

## Ambea's interim report July-September 2020

### Improvements in Norway and Denmark.

#### CEO comment:

As we close the books on the third quarter, we can confirm that the coronavirus pandemic has continued to have a major impact on our elderly care operations. Our other divisions have been less affected and our employees are working actively to prevent the spread of the virus. During the quarter, both Stendi and Altiden reported strong earnings growth. The restructuring programme in Stendi, which was announced in the year-end report for 2019, was concluded during the quarter. The estimated savings are SEK 40 million per year, which is higher than announced at the beginning of the year.

In the third quarter, net sales amounted to SEK 2,732 million (2,843). Compared with the year-earlier quarter, net sales declined SEK 111 million, corresponding to 4 per cent, mainly the result of a weaker NOK, lower rates of occupancy due to the coronavirus and terminated management contracts in Vardaga. Organic growth was -3 per cent. In the third quarter, the estimated impact of the coronavirus situation was SEK -90 million on sales and SEK -50 million on earnings.

Adjusted EBITA rose to SEK 319 million in a third quarter that was adversely impacted by both the coronavirus pandemic and a high number of start-ups, which is a sign of good underlying development.

The effects of the coronavirus situation will continue in the fourth quarter, with a high degree of uncertainty surrounding occupancy growth in particular. In the fourth quarter, we expect an impact of SEK -70–80 million on sales and SEK -30–40 million on earnings, with the greatest impact on Vardaga.

#### Highlights of the third quarter 2020:

- Net sales decreased 4 per cent to SEK 2,732 million (2,843)
- Operating profit (EBIT) decreased to SEK 264 million (270)
- EBITA decreased 2 per cent to SEK 291 million (297), corresponding to a margin of 10.7 per cent (10.4)
- Adjusted EBITA, excluding items affecting comparability increased 2 per cent to SEK 319 million (312)
- The adjusted EBITA margin was 11.7 per cent (11.0)
- Items affecting comparability in the quarter amounted to SEK -27 million (-15), where the period's items were attributable to the current restructuring program in Stendi
- Profit for the period was SEK 152 million (157)
- Earnings per share amounted to SEK 1.61 (1.66) before and after dilution
- Operating cash flow amounted to SEK 361 million (294)
- Free cash flow totalled SEK 274 million (190)

#### Significant events in and after the third quarter

- During the quarter, Ambea assesses that the coronavirus situation had a negative impact of about SEK 90 million on net sales and SEK 50 million on EBITA. The negative impact includes loss of income due to lower rates of occupancy primarily in elderly care, higher costs for personal protective equipment (PPE) and sick leave, and government support received.
- During the quarter, the previously announced restructuring programme in Stendi was concluded. The full-year effects of the programme are an estimated SEK 40 million, which is SEK 10 million higher than the initial estimate. The effects have been gradually realised from the second quarter and full effects are expected from the end of 2020. Items affecting comparability amounted to SEK 27 million for the third quarter, and totalled SEK 50 million for the year.
- The negative effects of the coronavirus pandemic on the company are expected to continue. In the fourth quarter, the negative impact is an estimated SEK 70-80 million on sales and SEK 30-40 million on EBITA.

#### Telephone conference:

Ambea will host a presentation with the possibility to attend through a telephone conference at 10:00 (CET) today. The presentation will be held in English and will also be available as webcast on: <https://edge.media-server.com/mmc/p/dz59u2r5>

#### Dial-in information:

To ensure that you are connected to the conference call, please dial in at least ten minutes before the conference call starts to register your attendance and enter participation code 8353859.

Sweden: +46 (0)8 506 921 80

UK: +44 (0)20 71 92 80 00

US: +1 631 510 7495

The interim report, presentation and other material are available on [www.ambea.com](http://www.ambea.com)

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**Ambea** is the market leading care provider in Sweden, Norway and Denmark respectively, with over 900 care units and around 26,000 employees. We offer services in disabled care, individual and family care, and elderly care with a focus on residential care and own management. We aim to be the quality leader in all that we do and our vision is to make the world a better place, one person at a time. The company was founded in 1996 and its head office is located in Solna, Sweden. Ambea is listed on Nasdaq Stockholm.