



Interim report January-March 2020

Q1

Humana is a Nordic care company. The company is a market leader in individual and family care and personal assistance with expanding operations in elderly care. Humana has 15,000 employees who all work with a shared vision – Everyone is entitled to a good life. Humana is a growth company with a focus on quality and customer satisfaction. The company had annual revenue of SEK 7,467m in 2019. Humana is listed on Nasdaq Stockholm and is headquartered in Stockholm.



Humana

First quarter in brief

First quarter, January - March 2020

- **Operating revenue** was SEK 1,938m (1,708), an increase of 13%, of which organic growth was 3.8%.
- **Operating profit** was SEK 98m (77), an increase of 28%.
- **Net profit after tax for the period** amounted to SEK 53m (44).
- **Earnings per share for the period** before and after dilution amounted to SEK 1.00 (0.83).
- **Operating cash flow** amounted to SEK 95m (33).

Significant events in and after Q1

- The Board Of Directors decides to revise the Group's financial targets. The revised financial targets apply from 2020.
- Because of the current situation resulting from the covid-19 pandemic, the Board decides on 30 March to recall its proposal for dividends in order to boost the company's ability to take action and strengthen its financial situation. Humana's AGM will be held on 7 May 2020 (the same day as this report is published).
- The Board decides, with the authorisation of the 2019 AGM, to repurchase own shares on Nasdaq Stockholm. The purpose is to enable a transfer of shares to participants in a share savings programme for employees that ran from 2017 until 31 January 2020. At most 60,000 own shares may be acquired for a maximum of SEK 3,600,000. The repurchasing period was between 31 March 2020 and 14 April 2020. The number of repurchased shares is 52,462.
- Humana establishes a crisis organisation to ensure good management and minimised spread of the covid-19 virus. Risk analyses are being performed routinely in all operations and a number of precautionary measures are being taken. These include a halt on all visits to Humana's elderly care homes. The work is continuing.
- In April, Humana extended its existing credit facilities, with unchanged terms, by an additional year until 2022.

Revenue and profit

	Jan-Mar 2020	Jan-Mar 2019	% 2019/20	Apr-Mar 2019/20	Jan-Dec 2019	%
Net revenue	1,932	1,708	13%	7,671	7,446	3%
Other operating revenue	6	0	n/a	26	21	27%
Operating revenue	1,938	1,708	13%	7,697	7,467	3%
Operating profit	98	77	28%	391	369	6%
Adjusted operating profit	98	77	28%	386	365	6%
Net profit for the period	53	44	21%	197	187	5%
Operating cash flow	95	33	185%	657	595	10%

A quarter marked by mobilisation, unity and heroic efforts

Like the rest of our society, Humana's main focus during the first quarter and mainly during its second half, was focused on preparing for and managing the new coronavirus. Financially, we saw a good development during the quarter. Humana's revenue increased by 13 percent, including 4 percent organically, and our operating profit increased despite the negative effects connected to the pandemic in the second half of the quarter.

The first quarter of the year for Humana, like for all companies, took a turn that was unlike anything we have previously experienced. Even before it became clear that societal spread of covid-19 could not be avoided, Humana had a crisis organisation in place to support management in our operations. Its job is to do risk analyses, make sure routines are at all times fully adapted for the current situation, ensure the supply of protective equipment and communicate with employees, customers, clients and relatives. In our elderly care operations, which operate in Sweden and Finland, this has been a particularly challenging time when we daily put a lot of work into preventing spread and handling any cases of covid-19 in a good manner. But the same is also true of our other operations. In total Humana serves 9,000 customers and clients, and all of our operations must manage the development of covid-19 to various degrees and with a variety of challenges in the day to day operations. I am incredibly proud of what our organisation has accomplished this far.



Financially, we saw a good development during the first quarter. Humana's operating revenue was SEK 1,938 million, an increase of 13 percent that is partially explained by last year's acquisition in Finland, partially by a 4 percent organic growth. Operating profit was SEK 98 million, with an operating margin of 5.1 percent. The ongoing pandemic contributed somewhat negatively to both the revenue and costs during the last weeks of the quarter. On the revenue side, there was a marginal decrease in assistance hours and fewer visits made to outpatient care. On the cost side, higher sick leave than normal and the purchase and use of protective equipment were the main reasons. At the same time, the leap day in February contributed to a positive net effect.

In the Elderly Care business area, revenues increased according to plan, by 9 percent, but the profit decreased. The purchase and use of protective equipment added extra costs to the quarter, as did higher sick leave during the last weeks of March. Additionally, the start-up of our new accommodation in Kungsängen has reduced our operating profit.

Personal Assistance contributed yet another stable quarter. Revenue grew by 5 percent, of which 2.9 percentage points were organic, in a shrinking market.

The number of assistance hours increased, despite the negative effect of cancelled hours as a result of the pandemic. The operating margin was 5.6 percent.

In the Individual & Family business area, revenue in the quarter increased organically for the first time in two years, although it was marginal. We still have challenges with capacity utilisation, especially in the children and adolescents' segment.

