



Humana

Everyone is entitled to a good life.

Year-end report

Rasmus Nerman, Noora Jayasekara, 11 February 2020



2020 – an all-time high in challenges and achievements

- Main focus on handling the pandemic
 - Vaccination has started
- Significant progress made when it comes to digitalisation efforts during the year
 - Benefits already visible in enhanced stability and predictability
- Two acquisitions, one in the quarter and one after the end of the quarter (in 2021)
- We enter 2021 with new collective bargaining agreements for all operations in Sweden



Financial highlights FY 2020

Growth

- **Revenue:** SEK 7,797m (7,467), +4% vs LY
- **Organic growth:** 4.1% (2.0)

Profitability

- **Operating profit:** SEK 471m (369m), +27%
- **Operating margin:** 6.0% (4.9%)

Cash flow & leverage

- **Operating cash flow:** SEK 779m (595)
- **Net debt:** SEK 3,511 (3,712), SEK -201m
- **Net debt/EBITDA:** 4.3x (5.4)



Financial highlights in Q4

Growth

- **Revenue:** SEK 1,948m (1,912), +2% vs LY
- **Organic growth:** 3.1% (0.7)

Profitability

- **Operating profit:** SEK 101m (71m), +42%
- **Operating margin:** 5.2% (3.7%)

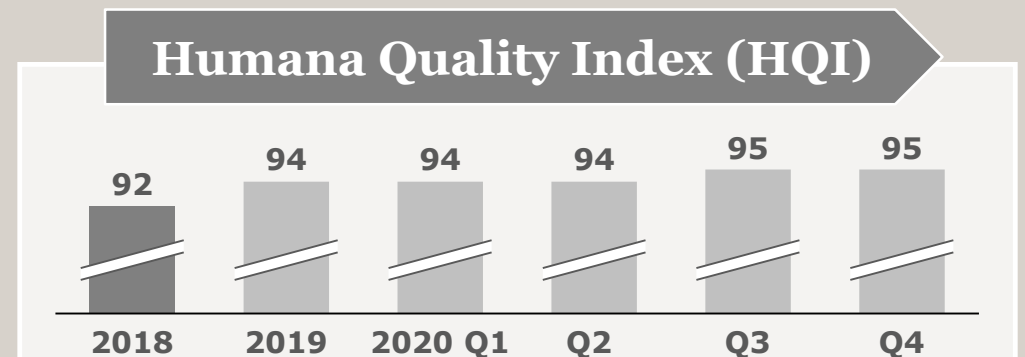
Cash flow & leverage

- **Operating cash flow:** SEK 296m (220)
- **Net debt:** SEK 3,511 (3,712), SEK -201m
- **Net debt/EBITDA:** 4.3x (5.4)



Systematic quality work paying off

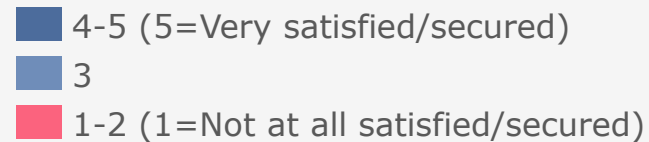
- HQI continues on a high level in Q4 despite the second wave of Covid-19
- 8 Lex Sarah and 0 Lex Maria reported to IVO
- 0 personal data incidents reported
- Customer satisfaction 85% (82%)



Internal survey - clients



Internal survey - employees



Source: Internal surveys distributed to customers and clients as well as to employees in all business areas during autumn 2020. 1522 customers and clients and 3785 employees answered.

Management of the pandemic – overall good

- Low transmission of the virus
- Good availability of PPE and no shortage of staff
- Majority of customers and employees are satisfied with Humana's handling of the pandemic
 - Clear communication
 - Strong compliance with routines and recommendations

Takeaways

- Compliance to healthcare routines is high but cannot be taken for granted
- High sick leave during a pandemic demands extra preparedness
- Need to address mental health amongst clients and staff



Another stable quarter - focus on digitalisation

- Continuously steady performance in a challenging market
- Acquisition of assistance company RO Omsorg with sales of approximately SEK 50m and 90 employees
- A new digital platform used by our 10,000 assistants implemented
- Strong performance in 2020 coupled with the increase in reimbursement gives us confidence for 2021

Stable development in Individual & Family

- Organic growth in the quarter, and for the full year, as a result of
 - Stable occupancy across all operations in I&F
 - Opening of ten new units, mainly in LSS, during the year
- In February, acquisition of Team J-son
 - Revenue of approximately SEK 90m and 120 employees.
 - First acquisition in I&F since 2017
- Strong end to 2020 and high ambitions for 2021



