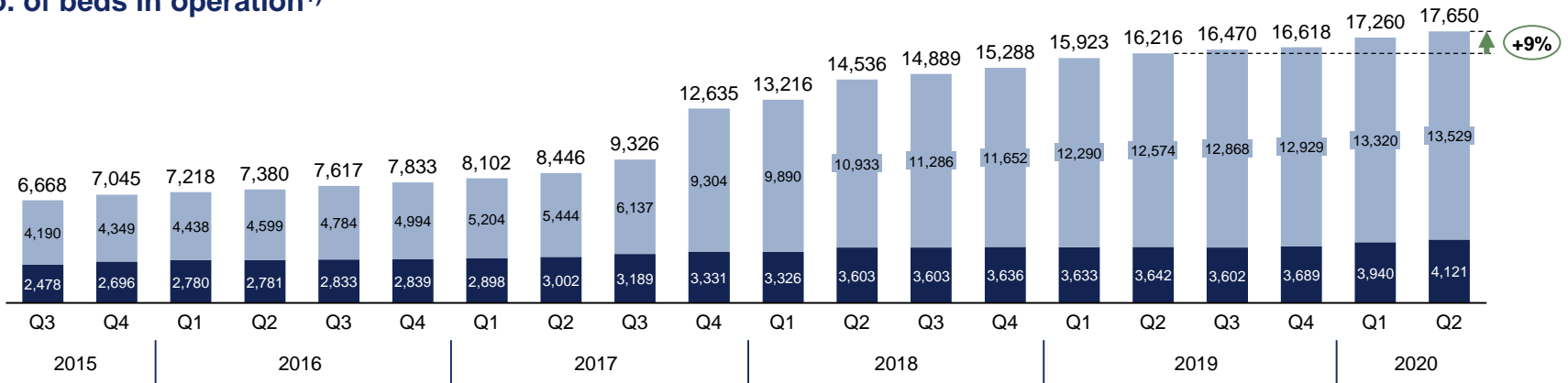


1) Own nursing homes (care for older people, CoP) and own care homes (care for people with disabilities, social psychiatry)

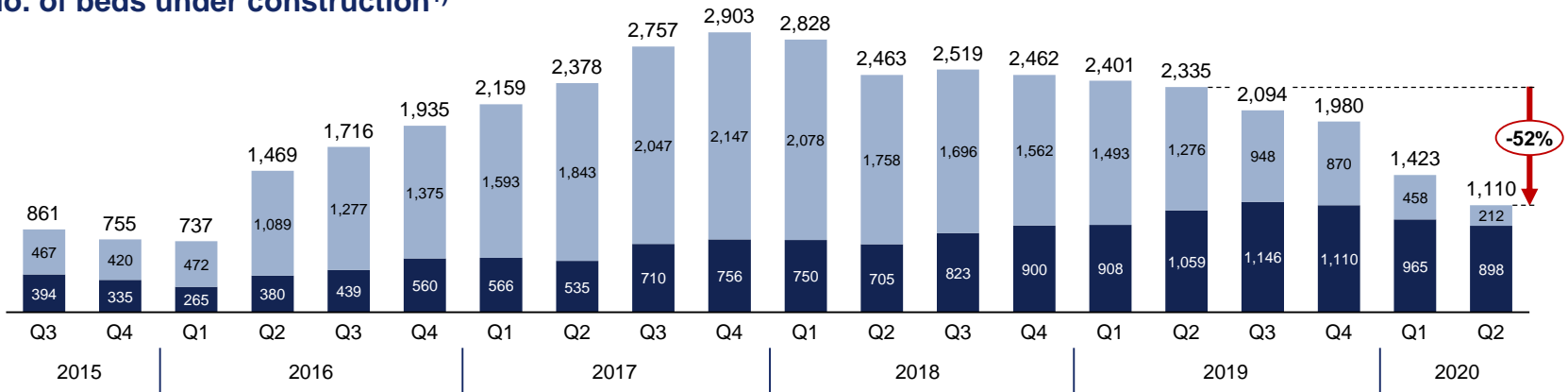
Beds in operation and under construction:

