



Humana

Everyone is entitled to a good life.

Interim report July-September, Q3 2021

Rasmus Nerman, Noora Jayasekara, 11 November 2021



Continued steady progress in the third quarter

- Good overall progress in Group with continuous steady financial performance
- Demand and occupancy rates gradually recovering across the Nordics
- Acquisitions within Individual & Family and Personal Assistance (in Q3 and Q4)
- Johanna Rastad appointed new President and CEO of Humana, taking office 17 Dec 2021
- Titti Lilja new member of Group Management and new Business Area Manager Individual & Family



Financial highlights Q3 2021

Growth

- **Revenue:** SEK 2,034m (1,931), +5.3% vs LY
- **Organic growth:** 3.0% (2.2)

Profitability

- **Operating profit:** SEK 192m (172m), +11.5%
- **Adj. operating profit:** SEK 192m (172m), +11.5%
- **Operating margin:** 9.4% (8.9%)

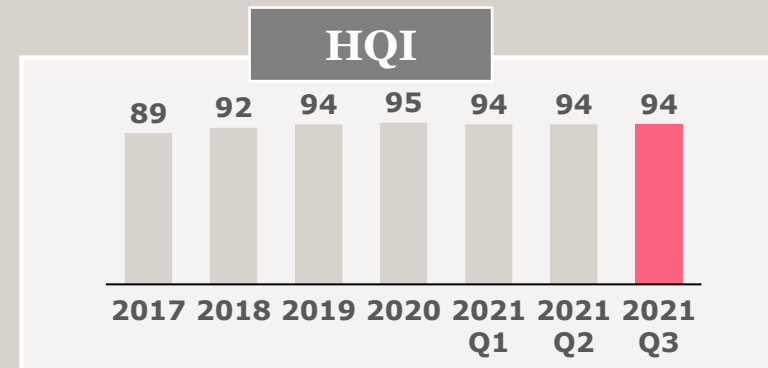
Cash flow & leverage

- **Operating cash flow:** SEK 180m (146)
- **Net debt:** SEK 4,153 (3,549), +SEK 604m
- **Net debt/EBITDA:** 4.6x (4.5)



Focus on quality and method development

- Most of customers, clients and employees have received Covid-19 vaccine
 - Situation well under control
 - Strict preventive procedures for all operations
- Humana Quality Index, HQI, stable a 94 in Q3
- Customer satisfaction index at 85%
- A major and extensive work on quality assurance and method development in Individual & Family





Strong quarter and promising political move

- Solid performance continues
- Government proposed 1.5% increase in reimbursement level for 2022
 - Continuing lobbying efforts
 - Opportunities for industry consolidation
- Some 2,000 more individuals, mostly children, expected entitlement to assistance in 2023, following the implementation of the public inquiry *Stärkt Assistans*
- Enigheten Personlig Assistans acquired after the end of the quarter

Active management secures long-term stability

- Growth of 5%, with organic growth of -1.2% explained by closed units and lower (seasonal) occupancy
 - Occupancy recovering during fall but still some way to go
- Acquisition of Fideli Omsorg, operating over ten residential units and a strong pipeline of new openings
- After end of quarter, acquisition of Balans Behanding finalised
- Titti Lilja new Business Area Manager of Individual & Family
- Comprehensive work on quality assurance and method development
- Many new units in pipeline to open



**Individual
& Family**

Demand and occupancy recovering gradually

- Gradual increase in demand and occupancy
- Two new units opened:
 - New OWM unit in Norrtälje
 - New contracted business in Örebro
- Continued work with four openings from earlier in the year
- The pandemic is well under control but preventive measures continue





Finland

Focus shifting to development and growth

- Stable performance in Finland
- Operating margin of over 8%
- Occupancy improving in all segments impacted by the pandemic
- Additional focus on organic growth, especially in I&F segments with ~10 new openings come 2022

