



Humana

Q3 July–September 2018

16 November 2018

Q3 financial highlights

Revenue

- Operating revenue increased 6.8% to SEK 1,677m (1,613) when excluding for the home care operations divested last year (when included operating revenue increased by 4,0%).
- The organic growth in the quarter was 4.4%.



Operating profit

- Operating profit (EBIT) of SEK 151m (110), an increase of SEK 41m or 37%.
- Adj. operating profit of SEK 151m (125 excl. for capital loss of Home care service), an increase of 26m or 21%.
- Operating margin 9.0% (6.8) and adj. operating margin 9.0% (7.7).

Cash flow & net debt

- Operating cash flow increased to SEK 148m (-14), an increase of SEK 162m.
- Net debt was lowered to SEK 1,405m (1,590)
- Net debt/EBITDA of 3.2x (4.2)



Operational highlights in Q3

Focus on organic growth projects in Individual & Family

- We continue to see positive effects on profitability from implemented operational improvement measures
- Stabilisation of demand across I&F. Overall development of revenues still weak, but with better demand in some sub-segments
- Very strong momentum in OwM LSS housing where we have a strong pipeline and current focus is on ramp up of a number of units in 2018 and 2019.
- Continued focus on activities to strengthen the revenue generation and on future growth



**Individual
& Family**





Personal Assistance

Operational highlights in Q3

Increased confidence in the future for Personal Assistance

- We continue to see a stabilisation in the market
 - Development regarding fewer hours, due to the withdrawal of decisions by Försäkringskassan, has slowed down
 - Number of individuals entitled to personal assistance in the market continued to decline in the third quarter, but at a lower pace
- We continue to work with high efficiency and Humana continues to gain market share
- During the quarter we also finalized selective acquisitions
 - Västgöta Assistans with approximately SEK 20 M in annual turnover and RIK Assistans (finalised in Oct) with approximately SEK 65 M in annual turnover
- The government's LSS-inquiry delayed until January 10, 2019



Operational highlights in Q3

High quality showcased in Elderly Care

- Humana, again, receives very high quality grades from the 2018 National Board of Health and Welfare's annual quality survey (*Öppna jämförelser*)
 - Well ahead of national averages for both private and public providers
 - Our unit in Kungsbacka ranked among top-3 of Sweden's best elderly care homes
 - 100% customer satisfaction in newly opened Åkersberga unit
- Strong organic growth at 32.4% during the quarter
- Two new elderly care facilities under contract opened in Stockholm in November.
- Generally good market demand and very high occupancy in our units. Focus now is on the two units we plan to open during spring and summer of 2019



**Elderly
Care**



Operational highlights in Q3

Strong momentum in Finland and Norway - and expansion into Denmark

- Strong momentum with high demand for our services in the operations in Finland
 - Focus on growth to meet current demand for Humana services
- Operations in Norway are seeing good effects of the implemented action programme. Growing revenues and increasing demand in several parts of the Norwegian business.
- First step into Denmark through the acquisition of StøtteCompagniet ApS, a small company specialising in outpatient individual and family care in the Copenhagen region.