**Individual
& Family**

Challenges due to Covid-19 remain

- Main focus on handling the Covid-19 situation where safety for clients and staff is priority continues
- Vaccination initiated for all clients in our elderly care segment as well as for our employees
- Occupancy still negatively impacted by pandemic
- Ongoing preparations for the opening of five new OWM care homes in 2021 continue





Finland

Underlying improvements but pressure under Covid-19

- Solid performance in I&F segments although open care services negatively impacted by pandemic
- Negative impact also on elderly care
 - Will continue into 2021
- New management in place to drive improvements going forward
- All in all, we are pleased with the progress seen during 2020 and work will continue

Stable and strong development in Norway

- Norwegian operations continued to be stable with strong organic growth in personal assistance and care homes
- Strong interest in choosing Humana as a service provider in personal assistance and HOT (Helse- og omsorgstjenester)
- Improvements when it comes to financial and operational control – new normal established during 2020

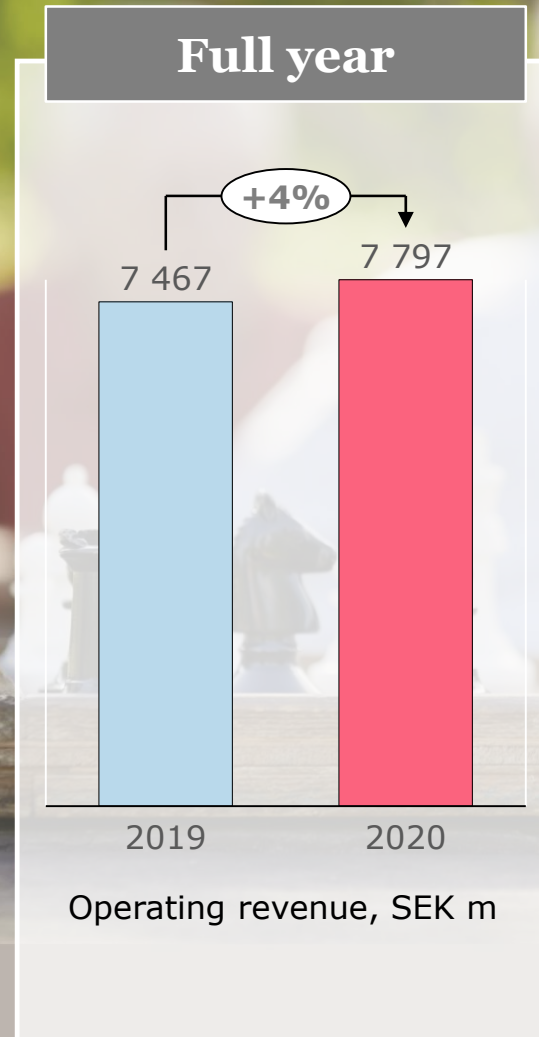
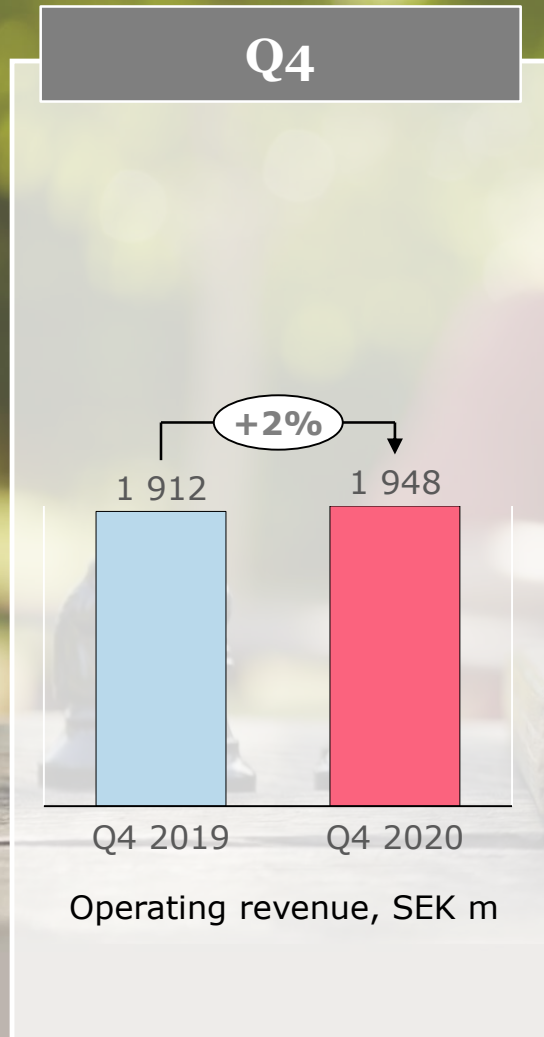