In Finland, revenue was SEK 350m, an increase of 96 percent, mainly driven by the acquisition of Coronaria Hoiva last year. Fewer visits to outpatient care in March as a result of the pandemic decreased revenue growth. The challenge with profitability in the newly acquired operation continues but is moving in the right direction. In March, the new country manager Anu Kallio started.

In Norway, operations continued to grow well in the quarter with an organic growth of 4.6 percent and an operating margin of 6.7 percent. The segments disabled care housing services (HOT) and personal assistance (BPA) are doing especially well.

Finally, the pandemic puts Humana, like the whole of society, to a difficult test. The pandemic will continue to take a lot of our focus, during the current quarter and the rest of the year. We are expecting higher costs associated with covid-19 in the second quarter, as well as a continued impact on revenue. In the end, the most important thing is how we take care of our customers and clients as well as the working environment for our 15,000 employees. I am proud of what we together have accomplished this far. It has been hard work, with a lot of anxiety, but we have also had great unity and an incredible commitment. A warm thank you to all employees, as well as our customers and clients including relatives who have all contributed. This year's recently completed employee survey confirms and enhances last year's good results where the overall employee satisfaction figures continued to increase. I am convinced that the result of the employee survey together with the result of the Humana Quality Index are important indicators of how strongly we will be able to stand also in the future.

Stockholm 7 May 2020

A blue ink signature of Rasmus Nerman, written in a cursive style.

Rasmus Nerman, President and CEO Humana AB

Operating revenue by business area

SEK M	Jan-Mar 2020	Jan-Mar 2019	%	Apr-Mar 2019/20	Jan-Dec 2019	%
Individual & Family	519	512	1%	2,102	2,095	0%
Personal Assistance	719	684	5%	2,819	2,783	1%
Elderly Care	146	134	9%	576	564	2%
Finland	350	179	96%	1,375	1,204	14%
Norway	194	194	0%	794	794	0%
Other 2)	10	5	100%	31	26	19%
Total operating revenue	1,938	1,708	13%	7,697	7,467	3%

Organic growth by business area 1)

%	Jan-Mar 2020	Jan-Mar 2019	%	Apr-Mar 2019/20	Jan-Dec 2019	%
Individual & Family	1.4%	-7.0%		-2.0%	-4.0%	
Personal Assistance	2.9%	1.5%		1.3%	0.9%	
Elderly Care	9.0%	24.2%		19.1%	23.3%	
Finland	10.2%	7.7%		10.2%	9.6%	
Norway	4.6%	9.2%		3.1%	4.2%	
Total organic growth	3.8%	1.5%		2.6%	2.0%	

Operating profit by business area

SEK M	Jan-Mar 2020	Jan-Mar 2019	%	Apr-Mar 2019/20	Jan-Dec 2019	%
Individual & Family	33	28	18%	173	168	3%
Personal Assistance	40	39	3%	155	154	1%
Elderly Care	0	4	-112%	9	13	-33%
Finland	17	15	7%	50	49	2%
Norway	13	9	49%	63	59	7%
Other 2) 3)	-5	-18	n/a	-59	-72	n/a
Total operating profit	98	77	28%	391	369	6%

Operating margins by business area

%	Jan-Mar 2020	Jan-Mar 2019	%	Apr-Mar 2019/20	Jan-Dec 2019	%
Individual & Family	6.4%	5.5%		8.2%	8.0%	
Personal Assistance	5.6%	5.8%		5.5%	5.5%	
Elderly Care	-0.3%	2.8%		1.5%	2.3%	
Finland	4.7%	8.6%		3.6%	4.0%	
Norway	6.7%	4.5%		7.9%	7.4%	
Total operating profit margin	5.1%	4.5%		5.1%	4.9%	

1) Organic growth is calculated as revenue growth for comparable companies that Humana owned during the comparative comparison period.

2) Operating profit for the full year 2019 includes the positive effect of SEK 12m in additional purchase considerations and SEK 4m in capital gains on properties of which SEK 0m relates to the first quarter.

3) Operating profit for the full year 2019 includes SEK 28m in acquisition costs, of which SEK 2m were incurred in the first quarter, as well as SEK 14m in integration costs.

Group development

Revenue

First-quarter operating revenue amounted to SEK 1,938m (1,708), an increase of 13% compared with the same quarter last year. Acquired operations, that is, companies that were not owned throughout the previous comparative period, contributed SEK 164m to revenues in the quarter, of which SEK 148m relates to revenues from the Coronaria Hoiva acquisition in Finland. Organic revenue increased by 3.8 percent for the quarter (1.5). The leap year positively impacted organic growth by 1% for the quarter, compared with the same quarter last year. Operations under own management accounted for 94 % of total revenues in the quarter, and contracted operations accounted for 6%. The covid-19 pandemic has impacted revenue somewhat negatively, above all through fewer hours performed in personal assistance and fewer visits performed in outpatient care.

Profit

Operating profit for the first quarter was SEK 98m (77), an increase of 28%. The operating margin was 5.1% (4.5). The covid-19 pandemic has affected the Group from several aspects in terms of profit. In addition to the volume effects, the largest costs are higher sick leave and an increasing need and use of PPE (personal protective equipment). To a certain extent, these negative effects are mitigated by lower travel costs. The leap year has positively impacted the profit and compensates for the negative effect of covid-19.