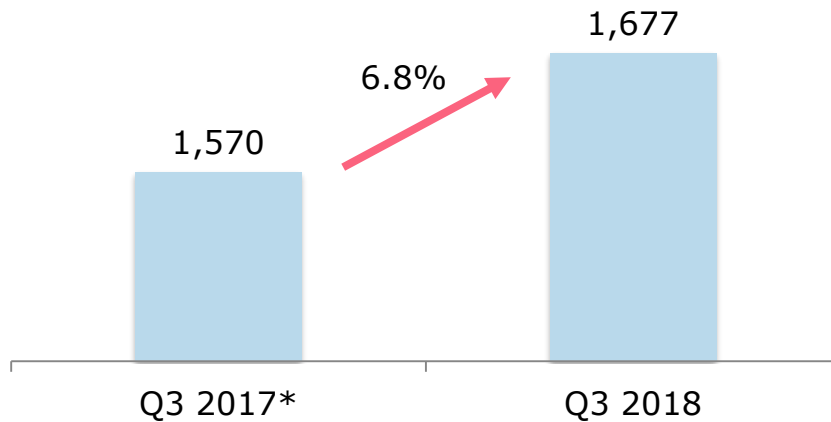
Humana



**Other
Nordics**

Operating revenue

SEK million



*SEK 43m in revenue in the divested home care operation excluded

Humana Q3 2018 - Operating revenue

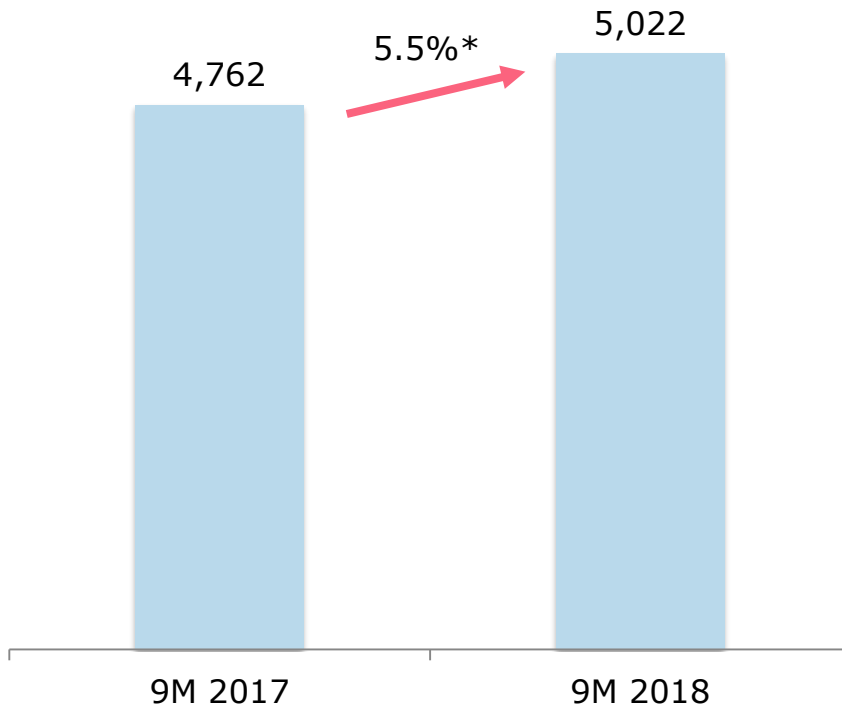
Comments

- Operating revenue grew 6.8% to SEK 1,677m excl. for the divested home care operation.
- Organic increase of 4.4% explained by strong organic growth within Elderly Care (improved occupancy) and Other Nordics (new units).



Operating revenue

SEK million



* Excluding SEK 178m in divested home care operation.

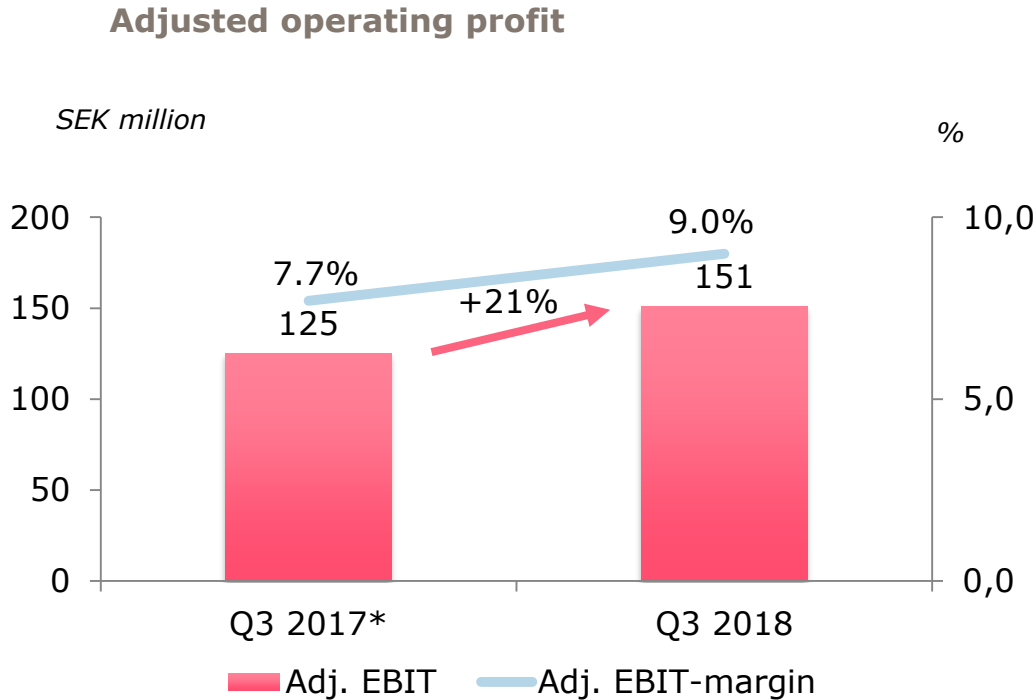
Humana 9M 2018 - Operating revenue

Comments

- Operating revenue increased 5.5% to SEK 5,022m excl. for the now divested home care operations.
- Organic increase of 2.9% explained by strong organic growth within Elderly Care and Other Nordics, and slightly higher reimbursement level within Personal Assistance.



