

Q3 2020 report presentation

October 23, 2020

Q3 2020 Highlights, Martin Tivéus, CEO

Financial Summary, Fredrik Lagercrantz, CFO

Q&A



Highlights third quarter 2020: Positive development in Finland clouded by low demand in Scandinavia

- **Continued organic growth and stable result in spite of corona impact**
 - Organic growth amounted to 3% driven by positive net sold beds in Finland
 - EBITA in line with last year (excluding capital gain in 2019)
- **Continued progress with Finland turn-around**
 - More occupied beds due to higher net sold beds, lower number of openings and closed units
 - Positive price impact y/y
- **Weak result in Scandinavia due to low occupancy**
 - Fewer net sold beds due to visitor ban and fear of covid-19
 - Higher number of openings in 2020
 - Low demand to continue into Q4
- **Preparedness for different scenarios of the pandemic**
 - Since beginning of Q3, we have had few new infected at Attendos nursing homes
 - Nursing homes in all markets are now open for visitors (since October 1st in Sweden)



Group highlights in Q3

Net Sales, growth¹

1%

Q2/20: 4% Q3/19: 6%

EBITA-margin*

9.0%

Q2/20: 4.9% Q3/19: 9.8%

Leverage (adj ND/adj EBITDA)*

3.8x

Q2/20: 3.3x Q3/19: 3.3x

Quality Index

85%

Q2/20: 85% Q3/19: 81%



Total Occupancy²

79%

Q2/20: 78% Q3/19: 80%

Total # of beds in own operation²

17,485

Q2/20: 17,650 Q3/19: 16,470

Opened beds in own operation²

22

Q2/20: 481 Q3/19: 434

Beds under construction²

1,228

Q2/20: 1,110 Q3/19: 2,094

1) Excluding currency effects

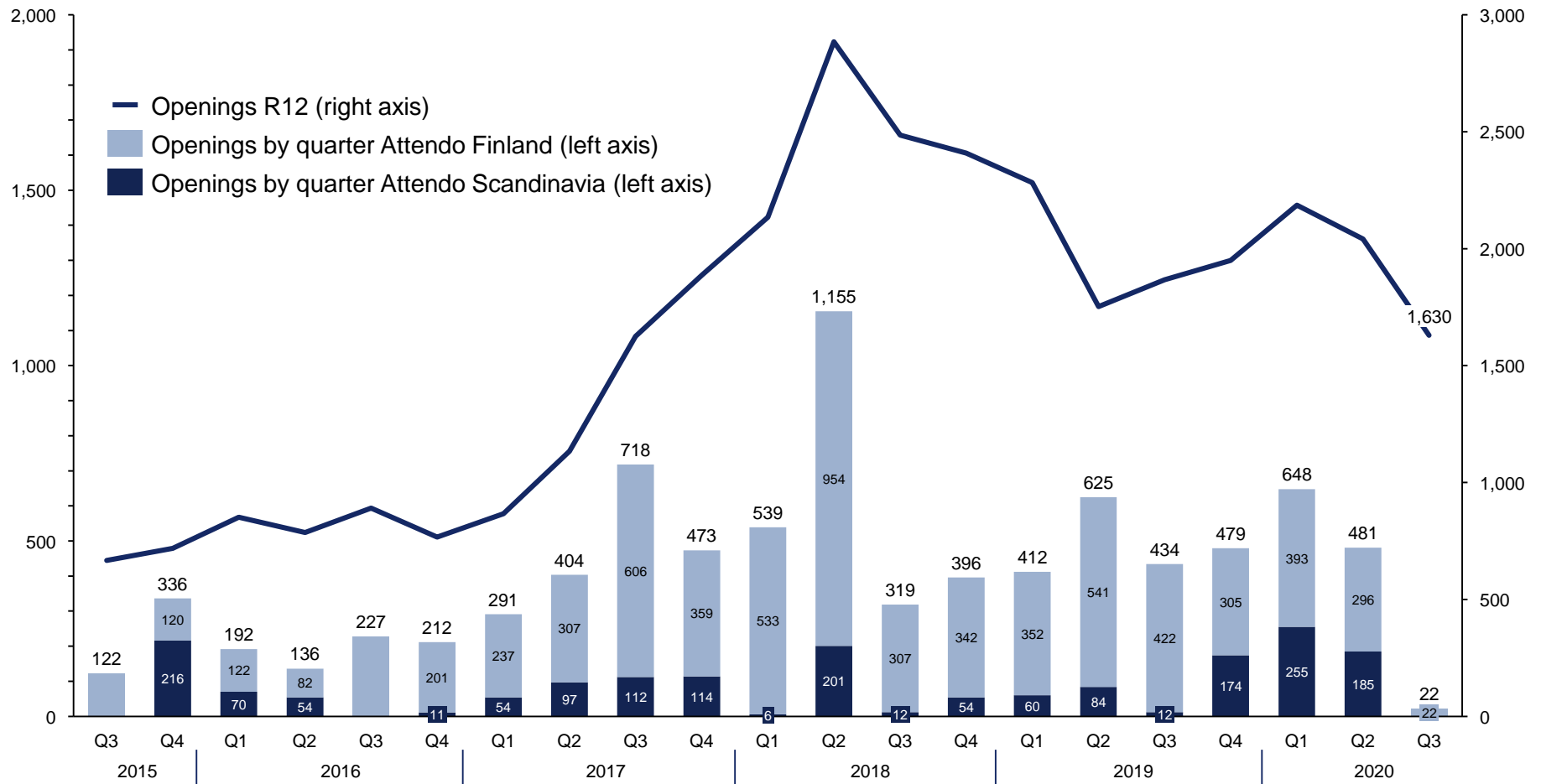
2) Own nursing homes (care for older people, CoP) and own care homes (care for people with disabilities, social psychiatry)

