



Humana

Q2 April – June 2018

17 August 2018

Q2 financial highlights

Revenue

- Operating revenue increased 1% to SEK 1,696m (1,678). The now divested home care operations contributed with SEK 68m to revenue the corresponding quarter last year. Excl. for the home care operation revenue increased with 5%.
- The organic growth in the quarter was 3.4%



Operating profit

- Operating profit (EBIT) of SEK 78m (74), an increase of SEK 4m or 5%.
- Adj. Operating profit of SEK 78m (60 excl. for capital gain last year of SEK 15m), an increase of 18m or 31%.
- Operating margin 4.6% (4.4)
- Adj. operating margin 4,6% (3,6)

Cash flow & net debt

- Operating cash flow increased to SEK 143m (45), an increase of SEK 98m.
- Net debt was lowered to SEK 1 417m (1 561)
- Net debt/EBITDA of 3.4x (3.8)



Operational highlights in Q2 (I/IV)

Individual & Family -

"Strengthened operations with potential for further improvements"

- A quarter for I&F where we continue to see expected positive effects to profits from implemented efficiency measures
- Markets for institutional care have stabilized whereas the market for family homes and outpatient care is challenging
- However we continue to see a lowered revenue development due to:
 - fewer contracts in our outsourcing portfolio (LSS)
 - weakened demand in some areas of the business (F&Ö)
- Focus on activities to strengthen the revenue generation and on future growth



Humana



**Individual
& Family**



Personal Assistance

Operational highlights in Q2 (II/IV)

Personal Assistance - “Signs of a somewhat improving market”

- We start to see a certain stabilization in the market following the positive changes communicated earlier:
 - number of individuals entitled to personal assistance in the market continued to decline in the second quarter, although at a lower pace
 - also the number of withdrawn decisions is fewer compared to last year
- We continue to work for high operational efficiency to handle cost inflation in the business area
 - Humana continues to gain market share
- Consolidation in the market continues and on July 1st we finalized a minor acquisition in Personal Assistance, the first in many years



Operational highlights in Q2 (III/IV)

Elderly Care –

“Return to profit and while focus on expansion”

- The solid organic growth continues in the quarter, 35% driven by newly started own managed units
 - revenue development still impacted by last years divesture of home care operation (SEK 68m contribution to revenue in Q2 last year)
- Ramping up of both Åkersberga and Växjö continued according to plan with improving utilization in both units
- Humana has won one additional quality tender for elderly housing in Hammarby Sjöstad in Stockholm, which can accommodate 59 residents.
- Clear ambition that business area, despite new openings, is profitable in 2018



Humana



**Elderly
Care**



Other Nordics

Operational highlights in Q2 (IV/IV)

Other Nordics -

“Clear improvement in revenue and earnings in Norway and continued solid performance in Finland”

- The Norwegian operations showed clear improvements in the quarter as a result of:
 - cost efficiency program continuing to materialise
 - growing revenues and increasing demand in several parts of the business
- Continued strong momentum in Finland
 - good demand and solid performance in all segments
 - focus on growth and geographical expansion



Politics and markets for private care in the Nordics



Stable markets and proposal to restrict profits was voted down in Swedish parliament

- Certain stabilization in market for personal assistance
- Stable and good demand for institutional care in I&F. Challenging markets within F&Ö
- Strong demand for OWM elderly care units and improving markets for tendered contracts
- The Reepalu proposal (profit restriction) that has met with severe criticism was voted down in parliament June 2018.



Continuous good market demand and delay of SOTE reform

- Demand for services in Finland continues to be high
- Referendum in Finnish parliament delayed and high uncertainty with regards to SOTE reform (timing and content)