Humana Q3 2018 – Adj operating profit

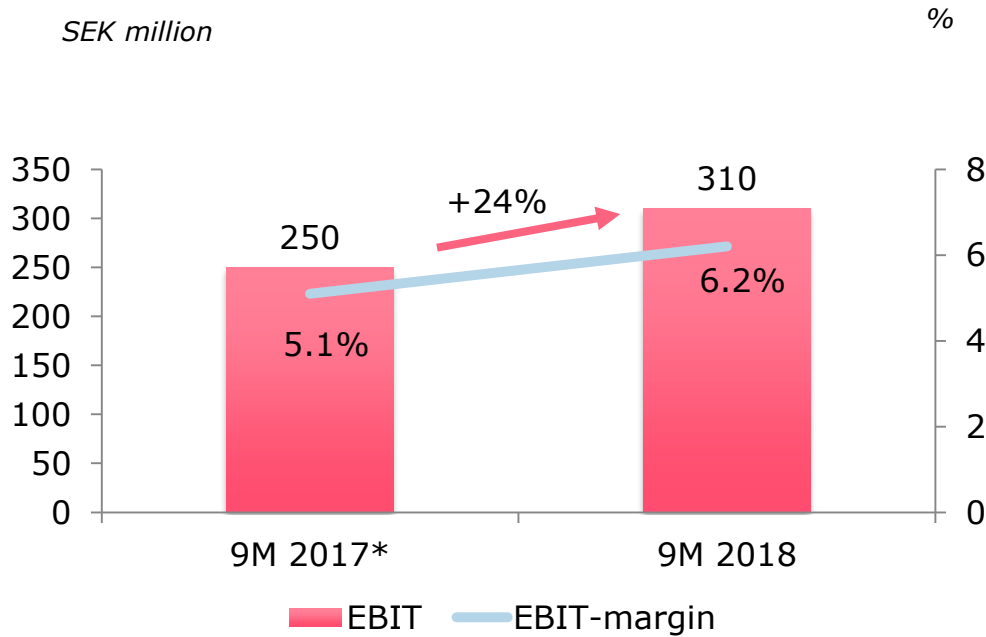


*SEK 14m in capital loss in the divested home care operation excluded

Comments

- Adjusted operating profit was SEK 151m (125), an increase of 21%.
- Positive impact from revenue increase and lowered costs in Norway and turning from loss to profit in Elderly Care.

Adjusted operating profit



*SEK 14m in capital loss in the divested home care operation and SEK 14m in capital gain of the disposal of property (sale-and-leaseback) excluded.

Humana 9M 2018 - Adj operating profit

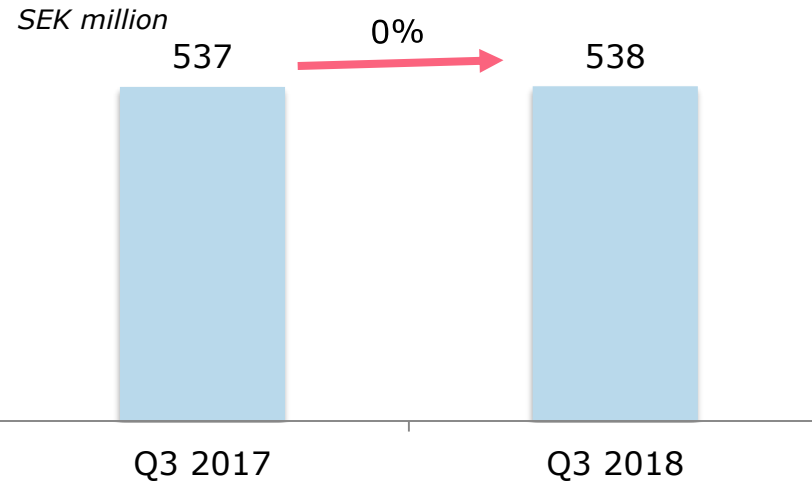
Comments

- Adjusted operating profit was SEK 310m (250), an increase of 24%.
- Positive impact from:
 - lowered costs in Individual & Family and Norway
 - improvements in utilisation in the Norwegian operations
 - high efficiency within Personal Assistance to partly compensate for cost increases that exceeds increase in reimbursement level