*Excluding items affecting comparability

Own operations: openings of new beds

Very few openings in Q3. The R12-trend will further decline coming quarters

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

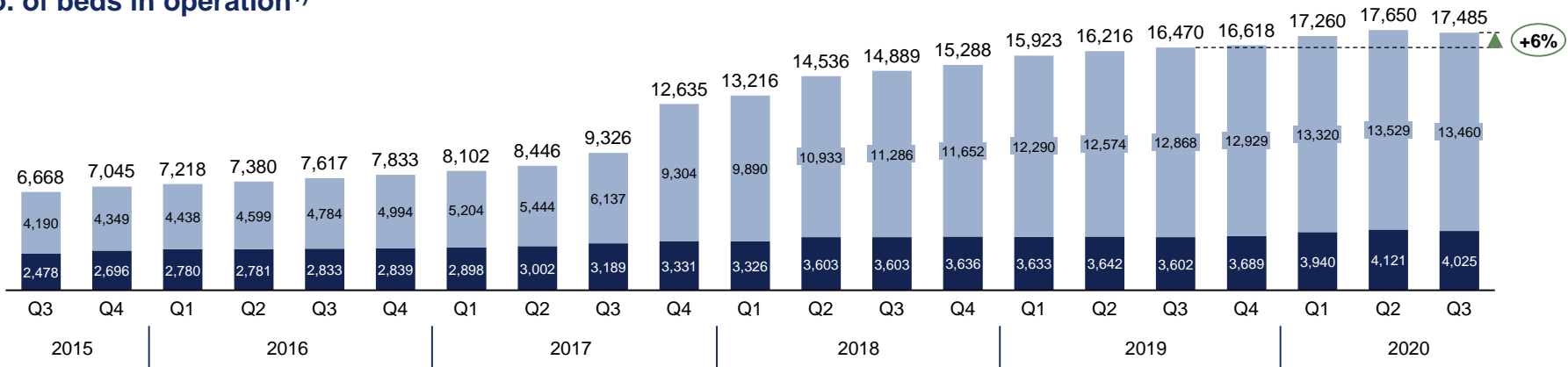


1) Own nursing homes (care for older people, CoP) and own care homes (care for people with disabilities, social psychiatry)