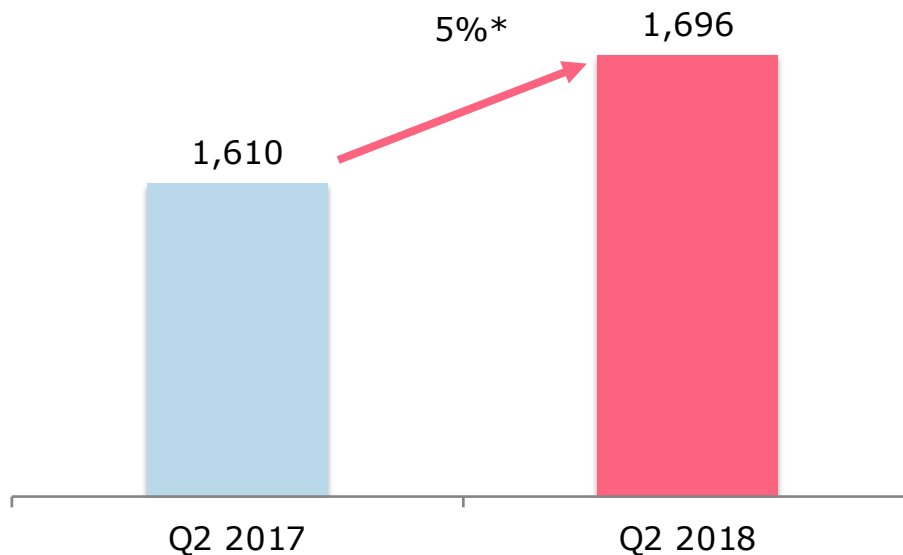
Improving markets and ongoing political debate

- Stable and improving demand in several parts of business
- Surging political debate similar to Sweden with regards to private provision of care. *A proposal to restrict private provision in barnevern* (I&F) was voted down in Stortinget but a public inquiry has been launched



Operating revenue

SEK million



* Excluding SEK 68m in divested home care operation in Q2 2017

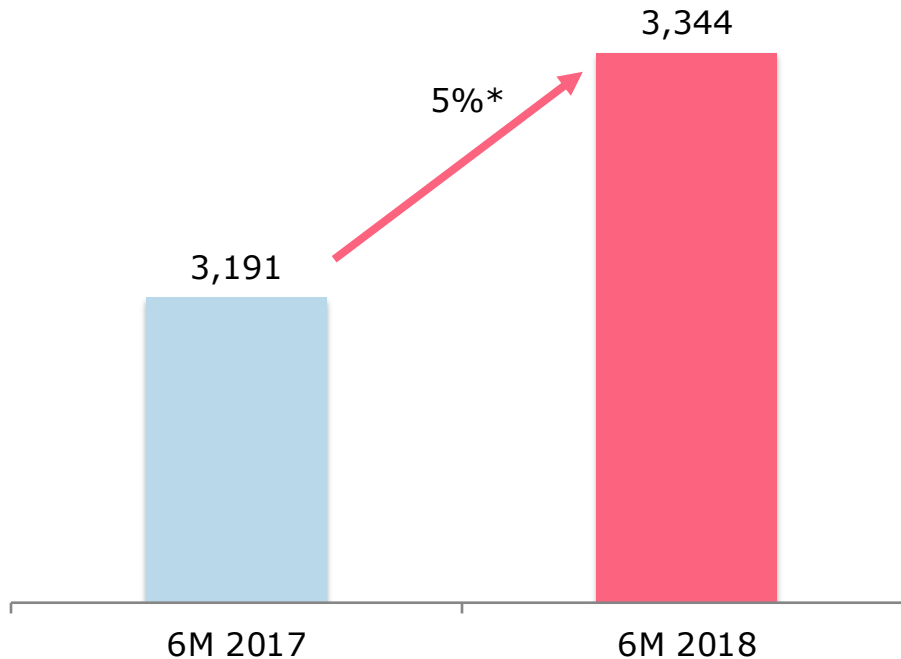
Humana Q2 2018 - Operating revenue

Comments

- Operating revenue grew 5% to SEK 1,696m excl. for the now divested home care operations
 - organic increase of 3.4% explained by:
 - strong organic growth within Elderly Care and Other Nordics
 - positive contribution from organic start-ups in Finland
 - slightly higher reimbursement level within Personal Assistance