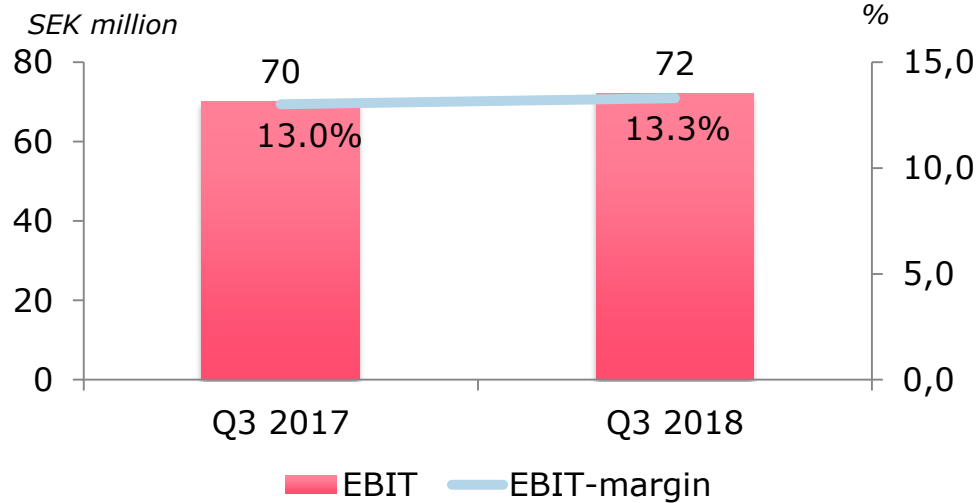


Individual & Family – Q3 2018

Operating revenue



Operating profit (EBIT)



Comments

- Operating revenue of SEK 538m, in line with last year.
- Organic growth of 0.4% (-5.6).
- Operating profit for the quarter increased by 3% compared with last year to SEK 72 M (70) and operating margin was 13.3% (13.0).
- The improved profit is mainly due to lower costs resulting from implemented action programmes. In addition, the investments made in several sub-segments within Individual & Family have begun to contribute both to growth and profitability.

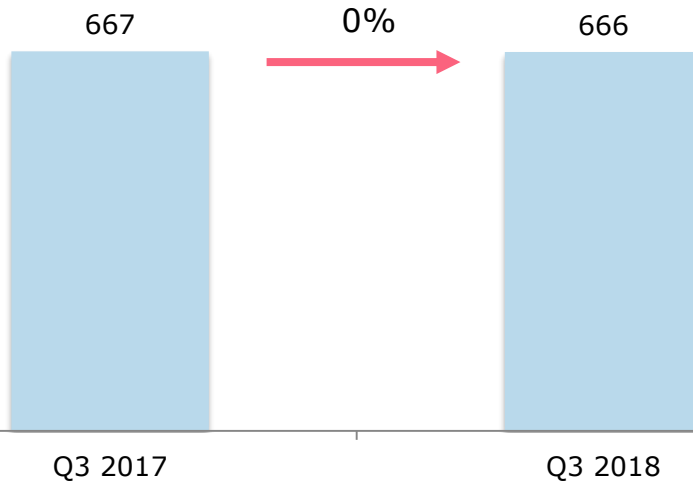
Average	Q3 2017	Q3 2018	+/- %
Clients	1,994	1,927	-3.4
Employees	2,559	2,506	-2.1





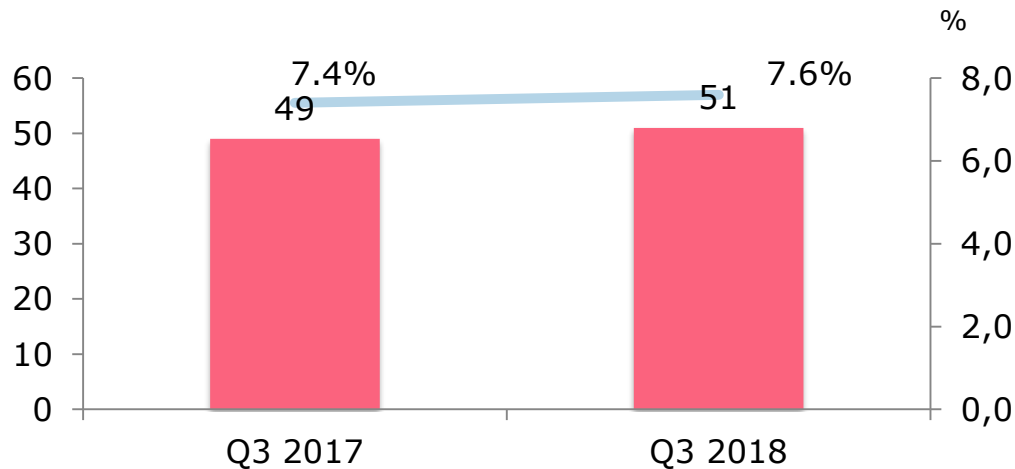
Operating revenue

SEK million



Operating profit (EBIT)

SEK million



Personal Assistance – Q3 2018

Comments

- Operating revenue of SEK 666m, in line with last year.
- Organic growth of -1.0% (-0.6).
- Operating profit increased by 3% to SEK 51m (49) and operating margin was 7.6% (7.4)
- The number of assistance hours provided decreased slightly in the quarter but the efficiency was excellent.

