



Humana

Everyone is entitled to a good life.

Interim report January –March, Q1, 2022

Johanna Rastad, Noora Jayasekara, 5 May 2022

Growth despite challenging external environment defining the first quarter

- A quarter challenged by omicron and global instability
- The pandemic situation improves end of the quarter
 - Majority of restrictions removed; total absence rates and sick leave improving
- Despite the challenging situation revenues grow
- Weak group EBIT
 - The pandemic and other external factors ca SEK 20m
 - The effect of closed units and ramp ups ca SEK 12m
 - Indirect effects of the pandemic and lower utilisation



CEO

Johanna
Rastad

Financial highlights Q1 2022

Growth

- **Revenue:** SEK 2,147m (1,986), +8% vs LY
- **Organic growth:** 1.8% (2.4)

Profitability

- **Operating profit:** SEK 77m (112m), -32%
- **Operating margin:** 3.6% (5.7)

Cash flow & leverage

- **Operating cash flow:** SEK 115m (197)
- **Net debt:** SEK 4,408 (3,688), +SEK 720m
- **Net debt/EBITDA:** 4.9x (4.4)





Satisfied employees and new HQI

- Yearly employee survey show satisfied employees and progress in several already strong KPIs
- Satisfaction despite extremely high sick leave and absence rates in the beginning of the quarter
- Employee net promotor score (eNPS) increasing from 15 to 19, important for retention and recruitment of staff
- First report of new HQI Q1 2022 = 73
 - Business Area with highest score is Norway, at 85
 - Customer satisfaction of 85%
- Using HQI data to improve in all our business areas



Personal Assistance

Well managed quarter

- Solid performance continued in Q1 2022, in line with Q1 2021
- Higher reimbursement partly offset by decrease in assistance hours
- Recruitment and staffing increasingly a challenge, the pandemic adding pressure
- Digital signing to Insurance Board launched
- Industry focus from the authorities, IVO and the Insurance Board. Reclaim issues and company permits

Focus on closing the gap

- Weak operating profit partly due to pressure from external factors; omicron and high energy costs
- Four new units opened, but still not compensating for previously closed units
- Adaptation work in division Young completed
- Occupancy levels and personnel costs challenging in the quarter, actions taken
- Continuous adaptation to meet more complex demands



**Individual
& Family**

Strong organic growth, pandemic affecting operations

- Highly affected by external factors, primarily impacting staffing and utilisation
- Utilisation developing in positive direction towards the end of quarter
- Ramp-up of the five new elderly care homes under own management is still cost bearing
- Continued focus on transformation, increasing utilization and efficiency





Finland

Omicron slowed down development in Finland

- Record high sick leave affecting revenue and cost negatively
- Performance in Child Welfare services and Housing services showing signs of recovery
- Two new units in child welfare service opened
- Individual and family company Kalliola acquired in January, strengthening presence in the Nyland region
- Continued focus on recovery and organic growth initiatives

Strong organic growth in Norway

- Continues to develop well with organic growth
- Growth in assistance (BPA) and improved efficiency in Children and Youth
- Higher educational requirements for new recruitments as of 1 January 2022
- Focus on ensuring employer attractiveness