Norway



CFO highlights Q4 2020

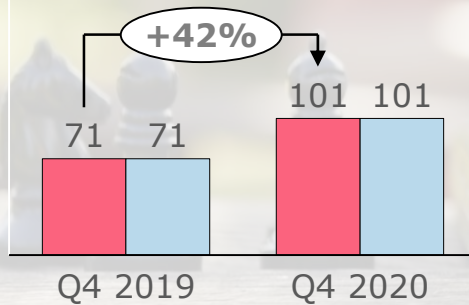
- From a financial perspective our main objectives remain: to increase predictability and stability
- Our digitalisation journey continues. For example, we are developing modern tools for documentation in collaboration with an external partner
- In December Humana repurchased shares in accordance with the authorisation from AGM 2020
- Financially a good quarter – leverage in line with target, strong cash position and strong operative cash flow





Operating revenue

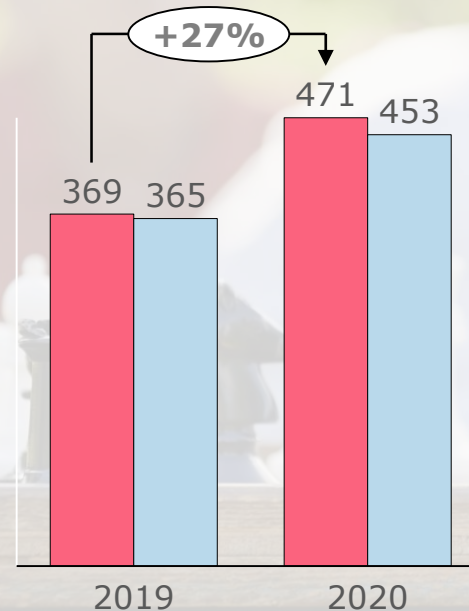
- An increase by 2% in Q4 and by 4% in the full year
 - Organic growth by 3.1% (0.7) in Q4 and 4.1% (2.0) in the full year
 - Improved growth in Individual & Family and Norway and during the full year also in Personal Assistance
 - Acquired operations contributed SEK 9m in Q4 and SEK 600m (478) in the full year, of which Coronaria Hoiva SEK 530m (443)
 - Currency effects reduced revenues
 - Negative impact from pandemic, largely due to lower occupancy in elderly care in Sweden and Finland and outpatient care in Finland