Strong operations in Norway

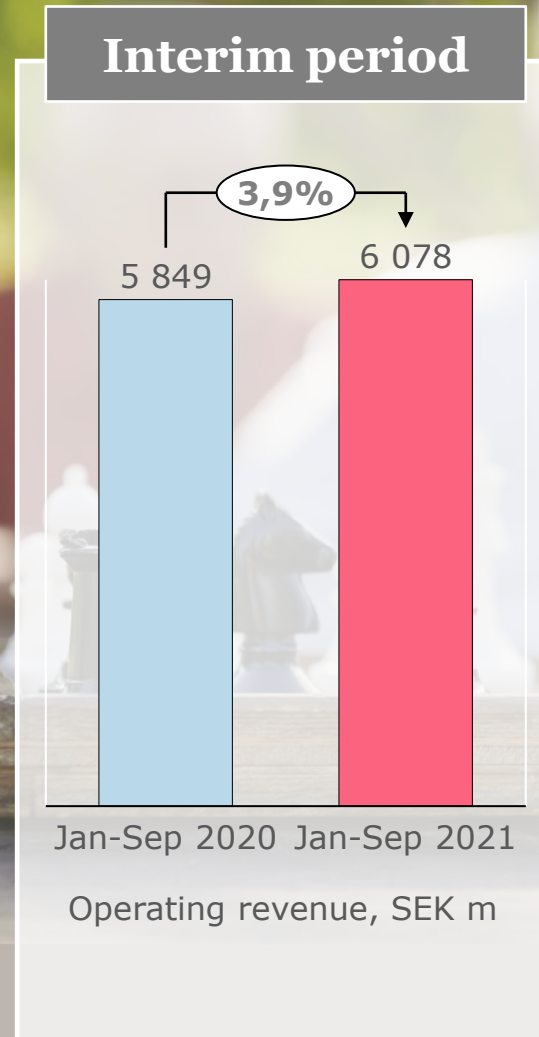
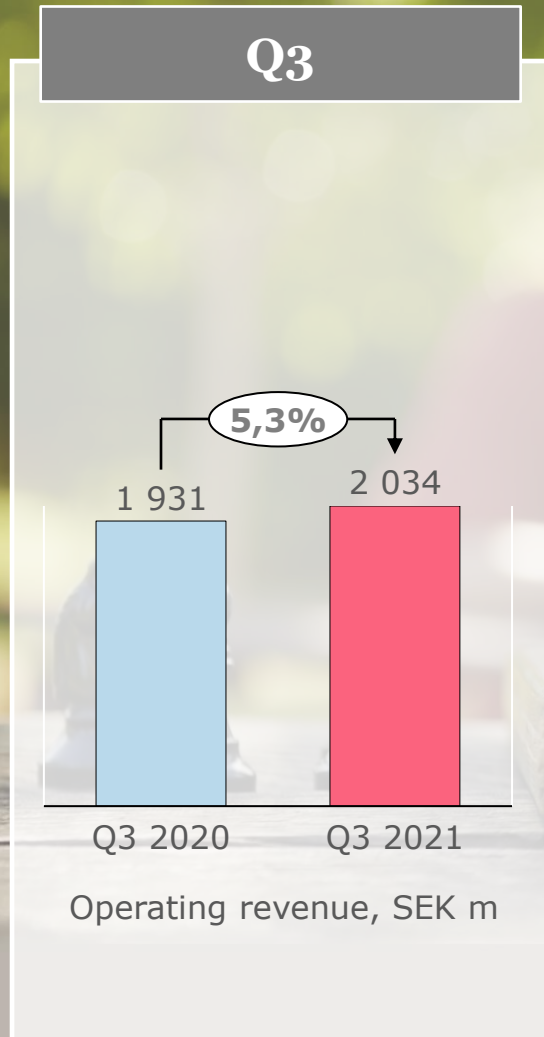
- Strong performance continues – both financially as well as operationally
- Strong organic growth of 11%, mainly driven by
 - Net customer intake in assistance (BPA) and disabled care (HOT)
 - Stable occupancy in I&F segments
- During the quarter Humana continued to win several smaller tenders
- Jonas Gahr Støre new Prime Minister in Norway leading the new Government a coalition between the Labour party and the Centre party





CFO highlights Q3 2021

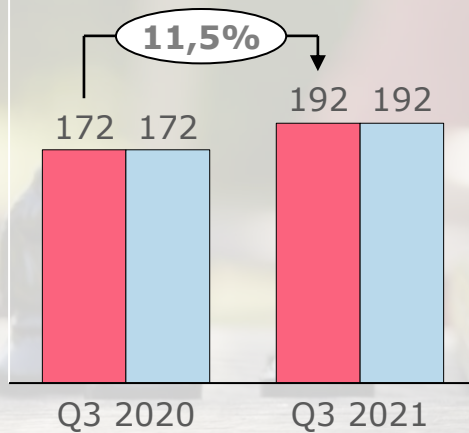
- Financially another stable quarter; leverage in line with target and strong operating cash flow
- Continued progress within digitalisation, supporting growth in assistance in Norway
- In September, Humana used 769,200 shares as valuable consideration in an acquisition. As of 30 September 2021, holdings of own shares amounted to 8 percent of total outstanding shares