CFO highlights Q1 2022

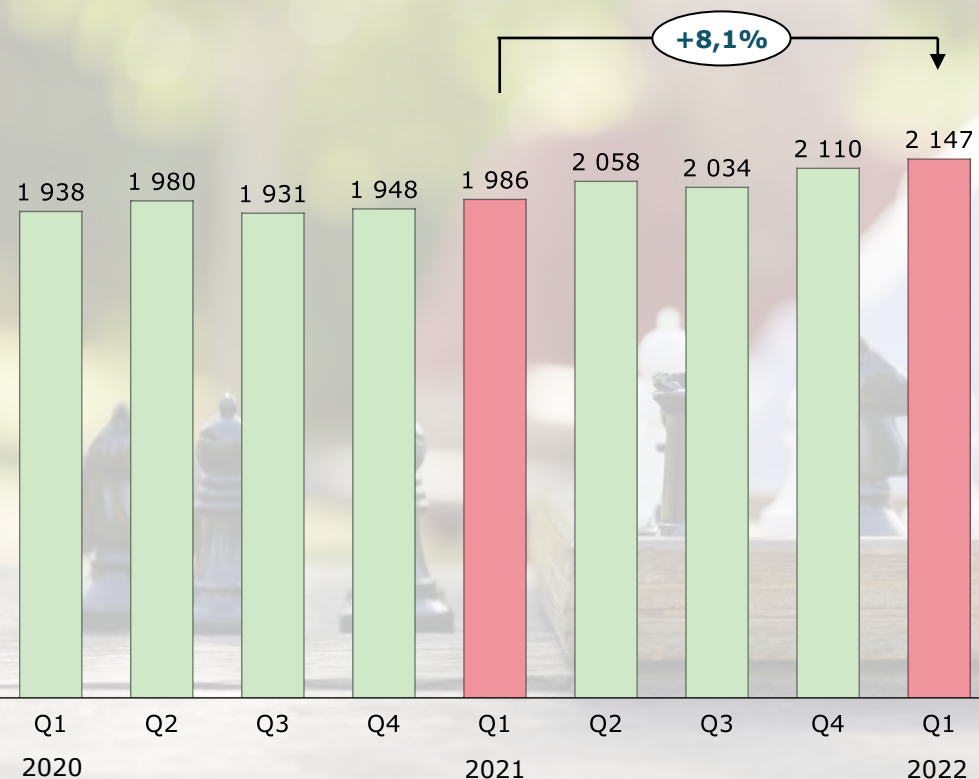
- The challenging environment defined the financial performance in the first quarter
- Satisfying total growth but profit below expectations
 - External factors 20m of which the pandemic 15m
 - Closed units and ramp ups 12m
 - Utilisation
- Group financial stability created space for share buybacks. Current holding of 10 %
- No dividend proposed to be paid for the 2021 financial year