Q4



 Operating profit, SEK m
 Adjusted operating profit, SEK m

Full year

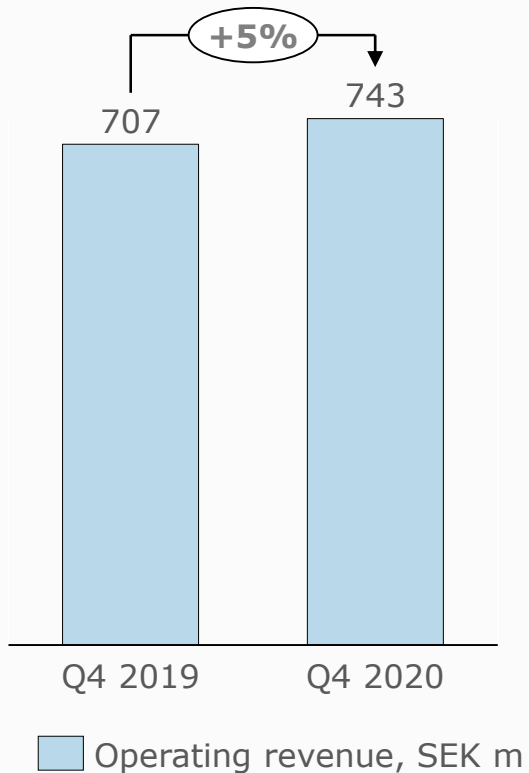


 Operating profit, SEK m
 Adjusted operating profit, SEK m

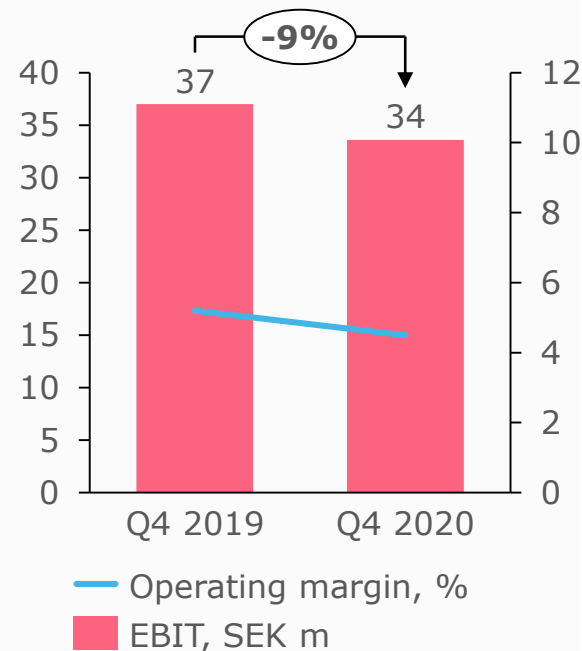
Profitability

- Operating margin 5.2% (3.7) in Q4 and 6.0% (4.9) in the full year
- Stabilised occupancy in Individual & Family, increased efficiency in Norway, improvements in Finland and lower central costs
- A strong quarter, but the comparative quarter last year was weak
- The pandemic affected both revenues and costs:
 - Lower occupancy
 - Increased sick absence and increased use of PPE
 - Increased costs offset by lower social security costs and government subsidies for sick leave and PPE

Revenue



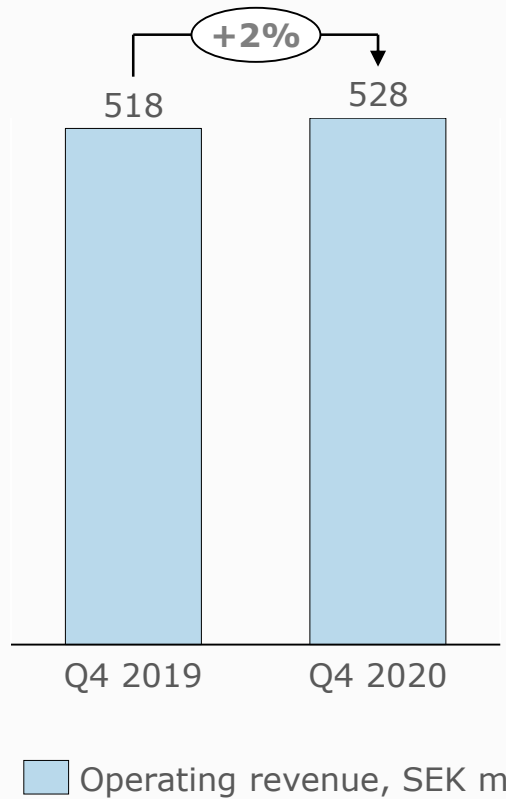
Profitability



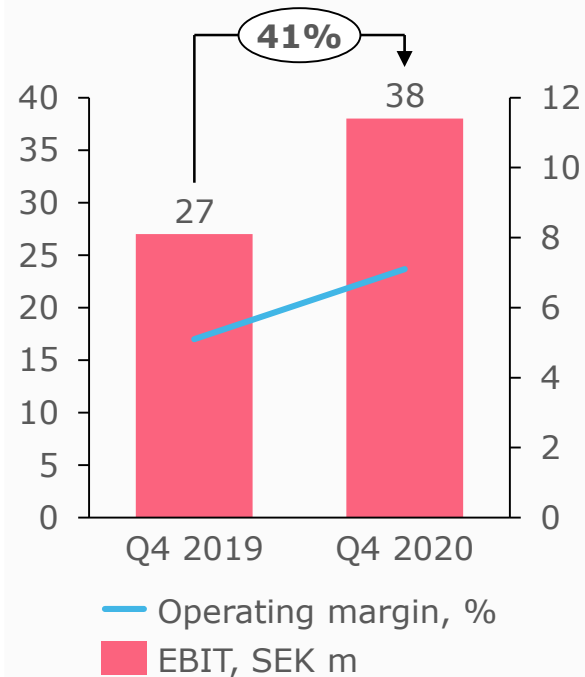
Personal Assistance

- Revenue increased by 5%
 - Organic growth was 3.8% (0.3)
 - More performed assistance hours, despite some negative impact on performed hours from the pandemic
 - Higher assistance allowance
- Operating profit decreased by 9% in the quarter, still an increase by 4% in the full year
 - Operating margin was 4.5% (5.2)
 - Slightly increased costs associated with the introduction of a new operational system
 - Negative impacts of Covid-19