Events during the year

First quarter 2020

- Humana enters a partnership with Bonnier Academy for digital training through Humana Academy, its digital training organisation. The intention is to give more people access to Humana's knowledge and skills in the care sector.
- The Board Of Directors decides to revise the Group's financial targets. The revised financial targets apply from 2020.
- Because of the current situation resulting from the covid-19 pandemic, the Board decides on 30 March to recall its proposal for dividends in order to further boost the company's ability to take action and strengthen its financial situation. Humana's AGM will be held on 7 May 2020 (the same day as this report is published).
- The Board decides, with the authorisation of the 2019 AGM, to repurchase own shares on Nasdaq Stockholm. The purpose is to enable a transfer of shares to participants in a share savings programme for employees that ran from 2017 until 31 January 2020. At most 60,000 own shares may be acquired for a maximum of SEK 3,600,000. The repurchasing period was between 31 March 2020 and 14 April 2020. The number of repurchased shares is 52,462.
- Humana establishes a crisis organisation to ensure good management and minimised spread of the covid-19 virus. Risk analyses are being performed routinely in all operations and a number of precautionary measures are being taken. These include a halt on all visits to Humana's elderly care homes.

Events after the end of the quarter

- In April, Humana extended its existing credit facilities, with unchanged terms, by an additional year until 2022.
- Humana's efforts to ensure good management and minimised spread of the covid-19 virus are continuing.

Performance by business area

Individual & Family

Revenues for the first quarter amounted to SEK 519 m (512), an increase of 1% compared to the corresponding period last year. After adjustment for the positive effects of the leap year, revenues are in line with last year. The revenue trend is due to lower occupancy as a result of lower demand in the market segment for the client group children and adolescents. An increased capacity utilisation in the adult segment has meanwhile balanced the trend.

Operating profit in the quarter totalled SEK 33m (28), an increase of 18% compared to last year. The operating margin for the quarter was 6.4% (5.5). The increase in earnings for the quarter are primarily attributable to the overall somewhat more stable capacity utilisation and improvements in efficiency.

Personal Assistance

Revenues for the first quarter amounted to SEK 719 m (684), an increase of 5% compared to the corresponding period last year. The increase in revenue for the quarter is due to more assistance hours performed (despite a negative effect on the number of hours due to covid-19), a higher assistance allowance and acquisition.

Operating profit for the quarter totalled SEK 40m (39), an increase of 3%. The operating margin was 5.6% (5.8) for the quarter. The decrease in operating margin is mainly due to higher sick leave.

Elderly Care

Revenues in Elderly Care amounted to SEK 146m (134) in the first quarter, a 9% increase that is completely organic. The revenue increase is due to new elderly housing under own management in Staffanstorp and Kungsängen.

Operating profit in the first quarter amounted to SEK 0m (4). Start-up costs for the housing in Kungsängen, which opened during Q3 2019, had a negative impact of SEK 3m on first quarter profit. The operating margin was -0.3% (2.8) for the first quarter.

Finland

Revenues in Finland amounted to SEK 350m (179) in the first quarter, an increase of 96%. Last year's acquisition of Coronaria Hoiva contributed SEK 148m to revenues in the quarter. Organic revenue growth was 10.2% (7.7) for the quarter. Openings of units and more customers contributed to organic growth.

Operating profit totalled SEK 17m (15), an increase of 7% compared to the same period last year. The operating margin for the quarter was 4.7% (8.6). The decrease in operating margin is due to a lower margin in the newly acquired operation in Finland. Work to improve the profitability continues.

Norway

Revenues in Norway amounted to SEK 194m (194) in the first quarter, an unchanged level. Organic revenue growth was 4.6% (9.2) for the quarter. The organic growth is due to openings of units and more customers.

Operating profit totalled SEK 13m (9), an increase of 49% compared to the same period last year. The operating margin for the quarter was 6.7% (4.5). The operating margin growth is mainly due to the closing of unprofitable units.

Financial position

Financing

The Group's equity amounted to SEK 2,368m (2,205) on 31 March 2020. The equity/assets ratio was 28.4% (32.7). Humana's interest-bearing net debt amounted to SEK 3,798m (2,928), an increase of 30% compared to the same period in 2019. Humana's debt-to-equity ratio, its interest-bearing net debt in relation to EBITDA, decreased to 5.2 times (5.7). The improved debt-to-equity ratio is primarily due to higher profit.

Financial position

SEK M	31 Mar 2020	31 Mar 2019	31 Dec 2019
Non-current interest-bearing liabilities	3,695	2,523	3,671
Current interest-bearing liabilities	892	826	878
Cash and cash equivalents	-789	-420	-836
Interest-bearing net debt	3,798	2,928	3,712
Equity/assets ratio	28.4%	32.7%	28.0%
Interest-bearing net debt/adjusted EBITDA, 12 months, times	5.2x	5.7x	5.4x

Cash flow and investments expenditures

Operating cash flow during the quarter amounted to SEK 95m (33). The improvement is due to a higher result, lower working capital and somewhat lower investments.