CFO

**Noora
Jayasekara**

Q1

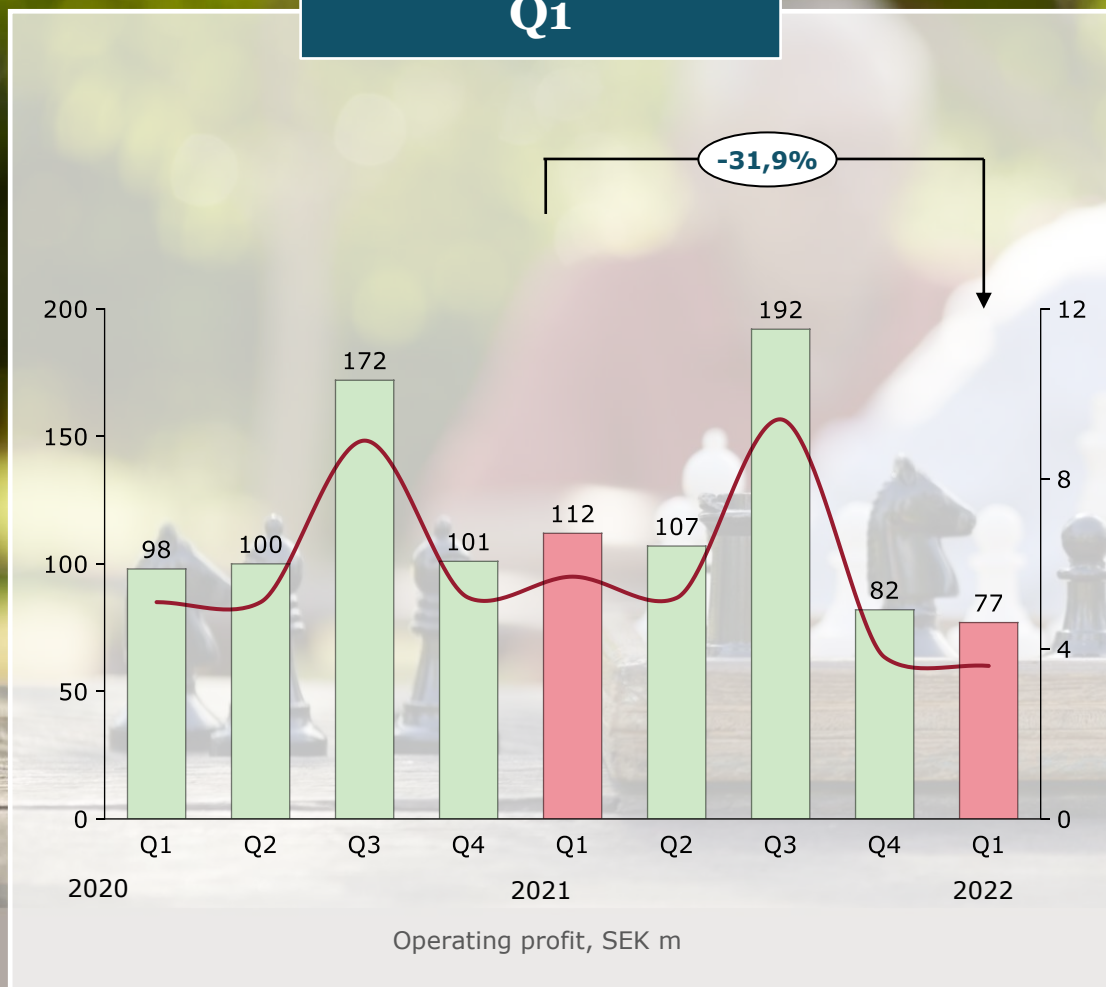


Operating revenue, SEK m

Operating revenue

- An increase in revenues by 8.1% in Q1
- Organic growth 1.8% (2.4) in Q1
- Acquired operations accounted for SEK 99m in Q1
- Negative impact from omicron
 - Occupancy within elderly care, outpatient care and other operations were affected
- Fewer assistance hours in Personal Assistance also dampening growth

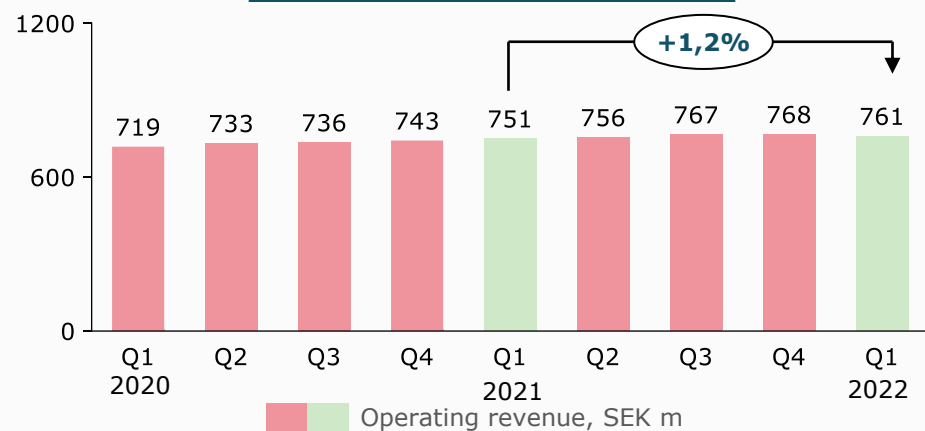
Q1



Profitability

- Operating margin 3.6% (5.7) in Q1
- Operating profit declined by -31.9% in the quarter
- The pandemic has had a negative effect on the group, across all segments affecting profitability with approx. SEK 15m
- Total effect on the group of external factors approx. 20m
- Closed units not compensated by newly opened units in Elderly Care and Individual and Family had a negative impact in the quarter, approx. 12m
- Lower utilisation