Revenue



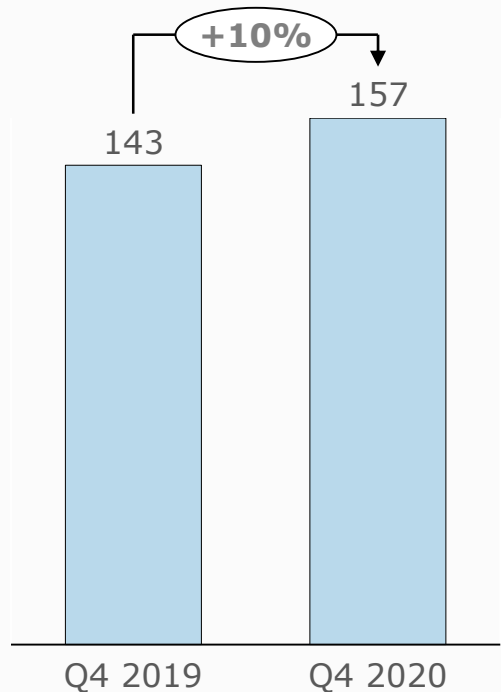
Profitability



Individual & Family

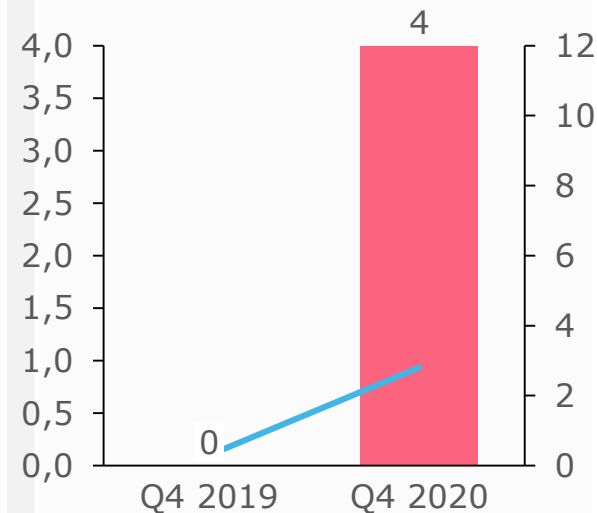
- Revenue increased by 2%
 - Organic growth of 2.2% (-3.8)
 - Stable occupancy in Children and Adolescents, increased occupancy in Adult and new units
 - Somewhat negative effect on demand from Covid-19
- Operating profit increased by 41%
 - Operating margin was 7.1% (5.1)
 - Improved steering behind increase
 - Increased costs due to the pandemic partly compensated for by government subsidies

Revenue



Operating revenue, SEK m

Profitability



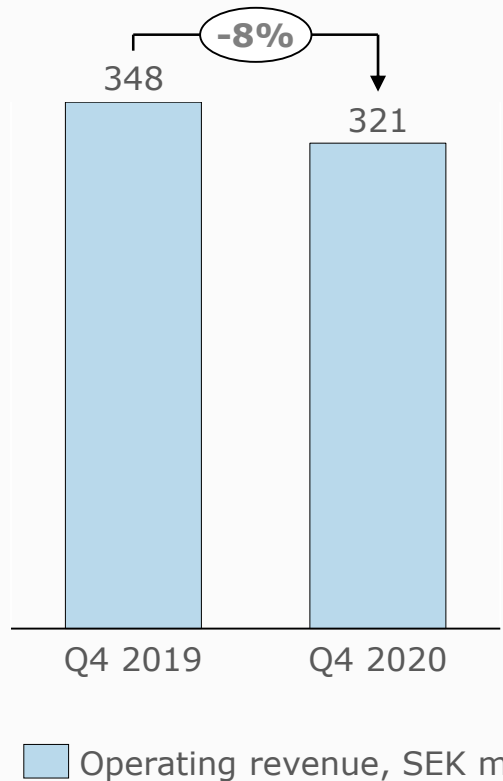
Operating margin, %

EBIT, SEK m

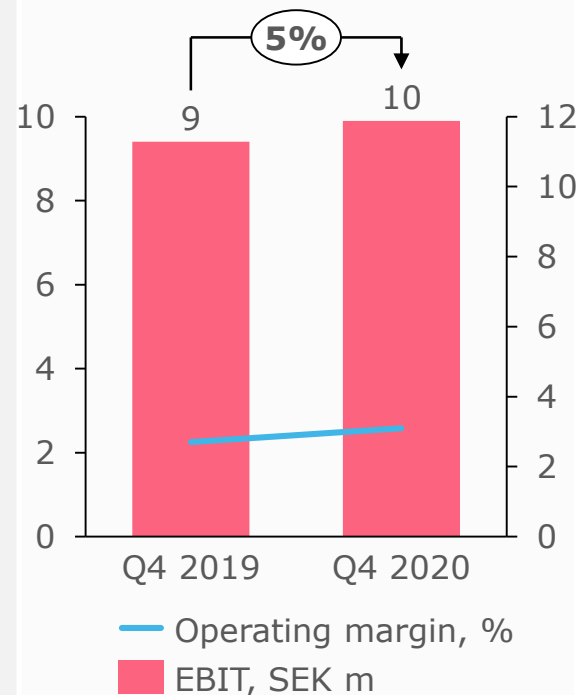
Elderly Care

- Revenue growth
 - The 10% increase in revenue is organic
 - Increases in both housing under own management and contracts
 - Price index increases
 - Lower occupancy due to Covid-19
- Increased operating profit
 - Operating margin was 2.8% (0.3)
 - Positive effect from price index increases and retroactive Covid-19 compensation