Operating revenue

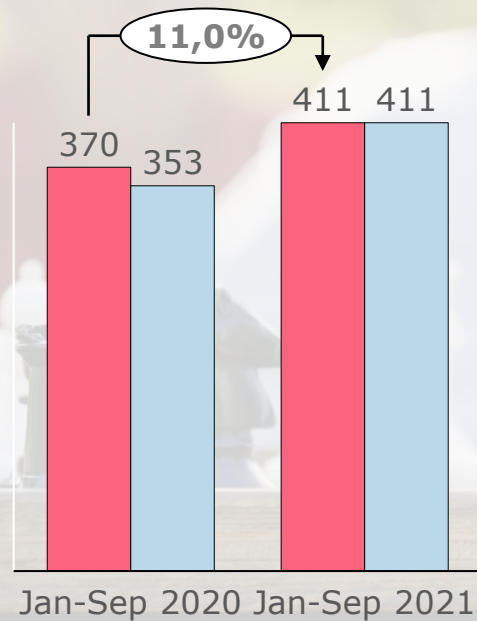
- An increase in revenues by 5.3%
 - Personal Assistance, Norway and Elderly Care contributing
- Organic growth 3.0% (2.2)
- Acquired operations accounted for SEK 47m
- Somewhat negative impact from Covid-19
 - Lower occupancy in elderly care in Sweden and Finland

Q3



■ Operating profit, SEK m
■ Adjusted operating profit, SEK m

Interim period

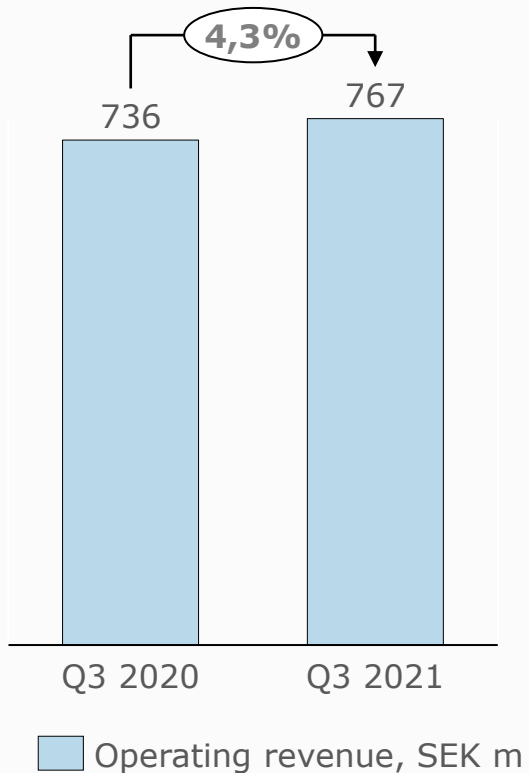


■ Operating profit, SEK m
■ Adjusted operating profit, SEK m

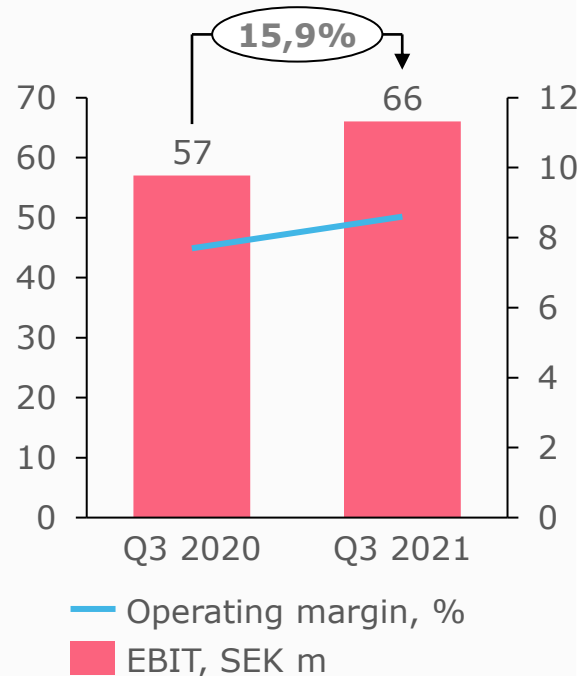
Profitability

- Operating margin 9.4% (8.9) in Q3
- Operating profit increased by 11.5%, adjusted operating profit also by 11.5%
 - Personal assistance, Norway and Finland contributing to the increase
- Covid-19 affected the profit marginally
 - Lower occupancy
 - High sickness absences and high use of PPE
- Effect on operating profit of IFRS 16: SEK 18m (15)