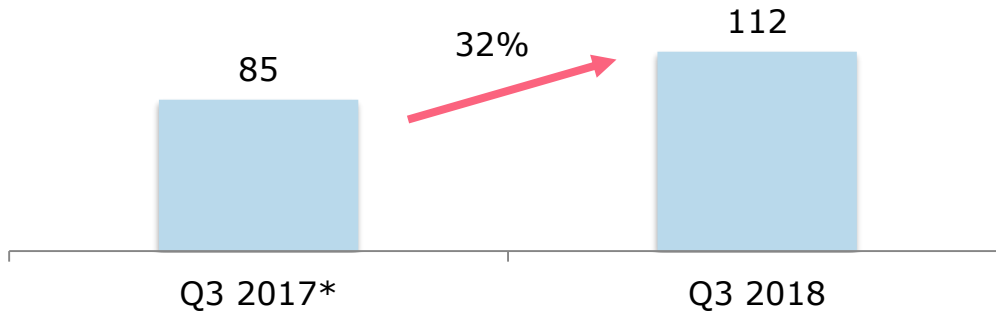
Average	Q3 2017	Q3 2018	+/-%
Clients	1,861	1,812	-2.7
Employees	5,428	5,296	-2.4





Operating revenue

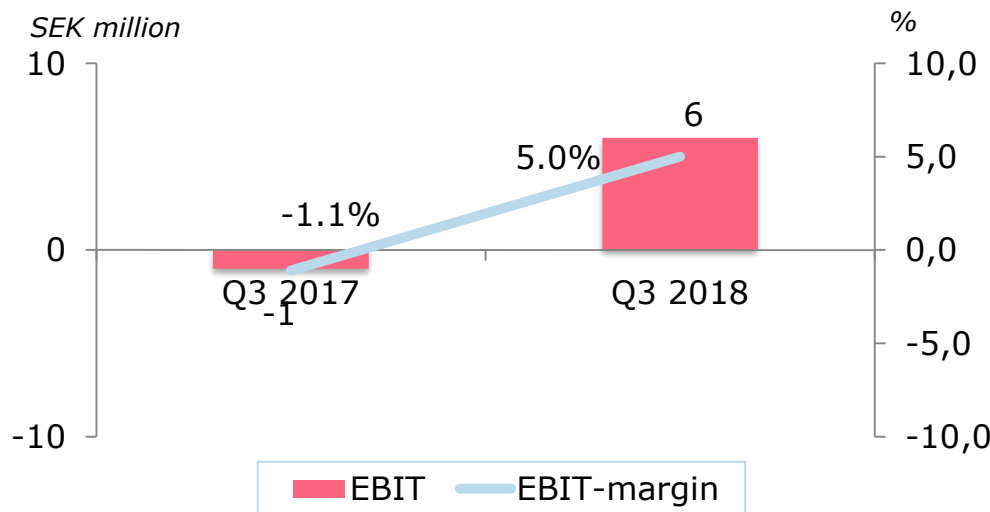
SEK million



*The divested home care service operation, revenue of SEK 43m, excluded.

Operating profit (EBIT)

SEK million



Elderly Care

– Q3 2018

Comments

- Operating revenue increased organically by 32% when the home care service, sold in 2017, is excluded. Including the home care service (SEK 43m) the revenue decreased by 12% to SEK 112m (128).
- Operating losses were reversed to a profit of SEK 6m (-1) in the quarter and operating margin was 5.0% (-1.1)
- Elderly care performs well with higher occupancy as well as efficiency.

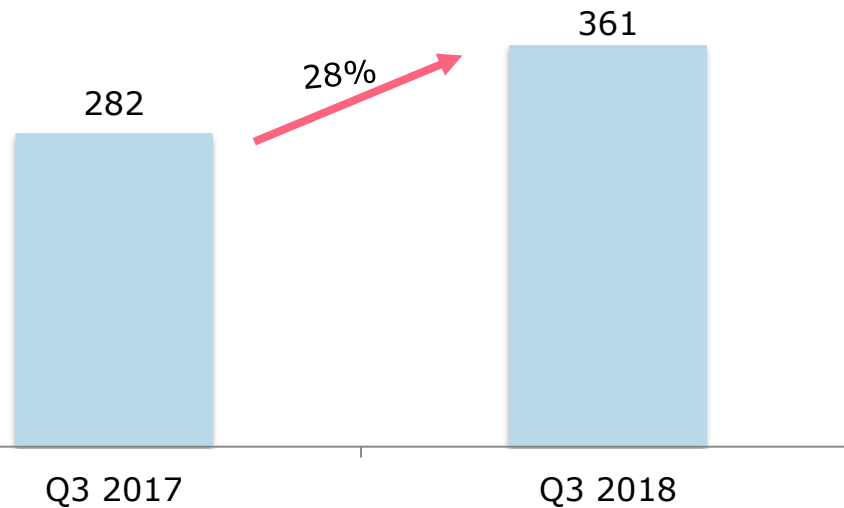
Average	Q3 2017	Q3 2018	+/--%
Clients	1,898	676	-64.4
Employees	1,051	776	-26.2