Revenue



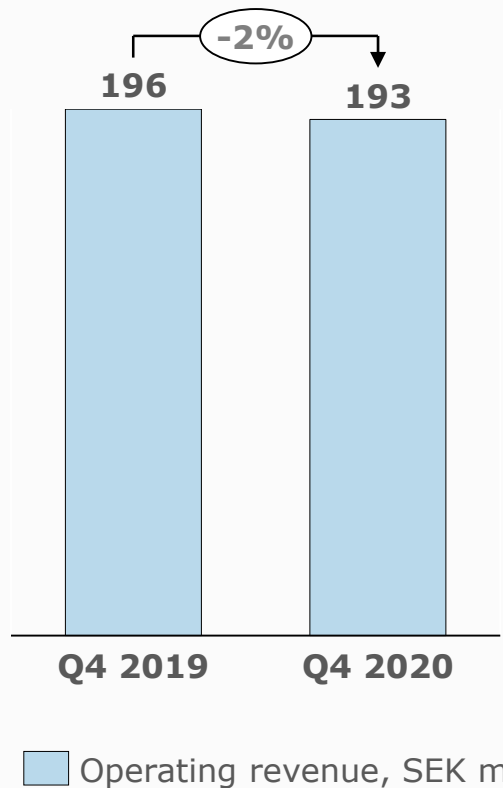
Profitability



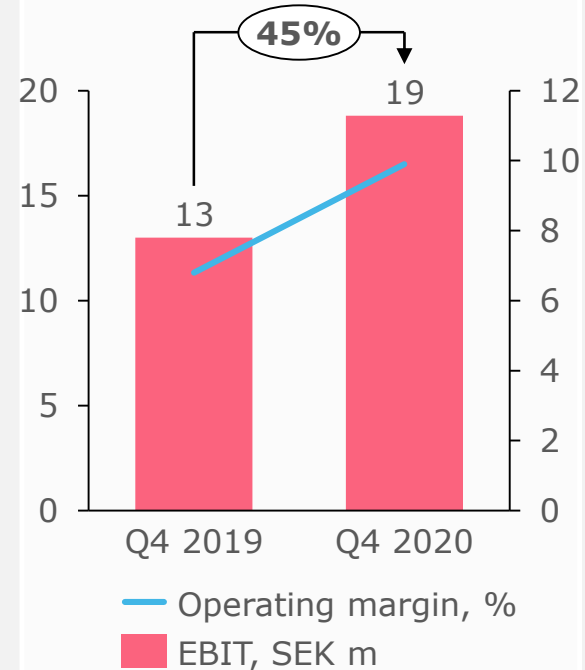
Finland

- Revenue decrease of 8%
 - Organic growth was -4.1% (10.7) in Q4
 - The decrease is due to the exit of unprofitable contracts and to negative effects from the pandemic
- Operating profit increased by 5%
- The operating margin was 3.1% (2.7)
 - Improvements in elderly care and good performance in individual and family care
 - Negative effect from the pandemic

Revenue



Profitability



Norway

- Revenue decrease of 2%
 - Organic growth was 9.8% (-0.7)
 - Openings of new units and more customers behind organic growth
 - A weaker Norwegian krona, had a negative impact on the revenue
- Operating profit increased
 - Operating margin for the quarter was 9.9% (6.8)
 - High operational efficiency and a more favorable revenue mix

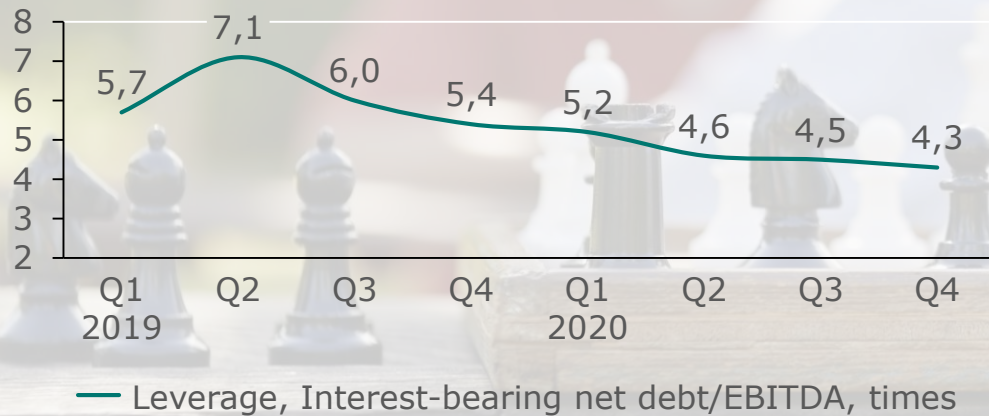
Q4
Full year

SEK m	Q4 2019	Q4 2020	2019	2020
Underlying central costs	31	26	100	102
Acquisition related costs	0	0	28	0
Effects of IFRS 16	-16	-15	-46	-55
Revaluation of earn out (Finland)	-	-	-5	-
Sales of Real estate	0	0	-4	-23
Other	-	-6	-	-4
Central overhead costs	16	4	72	20