Revenue



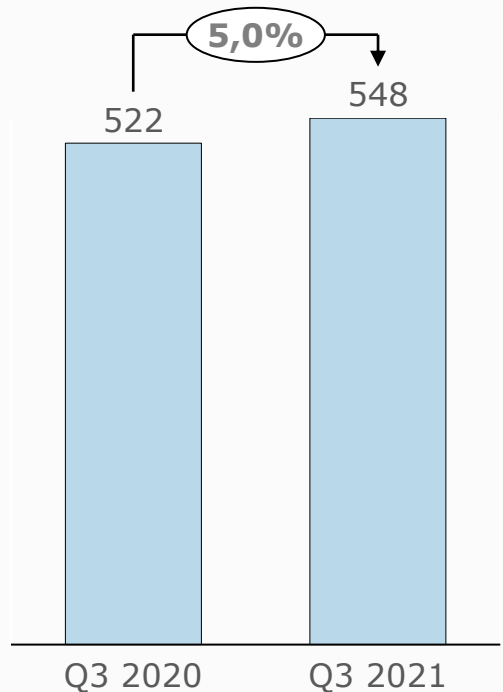
Profitability



Personal Assistance

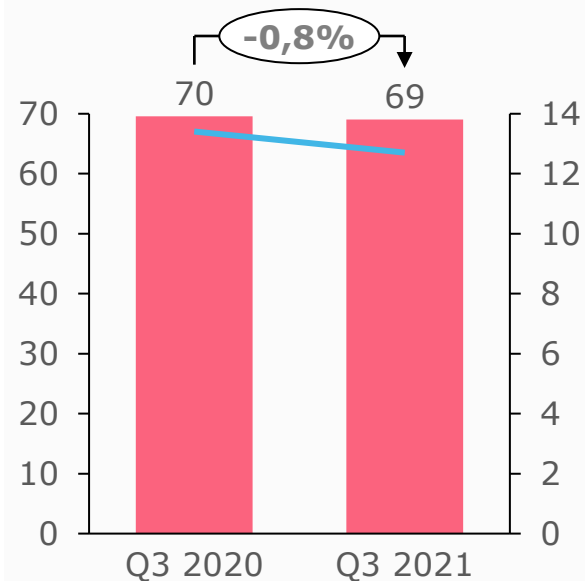
- Revenue increased by 4.3%
 - Organic growth was 2.4% (3.9)
 - Higher reimbursement, partly offset by fewer assistance hours
 - Acquired operations contributed
- Operating profit increased by 15.9%
 - Operating margin was 8.6% (7.7)
 - More efficient cost management
 - Positive contributions from acquisitions
 - Lower social security contributions for young