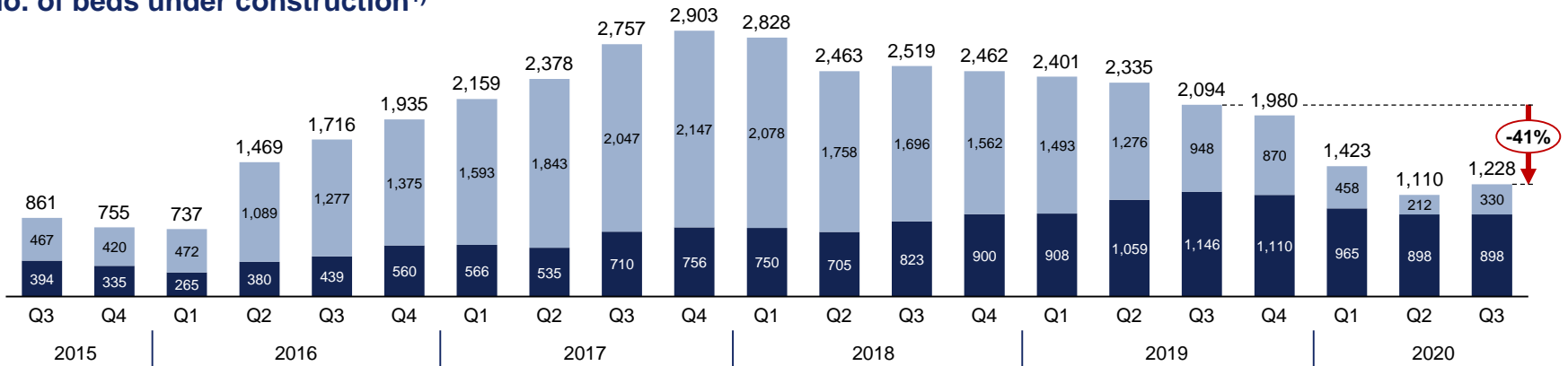
Beds in operation and under construction:

No. of beds in operation declining slightly sequentially due to closed units

No. of beds in operation¹⁾



No. of beds under construction¹⁾



Attendo Finland Attendo Scandinavia

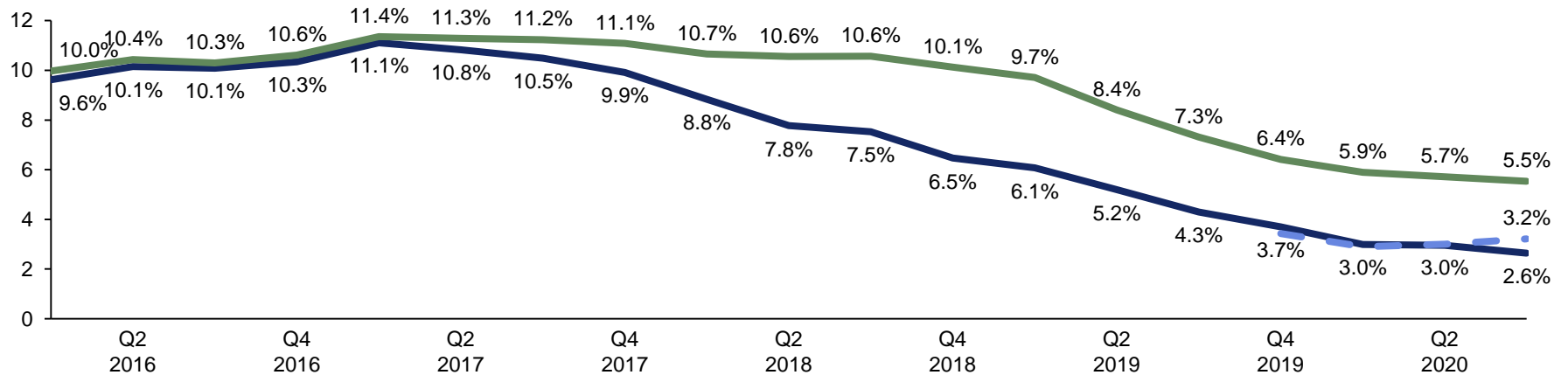
1) Own nursing homes (care for older people, CoP) and own care homes (care for people with disabilities, social psychiatry)