Revenue



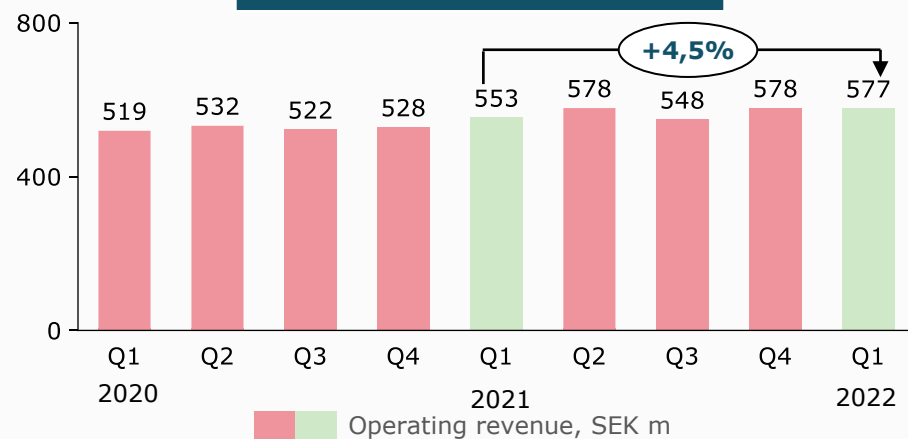
Profitability



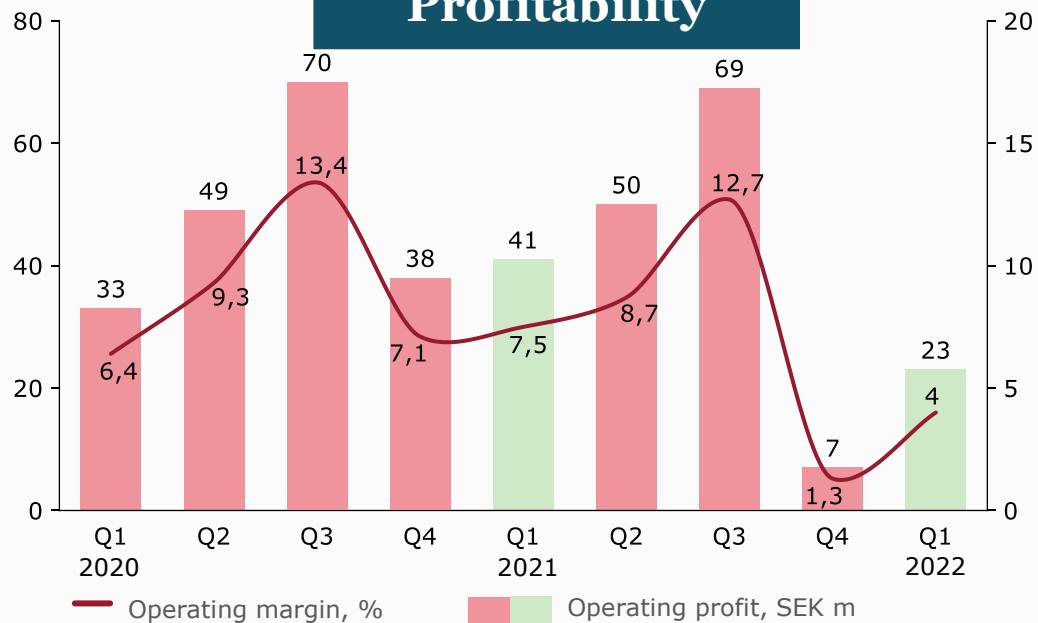
Personal Assistance

- Revenue increased by 1.2%
 - Organic growth was 0.1% (2.5)
 - Higher reimbursement
 - Offset by fewer assistance hours
 - Acquired operations contributed
- Operating profit was SEK 50m (50)
- Operating margin of 6.6% (6.6)
 - More efficient cost management
 - Positive contributions from acquisitions