Central costs

- Underlying central costs slightly lower due to lower personnel costs and other costs, and this partly due to Covid-19
- Positive effects of IFRS 16 of SEK 15m on central costs (and operating profit) in the quarter

Leverage, development



Financial position

- Interest-bearing net debt decreased by SEK 201m to SEK 3,511m (3,712)
- The strong financial position has enabled us to prepay some of our long term debt
- Leverage, interest-bearing net debt in relation to adj. EBITDA, decreased to 4.3x (5.4)
- Improved leverage is due to higher profit and lower capital expenditures
- Leverage in line with financial target

Operating cash flow

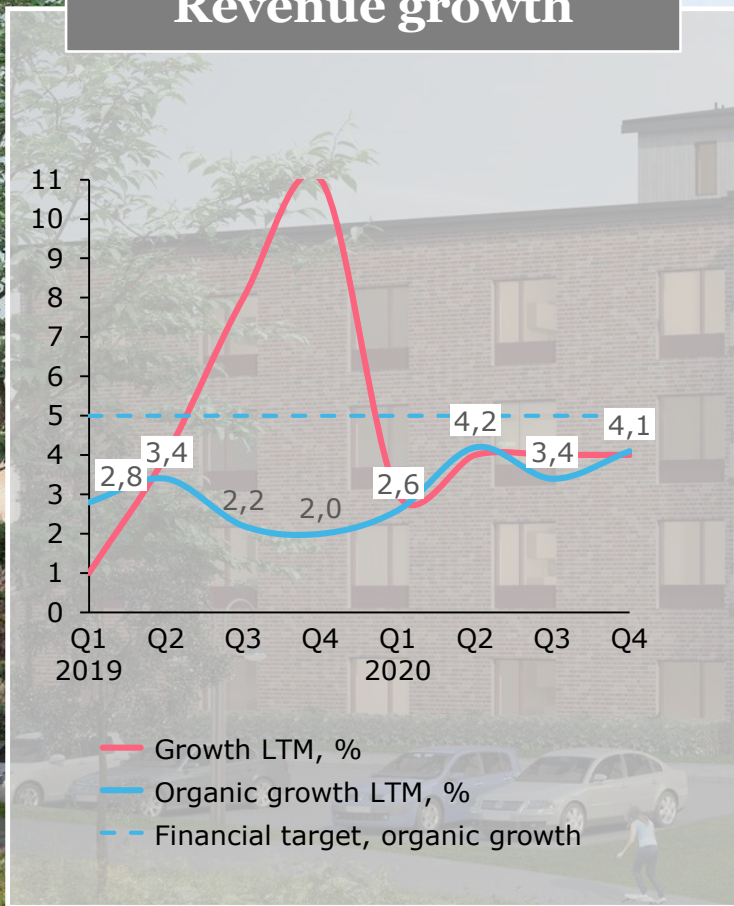
SEK m	Q4 2019	Q4 2020
Operating profit	71	101
Depreciation	86	95
Changes in working capital	133	129
Investments in other non-current assets, net	-69	-29
Operating cash flow	220	296