Cash flow for the quarter amounted to SEK -58m (-100), with net cash flow from operating activities amounting to SEK 94m (63). The higher cash flow from operating activities is attributable to a higher amount of working capital of SEK -41m (-50), as well as the improved profit. Cash flow from investing activities was SEK -31m (-62). Cash flow from financing activities was SEK -121m (-101).

Financial targets

Profitability

An operating margin of 7% over the medium term.

Revenue growth

Annual organic revenue growth of 5% over the medium term. Bolt-on acquisitions may generate additional annual growth of 2-3%.

Capital structure

Interest-bearing net debt not exceeding 4.5 times EBITDA, i.e. operating results before depreciation, amortisation and impairment (see Note 9b, Financial definitions and intent). Debt may temporarily exceed the target level, which may happen during acquisitions.

Dividend policy

A dividend corresponding to 30% of profit for the year. The proposed dividend shall consider Humana's long-term development potential and financial position.

Other information

Employees

The number of full-time employees as of 31 March 2020 was 9,997 (9,481).

Shares, share capital and shareholders

The number of shares in Humana AB as per 31 March 2020 amounted to 53,140,064 with a quote value of SEK 0.022, corresponding to share capital of SEK 1,180,879. The number of shareholders as of 31 March 2020 was 3,756. The five largest shareholders were Impilo Care AB, Incentive AS (via funds and mandate), Air Syndication SCA (Argan Capital), Nordea Investment Funds and SEB Investment Management.

Marketplace

Humana AB shares trade on the Nasdaq Stockholm Main Market. The company's ticker symbol is HUM and the ISIN code is SE0008040653.

Share-based incentive programmes

Humana has had two long-term incentive programmes: a share savings programme for 150 Humana employees and a warrant programme for the Company's eight senior executives. The programmes ended on 31 January 2020 and 31 March 2020, respectively. For more information on the programmes, see note 7 and the 2019 annual report.

Related party transactions

The Group's key personnel consists of the Board of Directors, Group management and the CEO, through ownership of Humana and through their roles as senior executives. Related party transactions are based on market conditions.

Risks and uncertainties

In the course of its operations, the Group is exposed to various types of financial risks, such as financing risk, liquidity risk, credit risk and interest rate risk. Risks are described in more detail in the section in Humana's 2019 annual report entitled Risks and risk management on pages 56-61 as well as note G19.

The main risks related to operations and uncertainties that can affect Group performance are related to

political decisions that may affect private care companies, as well as risks when implementing completed acquisitions.

Humana conducts operations that are financed by state, municipal and county council entities, and as such operations can be affected by political decisions. As a result, Humana's opportunities for growth are affected by public opinion and political views on the Group's areas of operation. Humana is constantly monitoring the external situation. The purpose is to quickly perceive external changes in order to assess risks and opportunities, as well as adapt operations to external changes. The political situation is evaluated continuously.

Infectious diseases happen in society. These diseases can infect anyone, but the situation is most difficult for people in risk groups. In Humana's operations, there are customers and clients in risk groups, and we have guidelines and routines in our management system for how our operations should prevent and manage various infectious diseases. Infectious diseases can also mean that employees become sick at the same time, which can lead to difficulties staffing the operations. If there is an epidemic/pandemic, there is also a risk that Humana's revenues and costs will be negatively impacted, for instance as a result of lower occupancy and costs for sick leave and PPE, personal protective equipment. Humana's operations are affected by the ongoing pandemic covid-19. A crisis organisation has been established in order to support the work and minimise the spread of disease and its impact.

Parent Company

Earnings for the parent company for Q1 2020 amounted to SEK -8m (-31). The equity/assets ratio at 31 March was 46.5% (44.6 on 31 March 2019). The Parent Company is indirectly affected by the operations of the subsidiaries, Risks and uncertainties are therefore the same as those for the Group described above.

This interim report was not subject to a review as per ISRE 2410 by the Company's auditors.

The President certifies that this interim report for the first quarter gives a true and fair presentation of the Parent Company's and Group's business, financial position and result of operations, and describes the material risks and uncertainties facing the Parent Company and the Group.

Stockholm, 7 May 2020

Rasmus Nerman
President and CEO

Consolidated income statement

SEK M	Note	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/20	Jan- Dec 2019
Net revenue		1,932	1,708	7,671	7,446
Other operating revenue		6	0	26	21
Operating revenue	3	1,938	1,708	7,697	7,467
Other external expenses		-240	-216	-981	-958
Personnel costs		-1,511	-1,344	-5,950	-5,784
Depreciation/amortisation		-88	-68	-348	-327
Other operating expenses		-1	-2	-27	-28
Operating costs		-1,840	-1,631	-7,306	-7,097
Operating profit		98	77	391	369
Finance income		4	6	123	125
Finance expenses		-38	-27	-256	-246
Profit before tax		64	56	257	249
Income tax		-11	-12	-61	-61
Net profit for the period		53	44	197	187
Attributable to:					
Parent Company shareholders		53	44	198	188
Non-controlling interests		0	0	-1	-1
Net profit for the period		53	44	197	187
Earnings per share, SEK, before dilution	5	1.00	0.83	3.72	3.54
Earnings per share, SEK, after dilution	5	1.00	0.83	3.72	3.54
Average number of shares, thousands		53,140	53,140	53,140	53,140