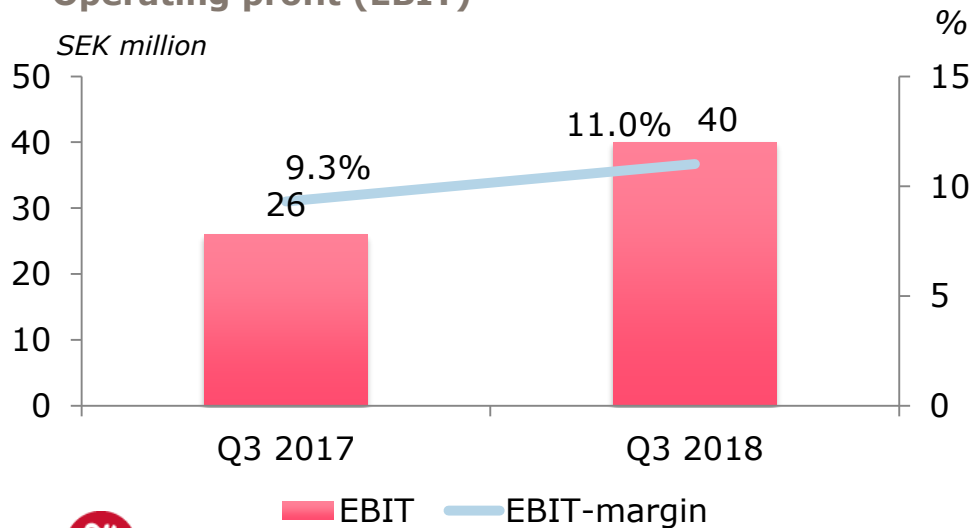


Other Nordics – Q3 2018

Operating revenue SEK million



Operating profit (EBIT) SEK million



Comments

- Operating revenue increased 28% to SEK 361m (282). Acquisitions contributed SEK 20m to revenue in the quarter.
- Organic growth of 17% (-12) for the quarter.
- Operating profit increased to SEK 40m (26) corresponding to a 52% improvement in profit. Margin of 11.0% (9.3).
- The improvement in profit is mainly due from increased efficiency and capacity utilisation together with reduced costs from the action programme in Norway.

Average	Q3 2017	Q3 2018	+/-%
Clients	2,464	2,880	+16.9
Employees	1,379	1,553	+12.6



Cash flow – key highlights

SEK million

	Q3 2017	Q3 2018
Cash flow from operating activities before changes in working capital	126	168
Changes in working capital	-122	-81
Cash flow from operating activities	4	87
Financial items, net	-4	-4
Income tax paid	17	-16
Cash flow from operating activities, net	17	67
Acquisitions and sales of subsidiaries, net cash impact	-4	-10
Investments	-44	-52
Cash flow from investing activities	-48	-62
Cash flow from financing activities	0	0
Cash flow for the period	-31	6

Comments

- Cash flow from operating activities for the quarter was SEK 67m vs. SEK 17m last year.
- Improvement explained by a lower amount of tied-up working capital.
- Investments in the quarter driven mainly by Other Nordics (Finland) and Individual & Family.



Central costs/other

SEK million

Costs	Q3 2017	Q3 2018
Underlying central costs	17	16
Cost for acquisitions	2	1
Sale and lease back	-	-
Capital loss	14	-
Central overhead costs	34	17

Costs	9M 2017	9M 2018
Underlying central costs	54	57
Effect from final settlement of additional purchase prices	-	-9
Cost for acquisitions	3	6
Sale and lease back	-14	-
Capital loss/gain	14	-2
Central overhead costs	57	51

Comments

- Underlying central costs in Q3 2018 SEK 16m vs SEK 17m in Q3 2017.
- Underlying central costs for the 9M period was SEK 57 m vs. SEK 54m for the 9M period last year.
- Capital loss 2017: home care service SEK 14m.