Sharp decline of new projects in Finland according to plan

No. of beds in operation¹⁾



No. of beds under construction¹⁾



Attendo Finland Attendo Scandinavia

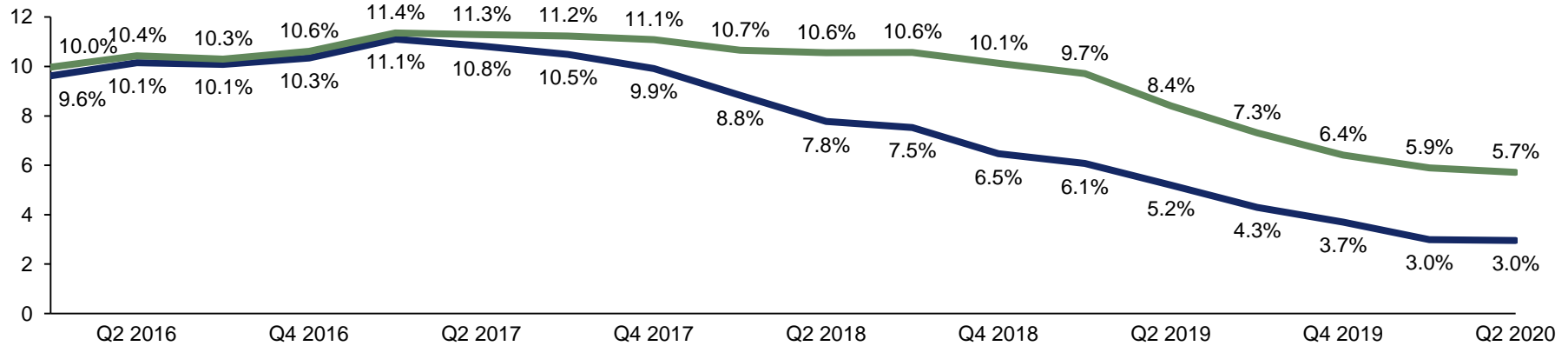
1) Own nursing homes (care for older people, CoP) and own care homes (care for people with disabilities, social psychiatry)

Mature units: margin and net sales development

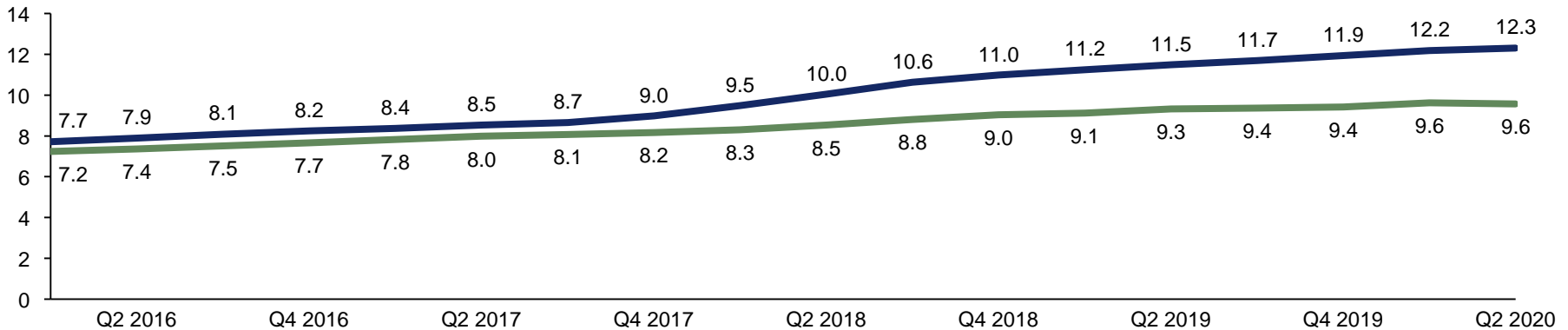
Margin deterioration flattening out in spite of Corona-impact

■ Group reported
■ Mature*

R12 adjusted EBITA margin development %



R12 Net sales, SEK Billion



Note: Figures according to IAS 17. Finnish healthcare operations excluded in historical financials, based on estimates for 2016