Consolidated statement of other comprehensive income

SEK M	Note	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/20	Jan- Dec 2019
Net profit for the period		53	44	197	187
Other comprehensive income					
Items that have been/may be reclassified to profit or loss:					
Effect of currency hedges of net investments in foreign operations	6c	5	-18	9	-14
Exchange rate differences on translation of foreign operations		5	31	-12	15
Net profit and other comprehensive income for the period		63	58	194	188
Attributable to:					
Parent Company shareholders		63	58	194	189
Non-controlling interests		0	0	-1	-1

Consolidated balance sheet in summary

SEK M	Note	31 Mar 2020	31 Mar 2019	31 Dec 2019
Assets				
Non-current assets				
Goodwill	4	3,923	3,193	3,897
Other intangible assets		6	7	5
Property, plant and equipment		391	609	377
Right-of-use assets		2,141	1,485	2,089
Financial assets		37	13	33
Total non-current assets		6,497	5,306	6,401
Current assets				
Trade receivables and other receivables		838	880	834
Other current receivables		215	133	160
Cash and cash equivalents		789	420	836
Total current assets		1,842	1,434	1,830
TOTAL ASSETS		8,340	6,741	8,231
Equity and liabilities				
Equity				
Share capital		1	1	1
Additional paid-in capital		1,096	1,095	1,096
Reserves		38	41	29
Retained earnings		1,211	1,051	1,158
Equity attributable to owners of the parent company		2,346	2,188	2,284
Equity attributable to non-controlling interest		22	18	22
Total equity		2,368	2,205	2,305
Non-current liabilities				
Lease liability, long-term		1,959	1,326	1,902
Other interest-bearing liabilities		1,736	1,197	1,769
Deferred tax liabilities		71	77	71
Total non-current liabilities		3,766	2,600	3,741
Current liabilities				
Lease liability, short term		271	223	270
Other interest-bearing liabilities		620	602	607
Trade payables		91	90	129
Other current liabilities		1,223	1,020	1,178
Total current liabilities		2,206	1,935	2,185
TOTAL EQUITY AND LIABILITIES		8,340	6,741	8,231

Condensed consolidated changes in equity

SEK M	Share capital	Other capital contributions	Translation reserve	Retained earnings	Equity attributable to Parent Company owners	Non-controlling interests	Total equity
Opening balance, 1 Jan 2019	1	1,094	28	1,007	2,130	17	2,147
Comprehensive income for the period							
Profit for the period	-	-	-	44	44	0	44
Other comprehensive income for the period	-	-	14	-	14	-	14
Total comprehensive income for the period	-	-	14	44	58	0	57
Owner transactions							
Share savings programme	-	0	-	-	0	-	0
Shareholder contributions	-	-	-	-	-	1	1
Total transactions with company owners	-	-	-	-	0	1	1
Closing balance, 31 Mar 2019	1	1,095	42	1,051	2,188	18	2,205
Opening balance, 1 Jan 2020	1	1,096	29	1,158	2,284	22	2,305
Comprehensive income for the period							
Profit for the period	-	-	-	53	53	0	53
Other comprehensive income for the period	-	-	10	-	10	-	10
Total comprehensive income for the period	-	-	10	53	63	0	63
Transactions with company owners							
Shareholder contributions	-	-	-	-	-	-	-
Total transactions with company owners	-	-	-	-	-	-	-
Closing balance, 31 Mar 2020	1	1,096	38	1,211	2,346	22	2,368

Consolidated statement of cash flows in summary

SEK M	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/20	Jan-Dec 2019
Profit before tax	64	56	257	249
Adjustments for:				
Depreciation/amortisation	88	68	348	327
Financial items, net	34	21	133	121
Other non-cash items	0	-1	1	0
Cash flow from operating activities before changes in working capital	187	144	739	697
Change in working capital	-41	-50	135	126
Cash flow from operating activities	146	94	875	823
Financial items, net	-30	-15	-135	-120
Income tax paid	-23	-17	-77	-71
Cash flow from operating activities, net	94	63	663	631
Acquisition of subsidiaries, net cash impact	0	0	-483	-483
Disposal of properties	20	0	408	388
Investments in other non-current assets, net	-51	-62	-217	-228
Cash flow from investing activities	-31	-62	-292	-323
Loans raised	0	0	795	795
Repayments of borrowings	-50	-51	-493	-494
Repayment of lease liability	-71	-50	-271	-250
Dividend paid	0	0	-37	-37
Cash flow from financing activities	-121	-101	-6	14
Cash flow for the period	-58	-100	365	322
Cash and cash equivalents at start of period	836	514	420	514
Exchange differences	11	7	4	0
Cash and cash equivalents at end of period	789	420	789	836

