



PRESS RELEASE | 6 MAY 2021

Attendo's report for the first quarter 2021 shows a split development in Finland and Sweden

Attendo's report for the first quarter of 2021 shows a two-parted development within the Group. In Finland, occupancy is improving steadily and the operations is showing good underlying organic growth. Occupancy in Sweden is still affected by weak customer inflow related to the pandemic. Overall, sales increased with 1 percent while the reported net operating profit (EBITA) was down SEK 40m compared to the same period last year.

Comments from Martin Tivéus, president and CEO

“Development in the first quarter was divided. Fortunately, the vaccination program for our customers in care for older people has been completed. As planned, we are continuing the positive development of the business in Finland, while Scandinavia is still suffering the impact of the pandemic. We are steadily improving occupancy in Finland and demonstrating good underlying organic growth. Occupancy in Sweden is still affected by weak customer inflow. The long-term prerequisites for high occupancy remain good and we estimate that move-ins to nursing homes in Sweden will gradually normalise in the second half of the year.

Higher occupancy in Finland

The positive effects of the action programme persisted in the first quarter, which resulted in a higher number of occupied beds. Occupancy is now around 83 percent, compared to 80 percent during the same period in 2020. Net sales in Attendo Finland rose by about 5 percent in the first quarter compared to the comparison quarter in 2020. Occupancy is expected to continue to improve, as Attendo will be opening few new beds during the year.

Lease adjusted operating profit (EBITA) amounted to SEK 2 million during the quarter, up by SEK 24 million in relation to the same quarter in 2020, primarily driven by higher occupancy. As we have communicated earlier, the positive price effects of renegotiated contracts in 2020 have been largely offset by higher costs due to increased staffing requirements.

Weak customer inflow in Sweden

The second wave of the corona pandemic affected Sweden much more seriously than the other Nordic countries. Within care for older people, this caused clear impact on demand for nursing homes and home care, with a downturn of eight percent in the number of decisions to grant benefits during the year of the pandemic. This combined with lower occupancy in municipal care is the likely explanation for the sharp slowdown in new customer inflow that continued in the first quarter.

Occupancy in our nursing homes in own operations has declined by 10 percentage points since the pandemic began, related mainly to lower inflow and a high rate of openings. Now that all customers have been vaccinated, we expect a gradual normalisation of inflow in the second half of the year as worries about moving into a nursing home subside and the municipal occupancy rate improves.

Net sales in Attendo Scandinavia declined by 9 percent as a consequence of the sale of the Norwegian operations and lower occupancy in relation to the comparison quarter. Lease adjusted EBITA amounted to SEK 91 million, down 27 percent compared to the first quarter of 2020. In addition to Corona-effects, the decrease



in profit is attributable to negative non-recurring items and the fact that there was an extra day in the comparison quarter.

Overall a Group profits still marked by the pandemic

The occupancy development within nursing homes in Sweden, with a lower result (EBITA) of SEK 40 million compared to the same period last year, is clearly visible in the result. The lease-adjusted operating profit (EBITA) for the first quarter was SEK 75 million, down by SEK 20 million adjusted for effects of a non-recurring nature. The negative financial impact of the Covid pandemic on Attendo persisted in the first quarter, but this has been offset by government compensation for additional costs incurred during the current and previous. The organic growth, adjusted for the leap-day, amounted to 3 percent, driven by higher customer inflow in Finland and positive price effects.

We are following our strategic plan and feel confident that we will deliver on our new financial targets for 2023. In line with the strategy, we have recently carried out two complementary acquisitions – UMSK, which strengthens our position in the capital region and Nyland, and Tjust Behandlingsfamiljer in central Sweden, which strengthens our offering and expertise in enhanced family care.

The aftermath of the pandemic

In the spring of 2020, both society and elderly care were unprepared for the pandemic, with a global shortage of protective equipment, limited test capacity and insufficient knowledge of how the virus was transmitted. Despite these difficult conditions, our thousands of employees in Attendo's around 350 nursing homes in the Nordic region have made great efforts to fight the infection and protect life and health.

In the past week, Attendo has received criticism in the media linked to one of our nursing homes in Stockholm. In addition to the existing challenges when it comes to conducting cohort care in dementia wards, the criticism concerns not least how managers handled an individual employee who alerted about the situation at the nursing home during the most critical weeks at the beginning of the pandemic. I, and the management team I lead, take the events that has emerged very seriously. No employee should be made subjected to reprisals for pointing out shortcomings, that should be made very clear. Our investigations showed that we handled the employee incorrectly and that the so-called cohort care had shortcomings initially.

We will now learn from this event to get better, among other things through extensive training work for managers and employees on protection for whistle blowers. For some time now, we have been carrying out extensive work to document lessons learned from the management of the pandemic, in which all employees have the opportunity to participate. Only then can we show that Attendo is an open and learning company.

Summary of the first quarter 2021

- Net sales amounted to SEK 3,062m (3,128). Adjusted for currency effects, net sales increased by 1 percent. The divestment of the Norwegian operations in July 2020 has reduced sales by approximately SEK 90m. Adjusted for the leap-day 2020, organic growth amounted to 3 percent.
- Lease adjusted EBITA, i.e. EBITA according to the previous accounting standard, was SEK 75m (84), corresponding to a lease adjusted operating margin of 2.4 percent (2.7). The negative effects of the Corona-pandemic is estimated to SEK 50m, which has been offset by public reimbursements for certain costs in 2020. The profits were in relation to last year negatively impacted by calendar effects of SEK 20m and negative non-recurring costs of SEK 20m.
- Operating profit (EBITA) amounted to SEK 183m (182), corresponding to an operating margin of 6.0 percent (5.8).



- The loss for the period amounted to SEK -9m (3). Diluted earnings per share were SEK -0.06 (0.02). Adjusted earnings per share after dilution were SEK 0.26 (0.37).
- Free cash flow amounted to SEK 138m (226).
- The total number of beds in operation in all Attendo homes was 20,852 (20,391). Occupancy in all homes³ was 81 percent (82).
- Attendo has made a number of acquisitions in care for older people, home care and individual and family care.

Invitation to teleconference

Investors, analysts and journalists are invited to participate in a teleconference at 10:00 am (CET) hosted by Attendo's CEO Martin Tivéus and CFO Fredrik Lagercrantz. To participate in the conference, please dial in on any number below:

SE: +46 8 505 583 55
FI: +358 9 817 105 21
UK: +44 3 333 009 268

(NOTE! Number changed from previous invitation)

You can follow the presentation and the conference on the following page:

<https://tv.streamfabriken.com/attendo-q1-2021>

The quarterly report and other information material will be made public on:

<https://www.attendo.com/>

Attendo AB (publ)

For further information, please contact:

Andreas Koch, Communications and IR-Director Attendo
Phone: +46 705 09 77 61 | email: andreas.koch@attendo.com

Stefan Svanström, Head of Community Communications Attendo
Phone: +46 708 67 38 07 | email: stefan.svanstrom@attendo.com

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Attendo - the leading care company in the Nordics | Attendo is the leading private provider of publicly financed care services in the Nordic region. The company was founded in 1985 and was first to provide outsourced care for older people in Sweden. In addition to care for older people, Attendo provides care for people with disabilities and social care for individuals and families. Attendo has approximately 25,000 employees and is locally anchored with more than 700 operations in around 300 municipalities in Sweden, Finland and Denmark.