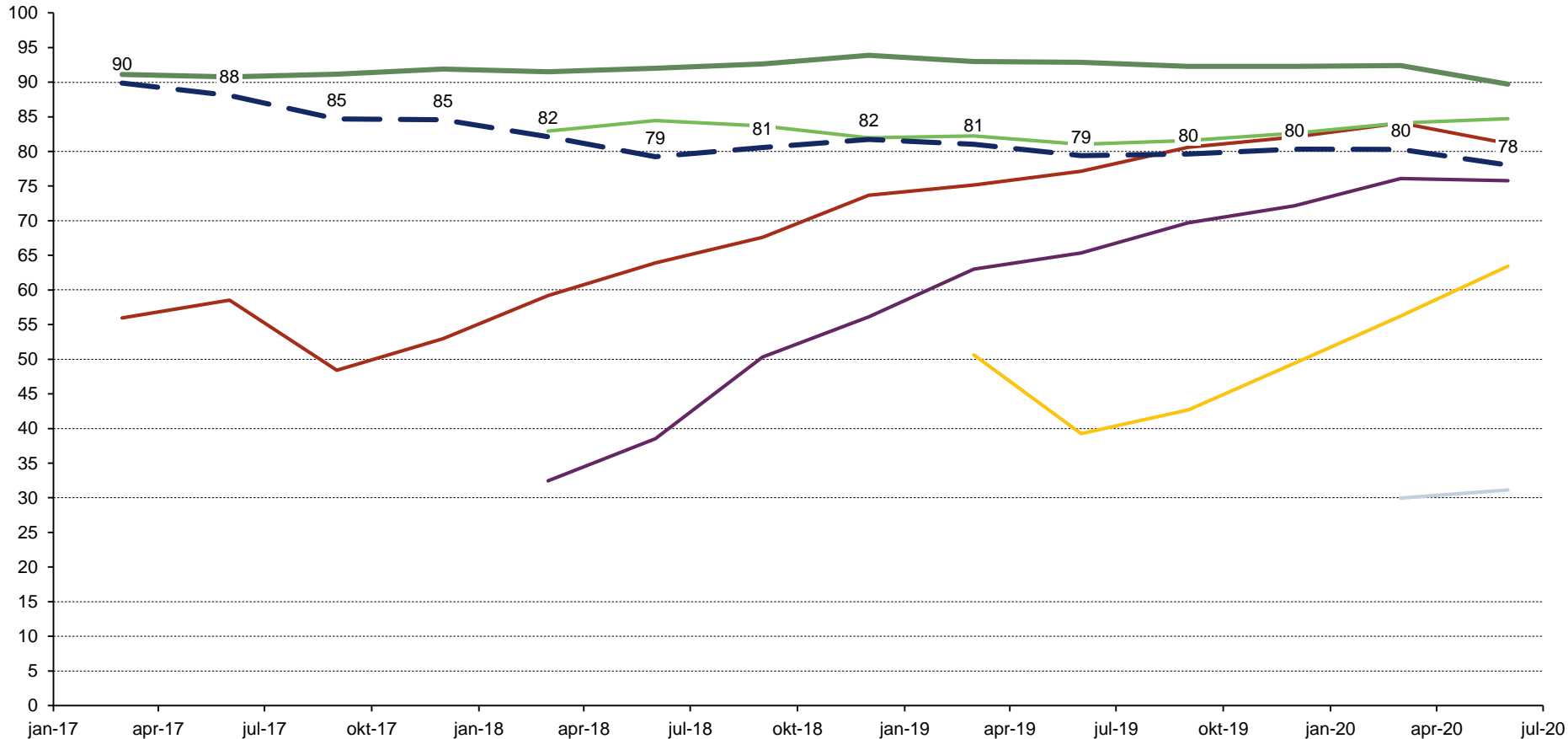
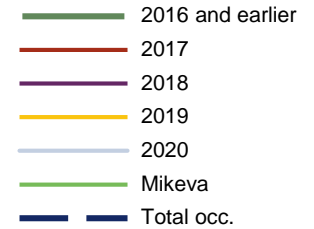
* Mature defined as group financials excluding Mikeva units, start-up units** and one-offs such as real estate gains. All overhead costs part of mature financials.

** Start-up units defined as units started last 12 months up until 2019. From 2019, units started 2018, 2019 and 2020 defined as start-up units.

Occupancy development: vintage breakdown

Corona has a clear negative impact in Q2 on occupancy

Occupancy in own homes¹



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

P&L: Slightly higher EBITA* excluding corona and capital gains

Impairment of goodwill and right-of-use assets have a large impact of net profit

SEKm	Q2 2020	Q2 2019	Change (%)
Net sales	3,112	2,990	4
<i>Organic, %</i>	3.9	1.4	-
<i>Acquired, %</i>	0.4	6.2	-
<i>Currency, %</i>	-0.2	1.4	-
Operating profit (EBITA)*	153	121	26
<i>Operating margin (EBITA), %</i>	4.9	4.0	-
Items affecting comparability	-971	-	-
Operating profit (EBIT)	-849	86	-
Financial net	-168	-137	-
Income tax	42	12	-
Profit for the period	-975	-39	-
Diluted earnings per share, SEK	-6.06	-0.24	-
Adjusted earnings per share*, SEK	0.11	0.13	-15

*Excluding items affecting comparability

Attendo Scandinavia Q2 2020

STABLE PERFORMANCE IN SPITE OF NEGATIVE CORONA IMPACT

Net sales

- Lower occupancy due to the corona situation and many openings
- Sales negatively impacted by divestments and terminated operations (mainly Homecare Denmark)