Revenue



Operating revenue, SEK m

Profitability



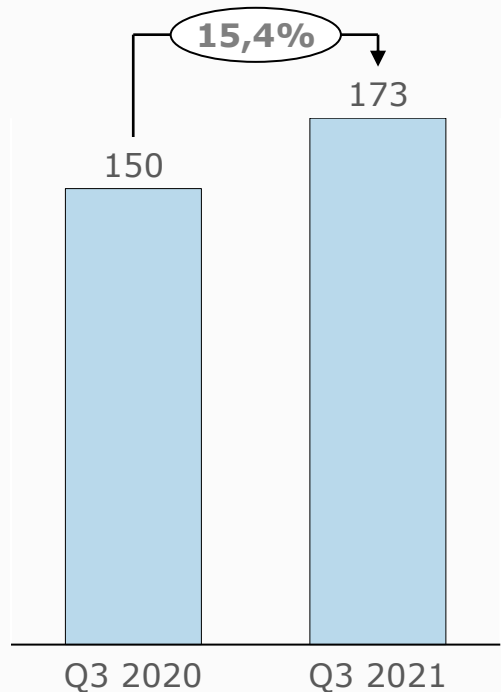
Operating margin, %

EBIT, SEK m

Individual & Family

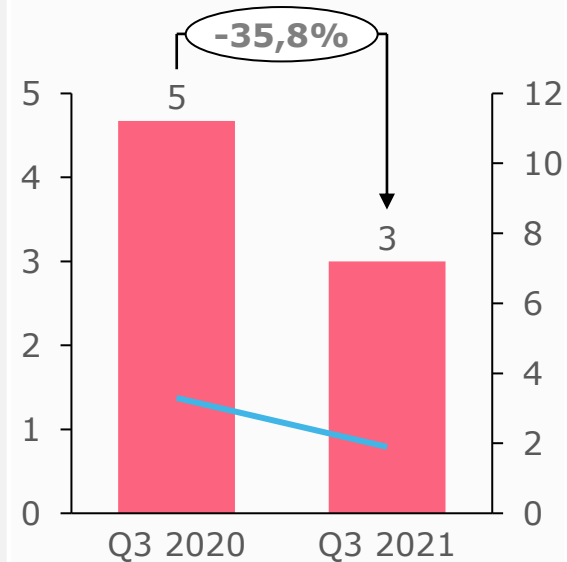
- New units and acquisitions drive revenue increase
- Revenue increased by 5.0%
 - Organic growth of -1.2% (-1.3).
- Operating profit decreased by 0.8%
 - Operating margin was 12.7% (13.4)
 - Discontinued units had a negative effect, but was partly compensated for by newly acquired operations

Revenue



Operating revenue, SEK m

Profitability



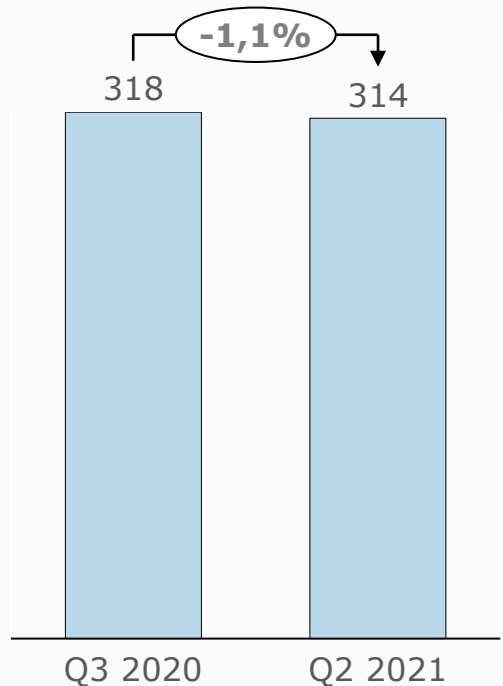
Operating margin, %

EBIT, SEK m

Elderly Care

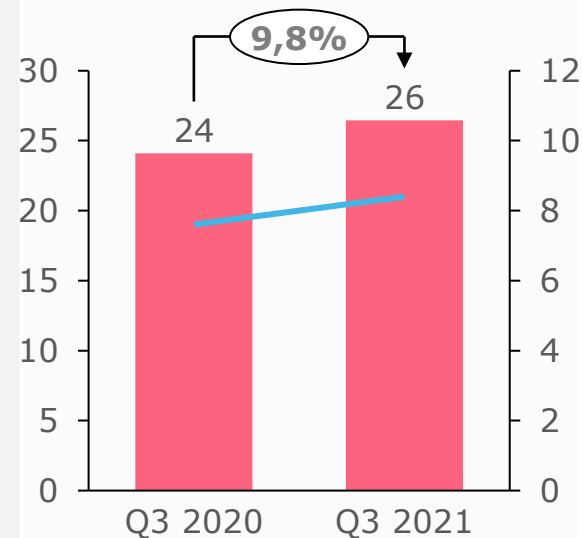
- Revenue increased by 15.4%
 - Organic growth was 15.7% (2.8)
- Operating margin was 1.9 % (3.3)
 - Improved results for contracted units and established units under own management contributed
 - Lower occupancy due to Covid-19 affected the profit
 - Costs for starting up the new elderly care homes under own management