Key ratios

	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/20	Jan-Dec 2019
Operating revenue	1,938	1,708	7,697	7,467
Operating margin, %	5.1%	4.5%	5.1%	4.9%
Interest-bearing net debt, SEKm	3,798	2,928	3,798	3,712
Return on capital employed, %	1.4%	1.4%	5.6%	5.4%
Equity/assets ratio, %	28.4%	32.7%	28.4%	28.0%
Operating cash flow, SEKm	95	33	657	595
Interest-bearing net debt/adjusted EBITDA, 12 months, times	5.2x	5.7x	5.2x	5.4x
Average number of employees, Individual & Family, FTE	2,085	2,249	2,021	2,026
Average number of employees, Personal Assistance, FTE	4,887	5,032	4,938	4,909
Average number of employees, Elderly Care, FTE	820	840	841	847
Average number of full-time employees, Finland	1,681	840	1,749	1,538
Average number of full-time employees, Norway	779	795	794	799
Average number of full-time employees, Central functions incl. DK	57	53	57	56
Average number of employees, FTE	10,309	9,808	10,401	10,175
Number of employees at end of period, FTE	9,997	9,481	9,997	10,093
Average number of customers, Individual & Family	1,760	1,842	1,809	1,829
Average number of customers Personal Assistance	1,885	1,854	1,877	1,869
Average number of customers, Elderly Care	803	782	800	794
Average number of customers, Finland	4,265	2,550	4,057	3,628
Average number of customers, Norway	312	309	301	300
Average number of customers, Denmark	69	88	78	83
Total average number of customers	9,094	7,424	8,921	8,503
Average number of ordinary share for the period, thousands	53,140	53,140	53,140	53,140
Equity per ordinary share, SEK	44	41	44	43
Earnings per share, SEK, after dilution	1.00	0.83	3.72	3.54

Parent Company

Income statement in summary

	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/20	Jan-Dec 2019
SEK M				
Operating revenue	2	3	6	4
Operating costs	-5	-8	-20	-15
Operating profit	-3	-5	-13	-10
Interest income	32	6	74	0
Interest expenses	-39	-40	-114	-29
Profit after financial items	-10	-39	-53	-40
Group contribution	-	-	150	142
Change in untaxed reserves	-	-	22	5
Profit before tax	-10	-39	119	107
Tax	2	8	-26	-24
Net profit for the period	-8	-31	93	84

Balance sheet in summary

	31 Mar 2020	31 Mar 2019	31 Dec 2019
SEK M			
Non-current assets	1,629	1,627	1,627
Current assets	1,921	1,951	2,029
TOTAL ASSETS	3,550	3,578	3,656
Equity	1,651	1,594	1,625
Untaxed reserves	152	174	174
Non-current interest-bearing liabilities	1,123	1,194	1,231
Other current liabilities	624	617	627
TOTAL EQUITY AND LIABILITIES	3,550	3,578	3,656

Notes

Note 1 Accounting policies

This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting along with applicable stipulations in the Swedish Annual Accounts Act. The report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act – Interim Reports. In general the same accounting policies and bases of calculation have been used as in the annual report for 2019, which was prepared in accordance with the International Financial Reporting Standards as ratified by the EU, and interpretations of these.

Disclosures in accordance with IAS 34. 16A appear in the financial statements and their associated notes as well as in the interim information on pages 2–8, which form an integral part of this financial report.

New accounting standards applied from 1 January 2020

Humana has made the assessment that new or changed standards and interpretations will not have any significant effect on the Group's financial reports.

Note 2 Estimations and assessments

Preparation of financial statements in compliance with IFRS requires management to make accounting estimates and assumptions which affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. The actual outcome may differ from these accounting estimates. The critical assessments and sources of uncertainty in estimates are the same as in the most recent annual report.

Note 3a Operating segments

SEK m	Individual & Family		Personal Assistance		Elderly Care		Jan-Mar 2019
	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2020	Jan-Mar 2019	
Net revenue – External revenue	519	512	719	684	146		134
Other operating revenue	0	0	0	0	0		0
Operating revenue	519	512	719	684	146		134
Profit before depreciation, amortisation and other operating costs	42	37	41	40	3		6
Depreciation/amortisation	-8	-9	0	-1	-3		-2
Other operating expenses	-1	0	0	0	0		0
Operating profit	33	28	40	39	0		4

SEK m	Finland		Norway		Other		Total	
	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2020	Jan-Mar 2019
Net revenue – External revenue	350	179	194	194	4	5	1,932	1,708
Other operating revenue	0	0	0	0	6	0	5	0
Operating revenue	350	179	194	194	10	5	1,938	1,708
Profit before depreciation, amortisation and other operating costs	21	19	16	11	65	35	187	147
Depreciation/amortisation	-4	-4	-3	-2	-70	-51	-88	-68
Other operating expenses	0	0	0	0	0	-2	-1	-2
Operating profit	17	15	13	9	-5	-18	98	77

Note 3b Revenue breakdown by country

SEK M	Jan-Mar 2020	Jan-Mar 2019
Sweden	1,390	1,330
Finland	350	179
Norway	194	194
Denmark	4	5
Total operating revenue	1,938	1,708