Operating revenue

SEK million



* Excluding SEK 135m in divested home care operation in Q2 2017

Humana 6M 2018 - Operating revenue

Comments

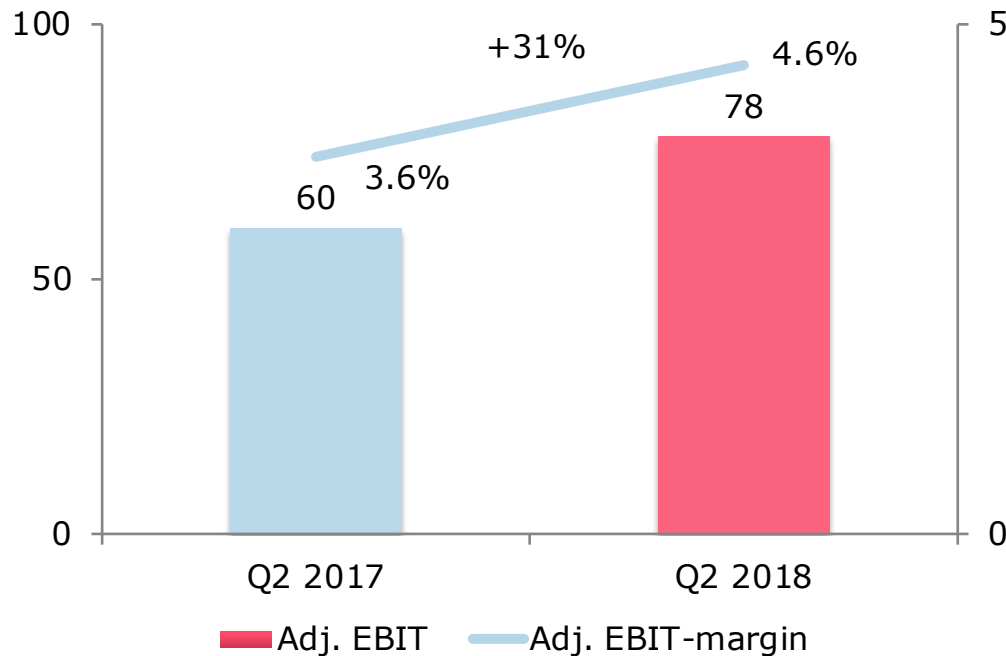
- Operating revenue increased 5% to SEK 3,344m excl. for the now divested home care operations
 - organic increase of 2.6% explained by:
 - strong organic growth within Elderly Care and Other Nordics
 - positive contribution from organic start-ups in Finland
 - slightly higher reimbursement level within Personal Assistance

Humana Q2 2018 – Adjusted operating profit

Adjusted operating profit

SEK million

%



Comments

Adjusted operating profit was SEK 78m (60), an increase of 31%.

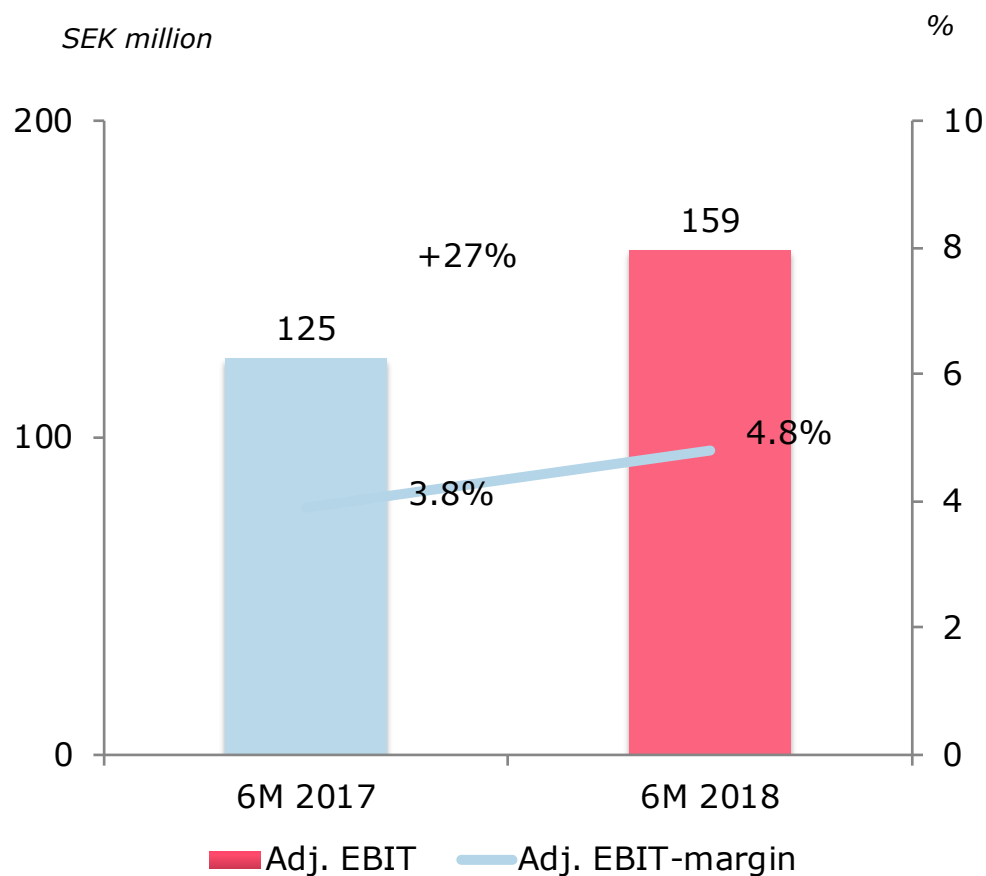
Positive impact from:

- revenue increase and lowered costs in Norway
- turning from loss to profit in Elderly Care

However:

- impact from start-ups in Elderly Care

Adjusted operating profit



Humana 6M 2018

– Adjusted operating profit

Comments

Adjusted operating profit was SEK 159m (125), an increase of 27%.