Revenue



Operating revenue, SEK m

Profitability



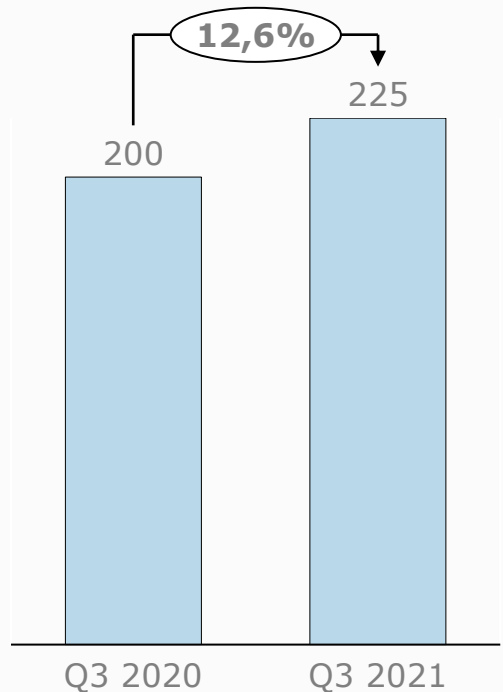
Operating margin, %

EBIT, SEK m

Finland

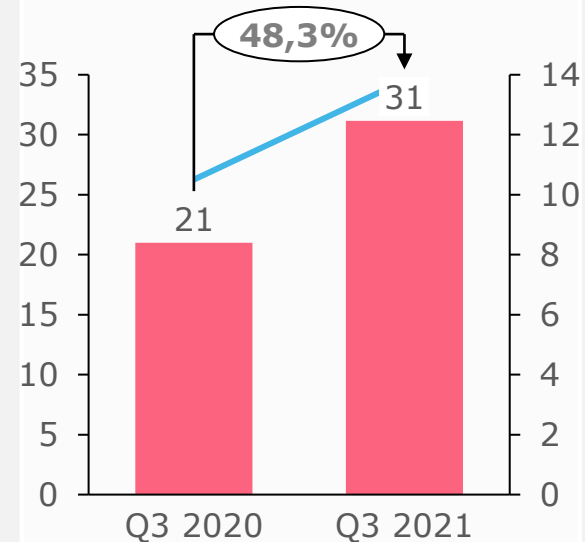
- Revenue decrease of 1.1%
 - Organic growth was 0.4% (-1.3%)
 - Organic growth is primarily driven by an increased demand in the outpatient care
- Operating profit increased by 9.8%
 - Operating margin was 8.4% (7.6)
 - Improved contractual terms in elderly care and better operational efficiency contributed

Revenue



Operating revenue, SEK m

Profitability



Operating margin, %

EBIT, SEK m

Norway

- Revenue increase of 12.6%
 - Organic growth was 10.8% (11.9)
 - Increase in customers in personal assistance and the care home segment
- Operating profit increased by 48.3%
 - Operating margin for the quarter was 13.8% (10.5)
 - The increase is due to a greater number of customers and higher operational efficiency

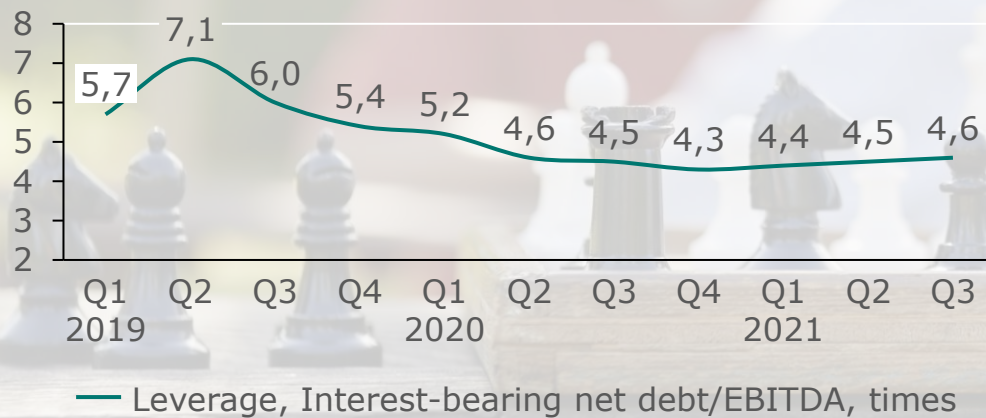
Q3

| SEK m | Q3 2020 | Q3 2021 |
|---------------------------------|------------|------------|
| Underlying central costs | 21 | 22 |
| Acquisition related costs | 0 | 1 |
| Effects of IFRS 16 | -15 | -18 |
| Sales of real estate | -1 | -1 |
| Central overhead costs | 5 | 4 |

Central costs

- Underlying central costs slightly below previous year
- Positive effects of IFRS 16 of SEK 18m on central costs (and operating profit) in the quarter