Revenue



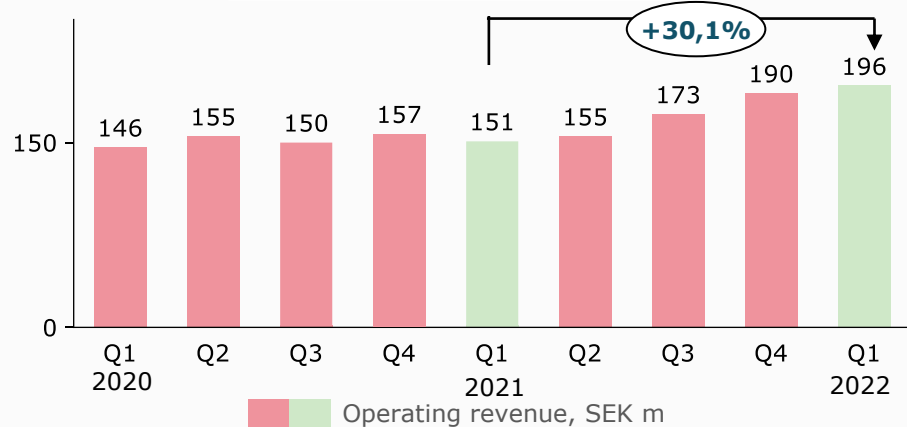
Profitability



Individual & Family

- Revenue increased by 4.5%
 - Acquisitions drive revenue increase
 - Organic growth of -7.1% (3.6) mainly due to closed units within child and youth segment
- Operating profit decreased by 43.7%
 - Operating margin was 4.0% (7.5)
 - Performance negatively affected by the pandemic, ramp-up costs, closed units and high energy costs
 - Overall lower utilisation and efficiency
 - Partially offset by acquisitions

Revenue



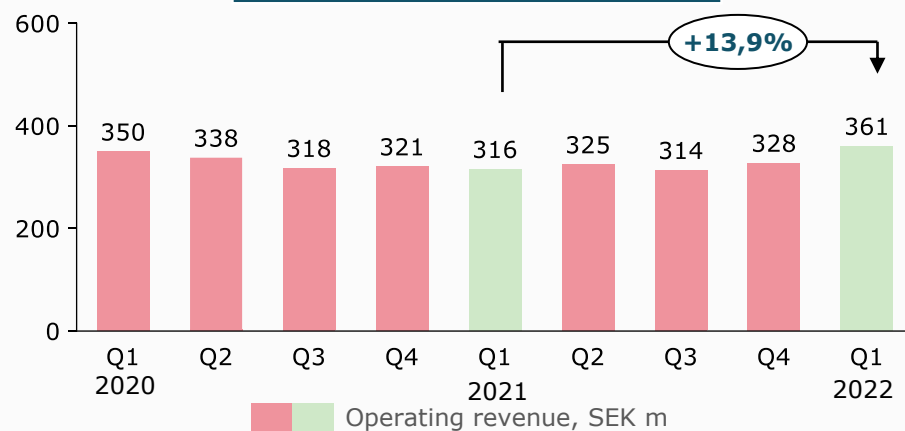
Profitability



Elderly Care

- Revenue increased by 30.1%
 - Organic growth was 30.2% (3.1)
 - Five new elderly care homes under own management
- Operating margin was -1.8% (3.6)
 - Ramp-up costs for the new elderly care homes
 - High level of sick leave
 - Offset by earnings improvements in contracted units