Mature units: margin and net sales development

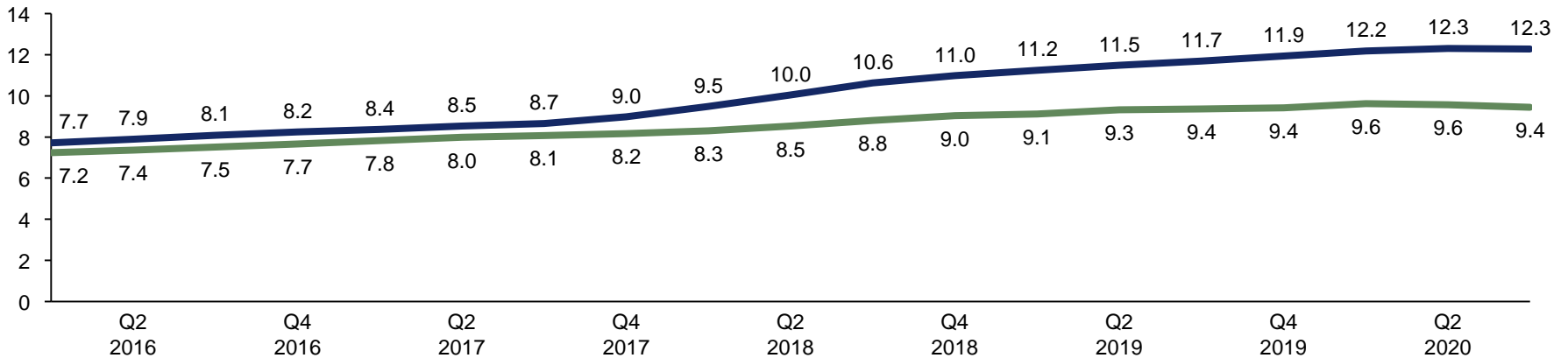
Margin deterioration flattening out in spite of continued corona-impact

- Group reported
- Group ex Corona & RE*
- 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

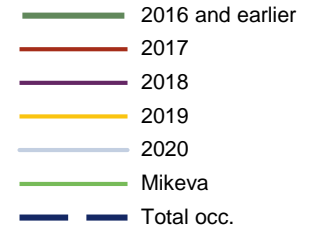
*Group defined as group financials excluding Corona impact and real estate gains.

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.