Note 4 Acquisition of operations, goodwill

SEK M	31 Mar 2020	31 Mar 2019	31 Dec 2019
Opening balance, 1 January	3,897	3,168	3,168
Acquisitions	-	0	702
Adjustment of acquisition analysis	-	0	8
Exchange rate differences	26	25	20
Closing balance, end of period	3,923	3,193	3,897

Note 5 Earnings per share

SEK m	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/20	Jan-Dec 2019
Net profit attributable to owners of the Parent Company	53	44	198	188
Average number of shares, thousands	53,140	53,140	53,140	53,140
Earnings per share, SEK, before dilution	1.00	0.83	3.72	3.54
Earnings per share, SEK, after dilution	1.00	0.83	3.72	3.54

Note 6a Fair value of financial instruments and level in valuation hierarchy

2020-03-31 SEK m	Financial liabilities at fair value through profit or loss	Total carrying amounts	Fair values	Level 1	Level 2	Level 3
Financial liabilities						
Earn-out payment	13	13	13	-	-	13

31 March 2019 SEK m	Financial liabilities at fair value through profit or loss	Total carrying amounts	Fair values	Level 1	Level 2	Level 3
Financial liabilities						
Earn-out payment	8	8	8	-	-	8

Fair value measurement

When determining the fair value of an asset or liability, the Group uses observable data as far as possible. Fair value is categorised in various levels in a fair value hierarchy based on input data that is used in the valuation method as follows:

Level 1: according to prices quoted in an active market for the same instruments

Level 2: based on directly or indirectly observable market data that is not included in level 1

Level 3: based on input data that is not observable in the market

Note 6b Reconciliation of opening/closing balances for financial instruments measured in level 3, additional consideration

SEK m	31 Mar 2020	31 Dec 2019
Opening balance, 1 January	13	8
Total reported profits and losses:		
Recognised in adjustment of earn-out payments in net profit	0	-12
Cost of acquisition	0	20
Settled during the period	0	-3
Closing balance, end of period	13	13

Note 6c Hedge accounting

The Group is hedging parts of the foreign exchange risk related to net investments in foreign operations. As of 31 March 2020, the Group had exposure in EUR and NOK, which is hedged with loans in foreign currencies. Hedge accounting means that the effective part of the translation differences is recognised in the consolidated statement of other comprehensive income. As at 31 March 2020, the Group had loans of EUR 40 M and loans of NOK 328 M for which hedge accounting is applied. The related translation difference of SEK 7m (-22) before tax is consequently recognised in the consolidated statement of other comprehensive income.

Note 7 Incentive programmes

Humana has had two long-term incentive programmes that were approved by the AGMs in 2016 and 2017. The share savings programme was directed at key employees at Humana and ended on 31 January 2020. The warrant programme was directed at eight senior executives and ended on 31 March 2020. The purpose of the programmes has been to encourage a broad ownership among Humana employees, facilitate recruitment, retain competent employees and increase the motivation to achieve or exceed Humana's financial targets.

For the share savings programme, participants could invest in saving shares (at market price) and then, based on the terms of the programme, could receive matching shares and potentially even performance-based shares at the end of the programme. The number of registered saving shares at 31 March 2020 amounted to 44,045, which corresponds to a maximum allocation of 52,462 shares. The shares will be distributed in April-May 2020.

The warrants were acquired at market price and were issued in three separate series that could be redeemed at different times. The first date for redeeming the warrants was during the period 1-31 March 2018 at the subscription price of SEK 74.40. The second date for redeeming the warrants was during the period 1-31 March 2019 at the subscription price of SEK 77.50. The third date for redeeming the warrants was during the period 1-31 March 2020 at the subscription price of SEK 80.60.

Number of warrants	2020	Number of shares in share savings programme	2020
Outstanding, 1 January	480,140	Outstanding, 1 January	61,667
Acquired	-	Acquired	-
Forfeited	-	Forfeited	-9,205
Exercised	-	Exercised	-
Expired	-480,140	Expired	-
Outstanding 31 March	0	Outstanding 31 March	52,462

Note 8a Reconciliation with IFRS financial statements

In the financial reports that Humana issues, there are alternative performance measures specified that complement the measurements defined or specified in the applicable financial reporting rules. Alternative performance measures are indicated when, in their context, they provide clearer or more detailed information than the measurements defined in the applicable financial reporting rules. The alternative performance measures are derived from the Company's consolidated financial statements and are not IFRS measures.