Leverage, development



Financial position

- Interest-bearing net debt increased, year-on-year, by SEK 604m to SEK 4,153m (3,549)
 - Net debt increased due to investments in new units and reduced cash
- Leverage, interest-bearing net debt in relation to adj. EBITDA, was 4.6x (4.5)
 - Leverage in line with target

Operating cash flow

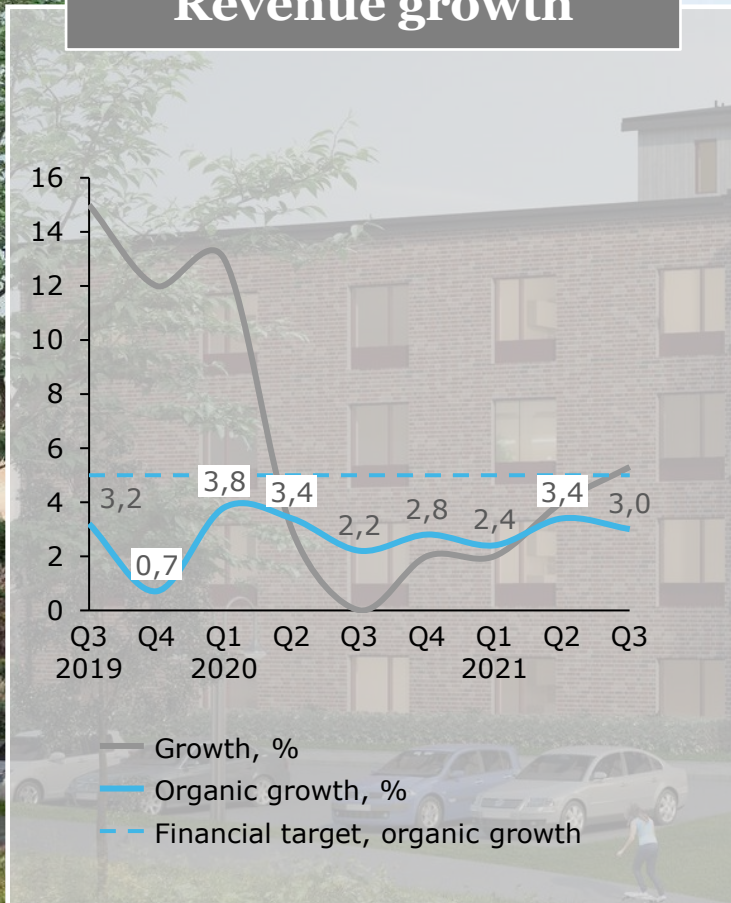
| SEK m | Q3 2020 | Q3 2021 |
|--|------------|------------|
| Operating profit | 172 | 192 |
| Depreciation | 94 | 101 |
| Changes in working capital | -101 | -94 |
| Investments in other non-current assets, net | -19 | -19 |
| Operating cash flow | 146 | 180 |

Cash flow

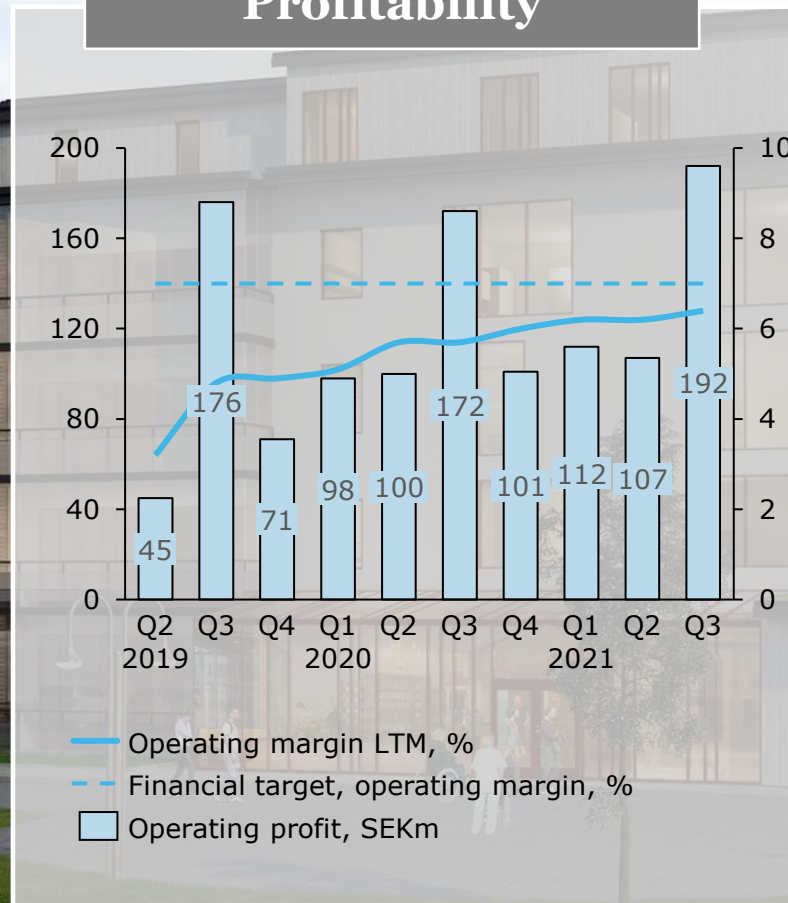
- Operating cash flow SEK 180m (146)
 - The strong cash flow is mainly due to improved profit and decreased working capital
- Cash flow for the quarter SEK -42m (30), where
 - Net cash flow from operating activities was SEK 127m (117)
 - Cash flow from investing activities was SEK -91m (-16)
 - Cash flow from financing activities was SEK -78m (-72)