Revenue



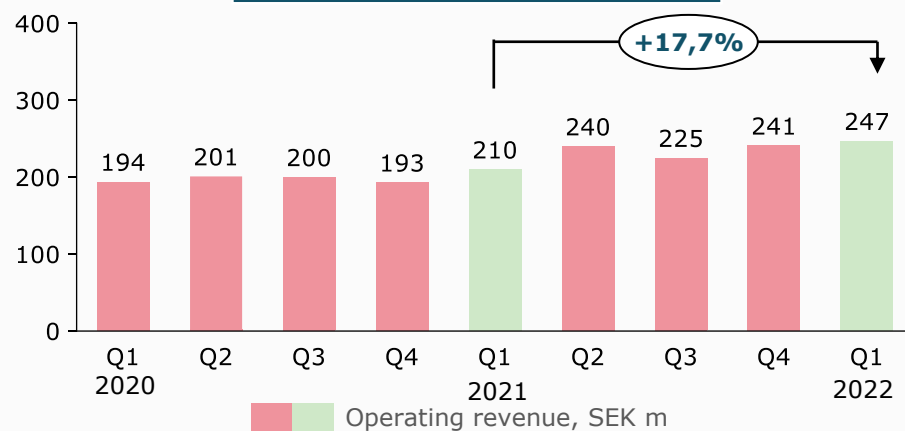
Profitability



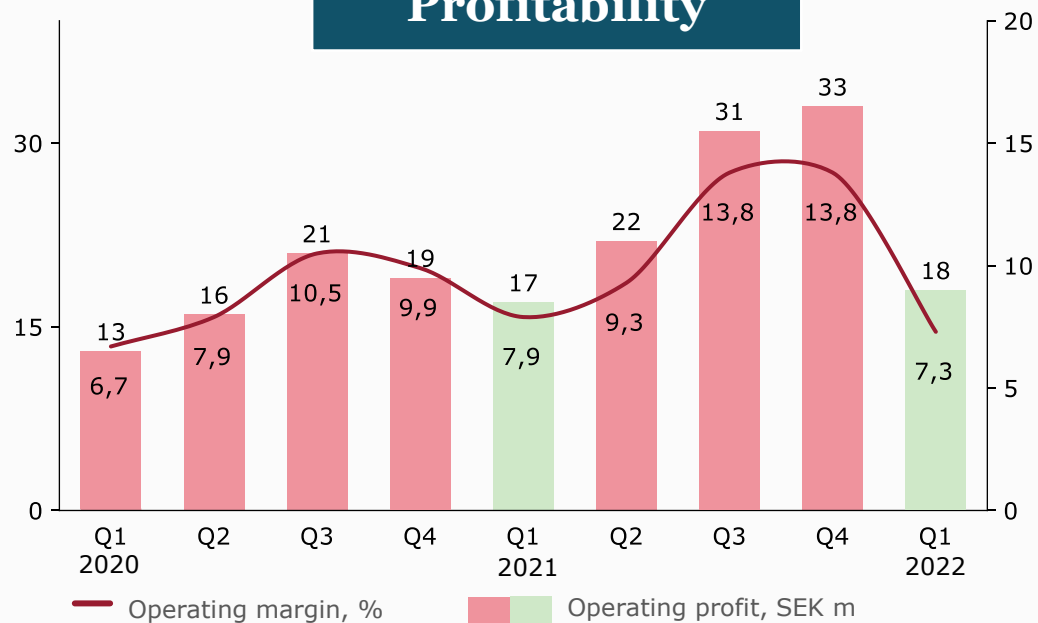
Finland

- Revenue increase of 13.9%
 - Organic growth was 1.7% (-4.6)
 - Organic growth is primarily driven by newly opened units in the child and youth segment
 - Revenue increase driven by acquisition in the quarter
- Operating profit was SEK 3m (11)
- Operating margin was 0.7% (3.6)
 - Reduced occupancy and a sharp increase in sick leave due to omicron
 - Integration of newly acquired Kalliola ongoing

Revenue



Profitability



Norway

- Revenue increase of 17.7%
 - Organic growth was 10.8% (11.2)
 - Increased number of personal assistance customers
 - Changes in pricing in special service accommodation
- Operating profit increased by 8.7%
 - Operating margin for the quarter was 7.3% (7.9)
 - The increase is in profit due to a greater number of customers
 - Somewhat offset by pandemic related costs