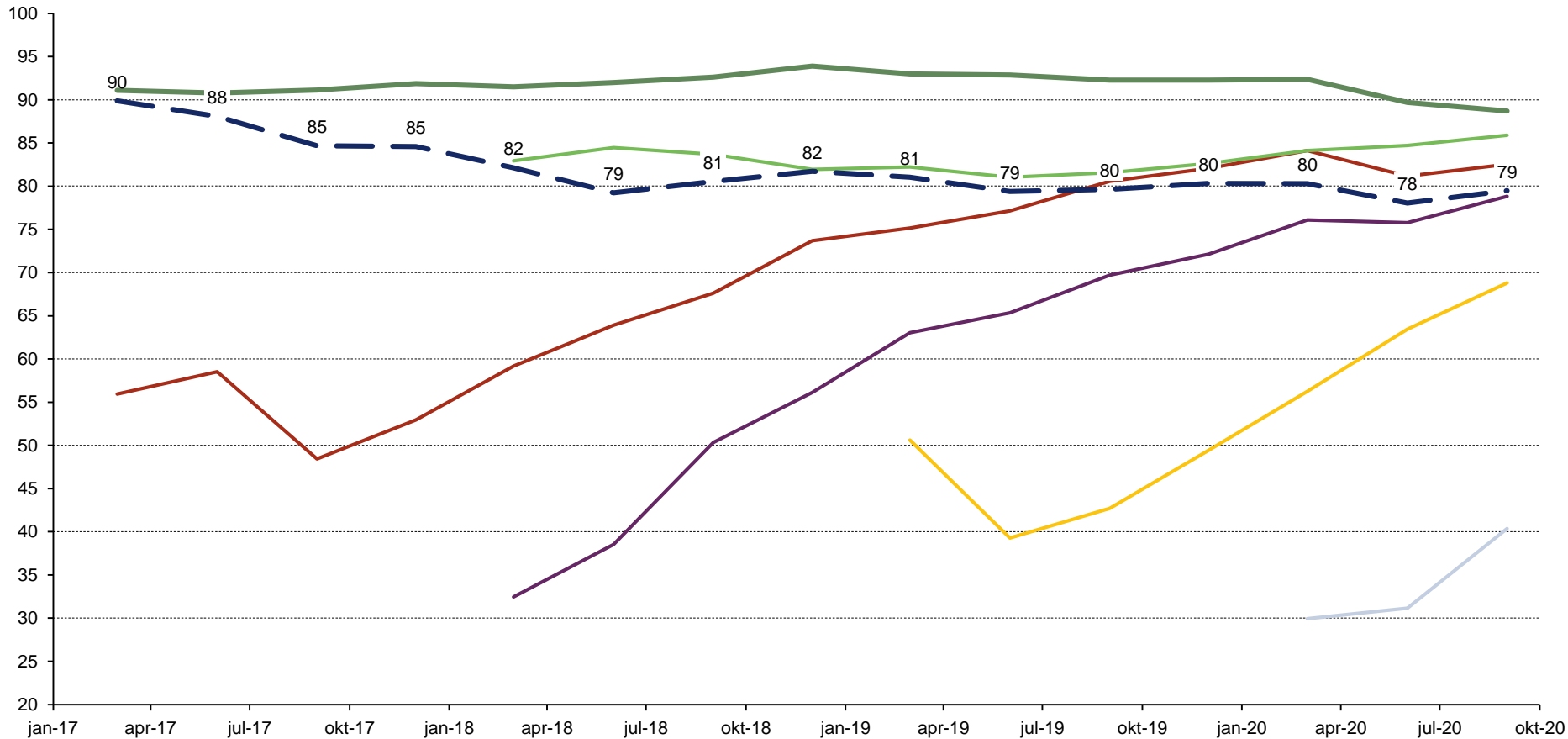
***Start-up units defined as units started last 12 months up until 2019. From 2019, units started 2018, 2019 and 2020 defined as start-up units.

Occupancy development: vintage breakdown

Fill-up of new homes leads to higher Group occupancy. Inflow in Sweden lower due to corona situation.



Occupancy in own homes¹



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

P&L: Positive organic growth and slightly higher EBITA excluding capital gain in 2019

SEKm	Q3 2020	Q3 2019	Change (%)
Net sales	2,983	3,013	-1
<i>Organic, %</i>	3.0	1.6	-
<i>Acquired, %</i>	-2.4	4.6	-
<i>Currency, %</i>	-1.6	1.3	-
Operating profit (EBITA)*	269	294	-9
<i>Operating margin (EBITA), %</i>	9.0	9.8	-
Amortization	-30	-34	-
Operating profit (EBIT)*	239	260	-8
Items affecting comparability	10	-	
Financial net	-166	-137	-
Income tax	-19	-29	-
Profit for the period	64	94	- 32
Diluted earnings per share, SEK	0.40	0.58	-
Adjusted earnings per share*, SEK	0.64	0.90	-29

*Excluding items affecting comparability

Attendo Scandinavia Q3 2020

FEAR OF CORONA DAMPENS DEMAND FOR NH BEDS

Net sales

- Sales negatively impacted by divestments of Norwegian operations
- Lower occupancy due to low inflow of new customers