Cash flow

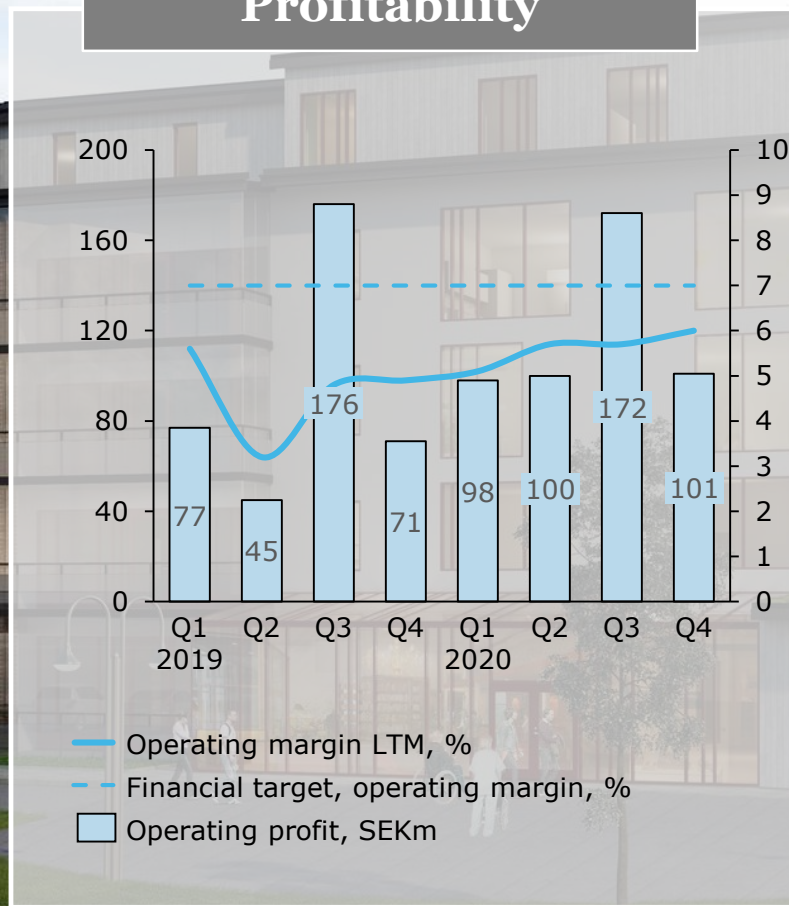
- Operating cash flow in Q4 amounted to SEK 296m (220)
- The improvement is due to higher profits and lower capital expenditures
- Cash flow for the period amounted to SEK -199m (144) where,
 - net cash flow from operating activities was SEK 266m (220).
 - cash flow from investing activities was SEK -38m (-7)
 - cash flow from financing activities was SEK -428m (-70)
- The strong cash position allowed us to both repurchase shares and prepay external debt

Financial targets and development

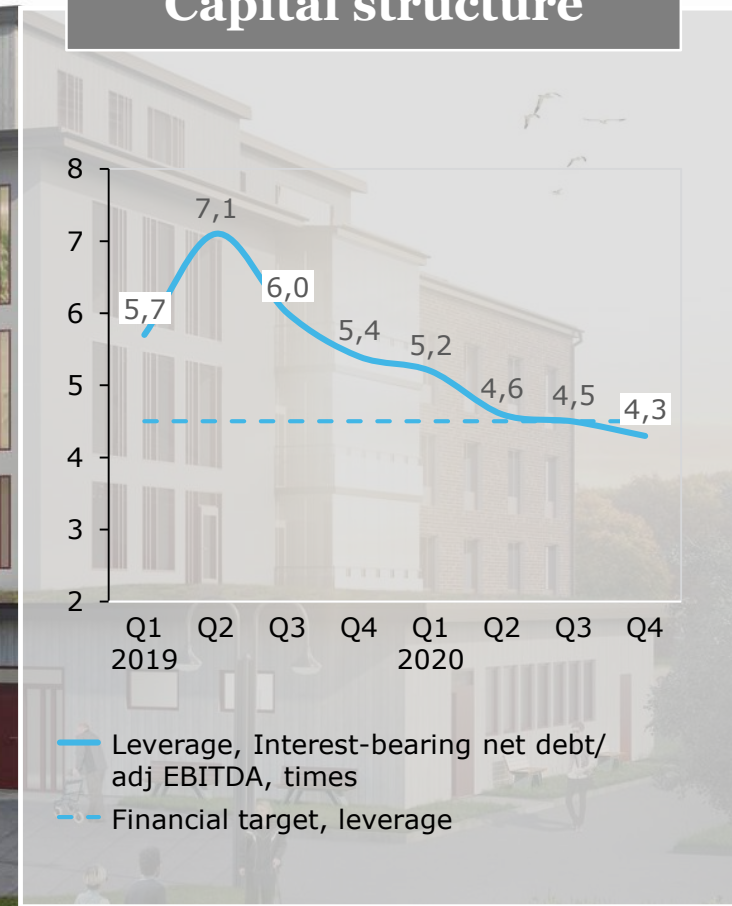
Revenue growth



Profitability



Capital structure





Summary

- ✓ 2020 - a challenging year, marked by the pandemic, in which Humana took important steps forward
- ✓ Fourth quarter: Continuously good handling of the pandemic, stable operational and financial performance

Priorities going forward

- Handle the pandemic in a good way, vaccinations will help
- Continued focus on value creation and improved stability/predictability
- Drive organic growth coupled with accretive add-on's
- Accelerated sustainability efforts in 2021

Thanks!

Financial calendar

Interim report Jan-Mar Q1 2021

6 May 2021

AGM

11 May 2021

Half-year report Jan-Jun and Q2 2021

20 Aug 2021

Interim report Jan-Sep and Q3 2021

11 Nov 2021

Further information

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