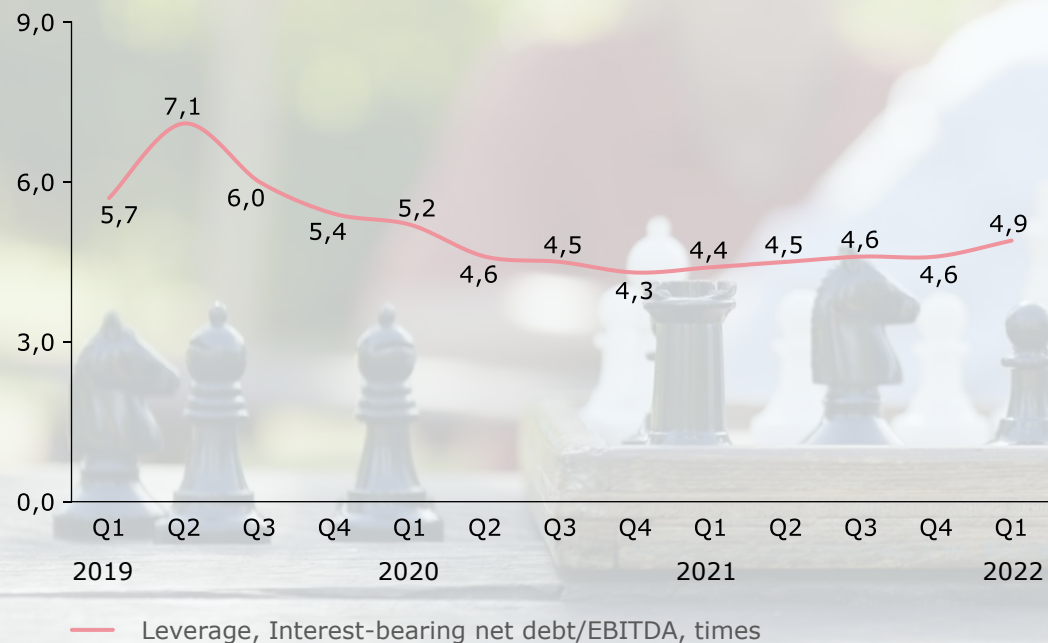
Underlying central costs

SEK m	Q1 2021	Q1 2022
Underlying central costs	27	29
Acquisition related costs	0	0
Effects of IFRS16	-15	-17
Sales of real estate	0	1
Central overhead costs	12	13

Central costs

- Underlying central costs slightly above last year
- Positive effects of IFRS 16 of SEK 17m on central costs (and operating profit) in the quarter

Leverage, development



Financial position

- Interest-bearing net debt increased, year-on-year, by SEK 720m to SEK 4,408m (3,688)
 - Net debt increased due to lease liabilities related to investments in new units, acquisitions and share buybacks
- Leverage, interest-bearing net debt in relation to adj. EBITDA, was 4.9x (4.4)
 - Leverage slightly above target mainly due to increased lease liabilities

Operating cash flow

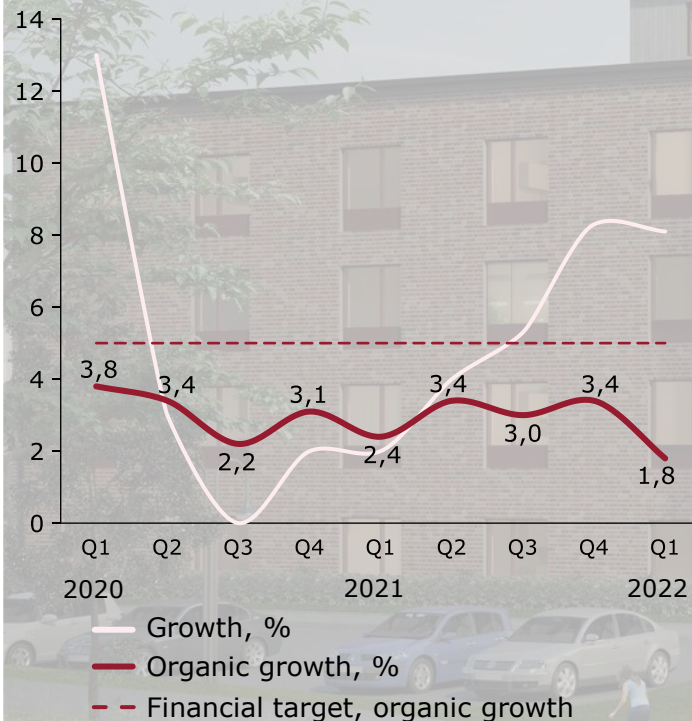
SEK m	Q1 2021	Q1 2022
Operating profit	112	77
Depreciation, amortisation and impairment	91	111
Changes in working capital	23	-32
Investments in other non-current assets, net	-29	-40
Operating cash flow	197	115