Profits

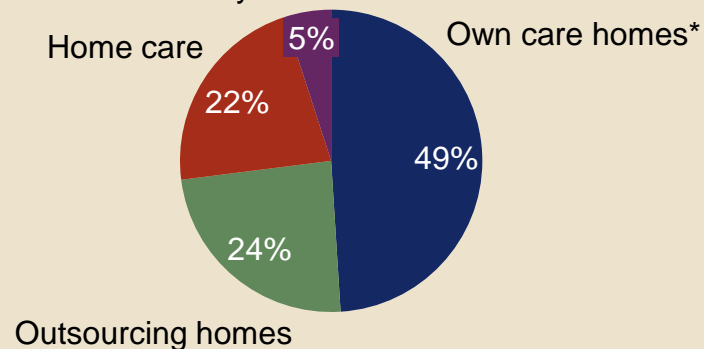
- Corona impact estimated at SEK -45 due to lost sales
- Negative contribution from more units in start-up phase
- Comparison quarter includes as positive capital gain of SEK 31m

Other

- Occupancy stabilized but still lower inflow than historically
- Visitor ban at nursing homes taken away from 1 October
- Attendo has applied for state aid for financial impact of the pandemics, channeled through local authorities – uncertain magnitude and timing
- 614 opened beds the last 12 months – historically high number

Net sales per service offering, Q3 2020

Individual and family care



SEKm	Q3		Chg (%)
	2020	2019	
Net sales	1,410	1,584	-11
Operating profit (EBITA)	163	252	-35
<i>Operating margin (EBITA), %</i>	11.6	15.9	-
Adjusted EBITA	118	210	-44
<i>Adjusted EBITA margin, %</i>	8.4	13.3	-

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

Attendo Finland Q3 2020

POSITIVE EFFECT OF TURN-AROUND PROGRAM

Net sales

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

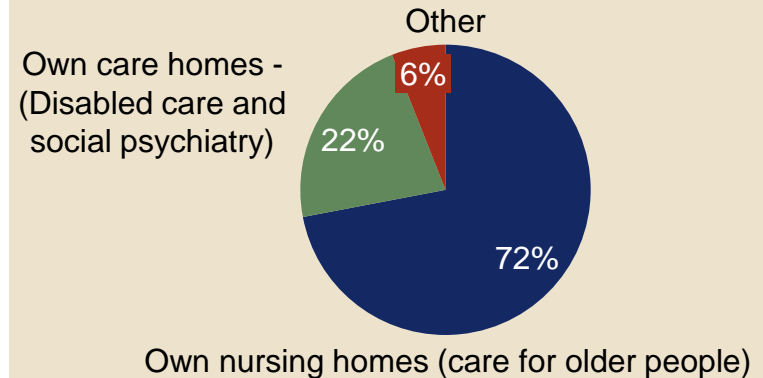
Profits

- Higher number of occupied beds due to good inflow and lower number of openings
- Positive price effect from renegotiations of frame work agreements

Other

- The pandemic has had minor operational impact during the quarter (no infected customers)
- Some 120 beds were closed down and most customers moved to other Attendo units

Net sales per service offering, Q3 2020



SEKm	Q3		Chg (%)
	2020	2019	
Net sales	1,573	1,429	10
Operating profit* (EBITA)	121	60	102
Operating margin* (EBITA), %	7.7	4.2	-
Adjusted* EBITA	59	11	436
Adjusted* EBITA margin*, %	3.8	0.8	-

*Excluding items affecting comparability

Cash flow: Q3 is seasonally weak due to negative working capital

SEKm	Q3 2020	Q3 2019
Operating profit (EBITA)	269	294
Change in working capital, paid tax, non cash items and depreciation	39	93
Cash flow after changes in working capital	308	387
Net investments in tangible and intangible assets	-47	-13
Operating cash flow	261	400
Interest received/paid	-27	-26
Interest costs and amortization IFRS 16	-362	-323
Free cash flow	-128	51
Net change in assets and liabilities held for sale	0	242
Net of acquisitions/divestments	-19	13
Change in financing	59	-287
Total cash flow	-88	-7
Net debt	12,909	11,277
Net debt/EBITDA	6.5x	5.8x
Adjusted net debt	2,052	2,375
Adjusted net debt / adjusted EBITDA*	3.8x	3.3x

* Excluding items affecting comparability

Fyraåringarna på Äldreboendet



Attendo 

Care your way