Humana

Q & A



Humana

Appendix

Financial targets

Revenue growth

- Annual growth rate in the medium term of 8-10 percent, achieved through organic growth as well as bolt-on acquisitions



Profitability

- EBIT margin in the medium term of approximately 6 percent



Capital structure

- The net debt in relation to EBITDA is not to exceed 3.0x
- Leverage may however temporarily, for example in relation to acquisitions, exceed the target level



Dividend policy

- 30 percent of net profits are to be distributed
- The dividend proposal shall take into account Humana's long-term development potential and its financial position



Consolidated income statement

	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Oct-Sep 2017/18	Jan-Dec 2017
SEK M						
Net revenue	1 677	1 614	5 010	4 926	6 627	6 542
Other revenue	0	-1	11	14	11	14
Operating revenue	1 677	1 613	5 022	4 940	6 638	6 556
Other external costs	-251	-238	-779	-752	-1 043	-1 016
Personnel costs	-1 257	-1 233	-3 878	-3 876	-5 147	-5 145
Depreciation	-18	-16	-49	-45	-64	-60
Other operating costs	-1	-17	-6	-17	-8	-19
Operating costs	-1 527	-1 503	-4 712	-4 690	-6 262	-6 241
Operating profit	151	110	310	250	376	316
Financial revenue	0	1	1	3	2	5
Financial costs	-19	-15	-60	-56	-84	-79
Unrealised changes in value of derivatives	0	0	1	9	1	9
Profit before tax	132	97	251	206	295	250
Income tax	-30	-26	-57	-46	-67	-57
Net profit for the period	102	71	194	160	228	194
Of which, attributable to:						
Owners of the Parent Company	102	71	194	160	228	194
Net profit for the period	102	71	194	160	228	194
Earnings per ordinary share, SEK, before dilution	1,92	1,34	3,65	3,01	4,29	3,64
Earnings per ordinary share, SEK, after dilution	1,92	1,34	3,65	3,01	4,29	3,64
Average number of ordinary share, thousands	53 140	53 140	53 140	53 140	53 140	53 140



Consolidated balance sheet

SEK M	30 Sep 2018	30 Sep 2017	31 Dec 2017	Dec 31 2016
Assets				
Non-current assets				
Goodwill	3 166	3 089	3 104	3 089
Other intangible assets	9	13	10	13
Property, plant and equipment	490	394	413	405
Financial assets	15	8	8	6
Total non-current assets	3 680	3 504	3 535	3 514
Current assets				
Trade receivables and other receivables	818	934	842	523
Other current receivables	136	139	99	459
Cash and cash equivalents	511	432	584	465
Total current assets	1 465	1 505	1 525	1 446
TOTAL ASSETS	5 145	5 010	5 060	4 960
Equity and liabilities				
Equity				
Share capital	1	1	1	1
Additional paid-in capital	1 094	1 092	1 091	1 091
Retained earnings	997	763	799	634
Equity attributable to owners of the parent company	2 092	1 856	1 891	1 726
Equity attributable to non controlling interest	0	-	-	-
Total equity	2 092	1 856	1 891	1 726
Non-current liabilities				
Interest-bearing liabilities	1 281	1 351	1 345	1 405
Deferred tax liabilities	78	82	73	78
Total non-current liabilities	1 359	1 433	1 417	1 484
Current liabilities				
Interest-bearing liabilities	634	671	680	687
Trade payables	86	107	93	103
Other current liabilities	974	942	979	960
Total current liabilities	1 694	1 720	1 752	1 750
TOTAL EQUITY AND LIABILITIES	5 145	5 010	5 060	4 960



Consolidated cash flow statement

SEK M	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Oct-Sep 2017/18	Jan-Dec 2017
Profit before tax	132	97	251	206	295	250
Adjustment for:						
Depreciation	18	16	49	45	64	60
Financial items, net	19	13	59	44	80	66
Cash flow from operating activities before changes in working capital	168	126	359	295	440	376
Changes in working capital	-81	-122	-107	-199	51	-41
Cash flow from operating activities	87	4	252	96	490	335
Financial items, net	-4	-4	-31	-43	-53	-64
Income tax paid	-16	17	-34	-22	-42	-30
Cash flow from operating activities, net	67	17	187	32	396	241
Acquisition of subsidiaries, net cash impact	-10	-13	-32	-29	-45	-42
Sales of subsidiaries, net cash impact	0	9	4	141	-4	133
Investments in other non-current assets, net	-52	-44	-103	-110	-145	-151
Cash flow from investing activities	-62	-48	-131	3	-194	-60
Proceeds from new borrowings	0	0	144	7	144	7
Repayment of borrowings	0	0	-251	-56	-251	-56
Dividend	0	0	-32	-27	-32	-27
Cash flow from financing activities	0	0	-139	-75	-139	-75
Cash flow for the period	6	-31	-83	-41	64	106
Cash and cash equivalents at start of period	507	468	584	465	432	465
Exchange rate difference in cash/cash equivalents	-2	-4	9	9	14	13
Cash and cash equivalents at end of period	511	432	511	432	511	584