Profits

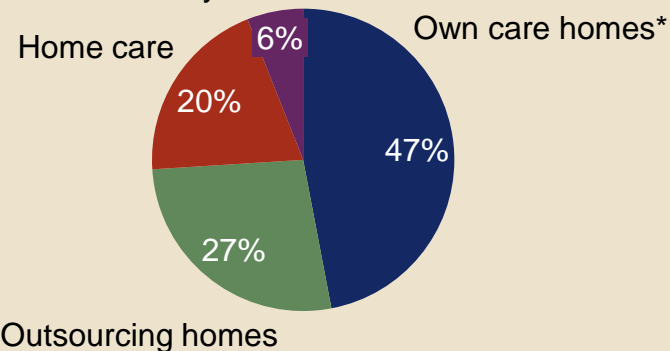
- Corona impact estimated at SEK -40m (cost and revenue effect)
- Capital gain from real estate divestment of SEK 41m
- Underlying profit slightly higher vs Q2 2019
- Increased contribution from outsourcing, home care and from own care homes started 2017 & 2018

Other

- Norwegian operations divested – deconsolidation from Q3
- High number of openings, 185 beds in Q2

Net sales per service offering, Q2 2020

Individual and family care



SEKm	Q2		Chg
	2020	2019	(%)
Net sales	1,548	1,588	-3
Operating profit (EBITA)	175	130	35
<i>Operating margin (EBITA), %</i>	11.3	8.2	-
Adjusted EBITA	126	99	27
<i>Adjusted EBITA margin, %</i>	8.1	6.2	-

*) Own nursing homes (care for older people, CoP) and own care homes (care for people with disabilities, social psychiatry)

Attendo Finland Q2 2020

EARLY EFFECT OF TURN-AROUND PROGRAM

Net sales

- Growth due to sales in new own homes as well as price increases

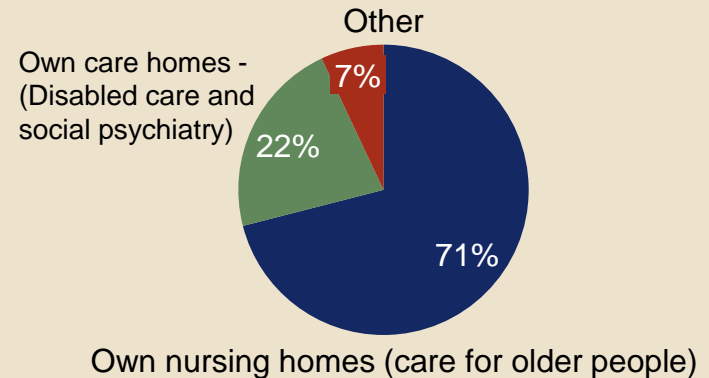
Profits

- Positive price effect from renegotiations of frame work agreements
- More empty beds due to many openings
- Higher cost from central and regional overhead
- Corona impact estimated to SEK -20m (cost and revenue effect)
- Impact of salary negotiations in Q3

Other

- Significantly lower number of openings from Q3 onwards – prerequisites for higher occupancy
- Bill about new staffing requirements passed in parliament

Net sales per service offering, Q2 2020



SEKm	Q2		Chg
	2020	2019	(%)
Net sales	1,564	1,402	12
Operating profit* (EBITA)	-5	7	-
<i>Operating margin* (EBITA), %</i>	-0.3	0.5	-
Adjusted* EBITA	-67	-41	-
<i>Adjusted* EBITA margin*, %</i>	-4.3	-2.9	-

*Excluding items affecting comparability

Cash flow: Strong cash flow and hence improved liquidity and net debt / EBITDA position since Q1

SEKm	Q2 2020	Q2 2019
Operating profit (EBITA)	153	121
Change in working capital, paid tax, non cash items and depreciation	548	310
Cash flow after changes in working capital	701	431
Net investments in tangible and intangible assets	-118	-82
Operating cash flow	583	349
Interest received/paid	-7	-18
Interest costs and amortization IFRS 16	-378	-295
Free cash flow	198	36
Net change in assets and liabilities held for sale	149	11
Net of acquisitions/divestments	-55	53
Change in financing	-148	-122
Total cash flow	144	-22
Net debt	12,817	11,238
Net debt/EBITDA	6.5x	5.7x
Adjusted net debt	1,937	2,640
Adjusted net debt / adjusted EBITDA*	3.3x	3.3x

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