	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/20	Jan-Dec 2019
Adjusted operating profit				
Operating profit	98	77	391	369
Capital gain on sale of property	0	0	-4	-4
Adjusted operating profit	98	77	386	365
Adjusted EBITDA				
Operating profit	98	77	391	369
Depreciation/amortisation	88	68	348	327
EBITDA	187	145	738	697
Capital gain on sale of property	0	0	-4	-4
Adjusted EBITDA	187	145	734	692
Organic revenue growth				
Revenue, base	1,708	1,643	6,686	6,660
Revenue, organic growth	65	25	175	134
Total organic growth, constant currency rate	3.8%	1.5%	2.6%	2.0%
Operating cash flow				
Operating profit	98	77	391	369
Depreciation/amortisation	88	68	348	327
Change in working capital	-41	-50	135	126
Investments in other non-current assets, net	-51	-62	-217	-228
Operating cash flow	95	33	657	595
	31 Mar 2020	31 Mar 2019		31 Dec 2019
Interest-bearing net debt				
Non-current interest-bearing liabilities	3,695	2,523		3,671
Current interest-bearing liabilities	892	826		878
Cash and cash equivalents	-789	-420		-836
Interest-bearing net debt	3,798	2,928		3,712
Adjusted EBITDA 12 month	734	509		692
Interest-bearing net debt/Adjusted EBITDA, 12 months, times	5.2x	5.7x		5.4x
Return on capital employed, %				
TOTAL ASSETS	8,340	6,741		8,231
Deferred tax liabilities	-71	-77		-71
Trade payables	-91	-90		-129
Other current liabilities	-1,223	-1,020		-1,178
Capital employed	6,955	5,554		6,853
Operating profit	98	77		369
Finance income	0	0		1
Total	99	77		371
Return on capital employed, %	1.4%	1.4%		5.4%
Equity/assets ratio, %				
Total equity	2,368	2,205		2,305
TOTAL ASSETS	8,340	6,741		8,231
Equity/assets ratio, %	28.4%	32.7%		28.0%

Note 8b Financial definitions and intent

Key financial figures

	Definition	Intent
Return on capital employed (%)	Operating profit and finance income divided by total capital employed multiplied by 100.	Indicates the operating return on the capital that owners and lenders have made available. The intent is to show consolidated returns, regardless of the financing.
EBITDA	Operating profit before depreciation, amortisation and impairment.	The measure is used to monitor the company's profit/loss generated by operating activities and facilitate comparisons of profitability between different companies and industries.
Adjusted operating profit and adjusted EBITDA	Operating profit and EBITDA adjusted for items affecting comparability.	Adjustment of items affecting comparability is done to facilitate a fair comparison between two comparable periods and to show the underlying trend in operating activities excluding non-recurring items.
Operating cash flow	Operating profit including changes in depreciation/amortisation/impairment, working capital and investments in other non-current assets (net).	The exclusion of cash flow from acquisitions and financing facilitates an analysis of cash flow generation in operating activities.
Organic growth	Growth for comparable companies in each segment that Humana owned during the previous comparative period.	The measure shows the underlying sales growth in comparable companies between the different periods.
Interest-bearing net debt	Borrowing excluding interest rate derivatives less cash and cash equivalents and interest-bearing assets.	Net debt is used as a simple way to illustrate and assess the Group's ability to meet financial commitments.
Interest-bearing net debt/EBITDA	Interest-bearing net debt divided by EBITDA.	Indicates consolidated debt in relation to EBITDA. This is used to illustrate the Group's ability to meet financial commitments.
Equity/assets ratio (%)	Equity including non-controlling interests divided by total assets multiplied by 100.	Indicates the proportion of assets that are financed with equity. The aim is to assess the Group's solvency in the long term.
Capital employed	Total assets less non-interest-bearing liabilities.	Indicates the portion of the company's assets financed by interest-bearing capital.

Other performance measures

	Definition
Equity per ordinary share	Equity attributable to Parent Company shareholders divided by number of shares at end of period after redemption, repurchase and new share issue.
Average number of ordinary shares	Calculated as the average daily number of ordinary shares outstanding after redemption and repurchase.
Average equity	Average equity attributable to Parent Company shareholders per quarter, calculated from the opening and closing balance for each quarter.
Items affecting comparability	Non-recurring items that complicate the comparability between two given periods.
Average number of full-time employees	Average number of full-time employees during the reporting period.
Average number of customers	Average number of customers during the period.
Earnings per ordinary share for the period	Profit for the period attributable to Parent Company shareholders less the period's share of the adopted dividend for preference shares divided by average number of ordinary shares. Defined in IFRS.
Operating profit	Profit before financial items and tax.
EBIT margin (%)	Operating profit divided by operating revenue multiplied by 100.

This information is information that Humana AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, at 08:00 CET on 7 May 2020.

Conference call

A conference call will be held 7 May 2020 at 09:00 CET, at which President and CEO Rasmus Nerman along with Vice President and CFO Ulf Bonnevier will present the report and answer questions. Due to the ongoing pandemic, Quality Director Eva Nilsson Bågenholm will also be present to answer questions. To participate, call:

SE: +46 8 5055 8354
UK: +44 33 3300 9031
USA: +1 833 526 8397

Financial calendar

Interim report Jan-Mar 2020	7 May 2020
AGM 2020	7 May 2020
Interim report Apr-Jun 2020	20 Aug 2020
Interim report Jul-Sep 2020	6 Nov 2020
Interim report Oct-Dec 2020	11 Feb 2021

For further information:

Ulf Bonnevier, Vice President and CFO
+46 70 164 73 17, ulf.bonnevier@humana.se

Anna Sönne, Head of Investor Relations
+46 70 601 48 53, anna.sonne@humana.se