Key ratios

	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Oct-Sep 2017/18	Jan-Dec 2017
Operating revenue	1 677	1 613	5 022	4 940	6 638	6 556
EBIT, %	9,0%	6,8%	6,2%	5,1%	5,7%	4,8%
Interest-bearing net debt, SEK M	1 405	1 590	1 405	1 590	1 405	1 440
Return on capital employed, %	3,8%	2,9%	7,7%	6,5%	9,4%	8,2%
Equity/assets ratio, %	40,7%	37,1%	40,7%	37,1%	40,7%	37,4%
Operating cash flow	35	-41	148	-14	346	184
Interest-bearing net debt/Adjusted EBITDA 12 months, times	3,2x	4,2x	3,2x	4,2x	3,2x	3,8x
Average number full-time employees Individual & Family	2 506	2 559	2 420	2 528	2 402	2 483
Average number full-time employees Personal Assistance	5 296	5 428	5 080	5 140	5 052	5 097
Average number full-time employees Elderly Care	776	1 051	769	1 153	740	1 028
Average number full-time employees Other Nordic	1 553	1 379	1 495	1 344	1 484	1 372
Average number full-time employees Central functions	22	24	22	23	23	23
Total average number full-time employees	10 153	10 440	9 786	10 189	9 701	10 003
Number of full-time employees on the closing date	10 044	10 011	10 044	10 011	10 044	9 503
Average number of customers Individual & Family	1 927	1 994	1 974	2 080	1 985	2 064
Average number of customers Personal Assistance	1 812	1 861	1 825	1 873	1 830	1 866
Average number of customers Elderly Care	676	1 898	671	2 401	648	1 946
Average number of customers Other Nordic	2 880	2 464	2 931	2 343	2 882	2 441
Total average number of customers	7 294	8 218	7 400	8 696	7 344	8 316
Average number of ordinary shares on the closing date, 000s	53 140	53 140	53 140	53 140	53 140	53 140
Equity per ordinary share, SEK	39	35	39	35	39	36



Segments financials

Operating revenue by business area

SEK M	Jul-Sep	Jul-Sep	%	Jan-Sep	Jan-Sep	%	Oct-Sep	Jan-Dec	%
	2018	2017		2018	2017		2017/18	2017	
Individual & Family	538	537	0%	1 645	1 659	-1%	2 197	2 212	-1%
Personal Assistance	666	667	0%	1 978	1 968	1%	2 631	2 621	0%
Elderly Care	112	128	-12%	328	429	-24%	420	521	-19%
Other Nordics	361	282	28%	1 060	869	22%	1 379	1 188	16%
Other revenue	0	-1	n/a	11	14	-21%	11	14	-21%
Total operating revenue	1 677	1 613	4%	5 022	4 940	2%	6 638	6 556	1%

Organic growth by business area

%	Jul-Sep	Jul-Sep	%	Jan-Sep	Jan-Sep	%	Oct-Sep	Jan-Dec	%
	2018	2017		2018	2017		2017/18	2017	
Individual & Family	0,4%	-5,6%		-1,0%	-2,7%		-2,0%	-2,8%	
Personal Assistance	-1,0%	-0,6%		0,2%	-1,3%		0,2%	-0,9%	
Elderly Care	32,4%	4,0%		30,7%	11,8%		26,5%	12,2%	
Other Nordics, constant currency	16,9%	-12,0%		8,3%	-10,0%		-5,6%	-5,4%	
Total organic growth, constant currency rate	4,4%	-4,3%		2,9%	-1,9%		1,2%	-1,3%	

Operating profit per business area

SEK M	Jul-Sep	Jul-Sep	%	Jan-Sep	Jan-Sep	%	Oct-Sep	Jan-Dec	%
	2018	2017		2018	2017		2017/18	2017	
Individual & Family	72	70	3%	159	147	8%	203	191	6%
Personal Assistance	51	49	3%	111	114	-3%	156	160	-2%
Elderly Care	6	-1	n/a	5	-10	n/a	-3	-18	n/a
Other Nordics	40	26	52%	86	55	56%	93	62	50%
Central costs/other	-17	-34	n/a	-51	-57	n/a	-74	-79	n/a
Total operating profit	151	110	37%	310	250	24%	376	316	19%