Financial targets and development

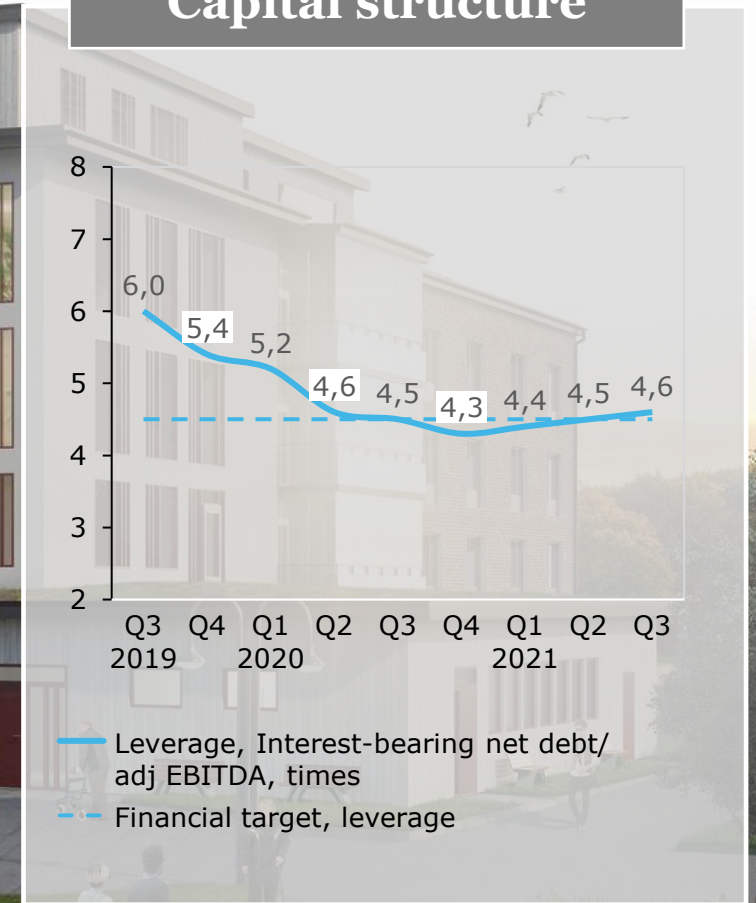
Revenue growth



Profitability



Capital structure





Summary

- ✓ Q3 2021- another solid quarter
 - ✓ Pandemic well under control. Demand and occupancy rates gradually recover
 - ✓ Humana continued to grow organically driven primarily by Norway and Eldery Care
 - ✓ Improved operating profit
 - ✓ Strong cash flow
 - ✓ Several accretive acquisitions and a strong M&A pipeline
 - ✓ New leadership taking office

Priorities going forward

- Continued focus on sustainable value creation
- Drive organic growth coupled with accretive add-on
- Quality development, sustainability and values

Thanks!

Financial calendar

| | |
|-------------------------------------|-------------|
| Year-end report Jan-Dec and Q4 2021 | 10 Feb 2022 |
| Interim report Jan-Mar, Q1 2022 | 5 May 2022 |
| 2022 Annual General Meeting | 10 May 2022 |

Further information

Anna Sönne, Director Marketing Communications
+46 70 601 4853, anna.sonne@humana.se

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