Cash flow

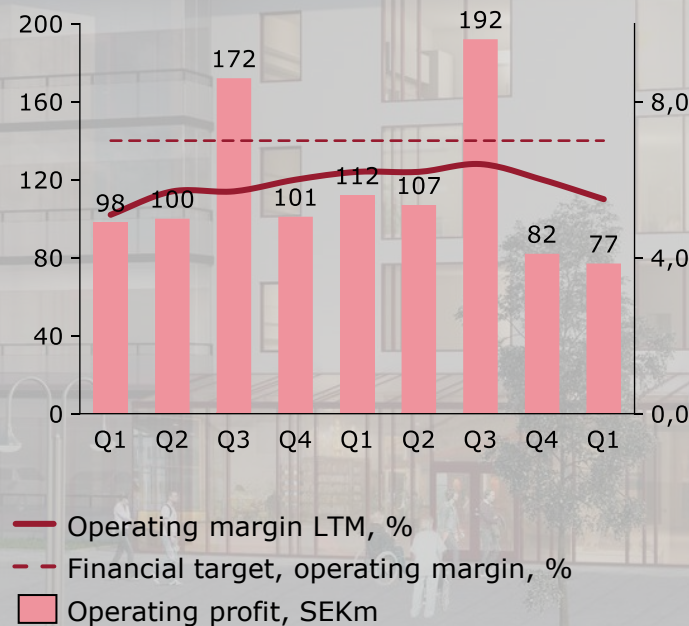
- Operating cash flow in Q1 amounted to SEK 115m (197)
 - The lower cash flow is mainly due to changes in working capital related to delayed payments for assistance operations in Sweden
- Cash flow for the quarter SEK -123m (-196), where
 - Net cash flow from operating activities was SEK 78m (169)
 - Cash flow from investing activities was SEK -59m (-82)
 - Cash flow from financing activities was SEK -143m (-283)

Financial targets and development

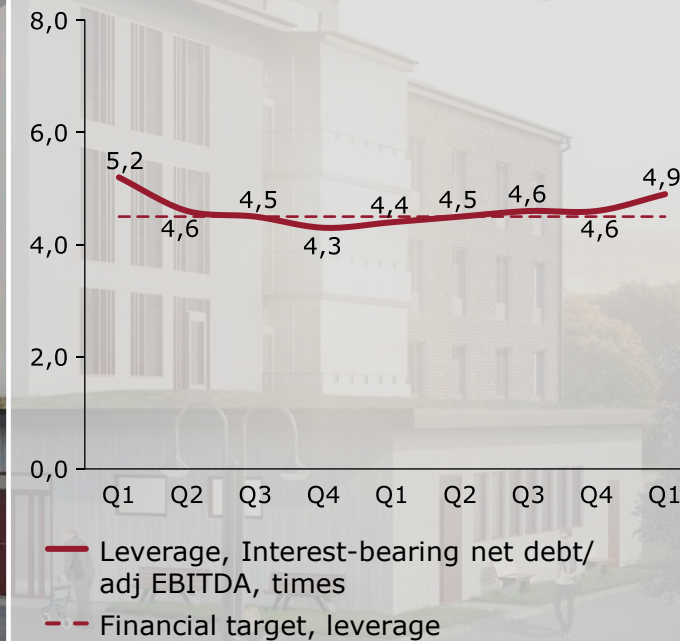
Revenue growth



Profitability



Capital structure



Summary

- Maintained growth and recovering operations
- Weak result, explained both by external and to some extent internal factors
- Acquisition of individual & family company in Finland
- Opened two new units in Finland and four in Individual & Family
- Strong and improved employee KPIs
- New Quality Index, gives better indications on quality priorities

Priorities going forward:

- Increase occupancy/client development in new units in Elderly Care and Individual & Family as well as Personal Assistance
- Safeguard positive progress in change management in Elderly Care
- Recovery from pandemic in Finland
- Maintaining the strong momentum in Norway
- Sustainable value creation



CEO

Johanna
Rastad

Thanks!

Financial calendar

2022 Annual General Meeting
Interim report Jan-Jun, Q2 2022
Interim report Jan-Sep, Q3 2022

10 May 2022
18 Aug 2022
10 Nov 2022

Further information

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