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

However:

- impact from start-ups in Elderly Care





Individual & Family

– Q2 2018

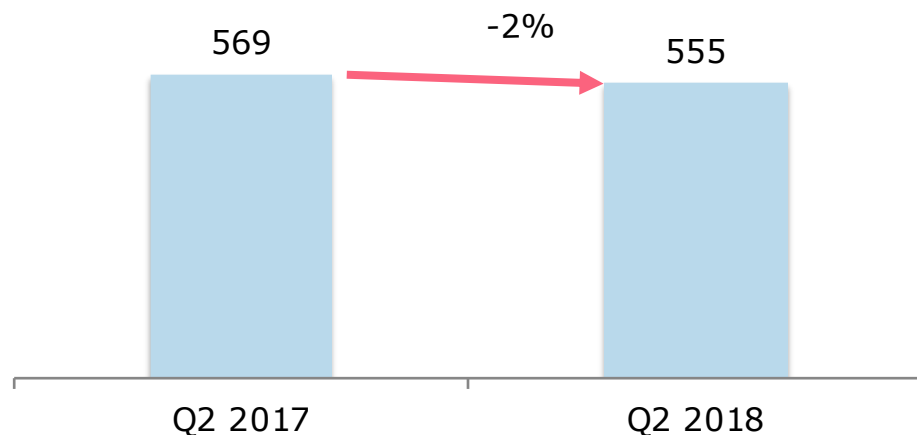
Comments

- Operating revenue decreased 2% to SEK 555m
 - organic decrease of -2.4% partly explained by LSS contracts that have gone back to municipal management
 - some slower development within family homes and outpatient care
- Operating profit was in line with last year at SEK 40m (40), margin at 7.1% (7.1)

Average	Q2 2018	Q2 2017	+/- %
Clients	1,984	2,092	-5.2
Employees	2,382	2,500	-4.7

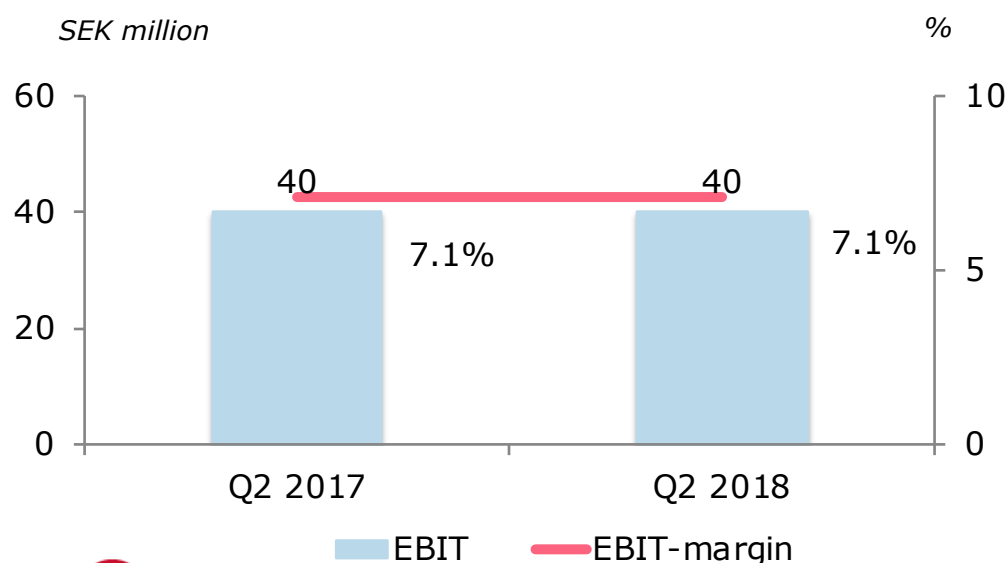
Operating revenue

SEK million



Operating profit (EBIT)

SEK million

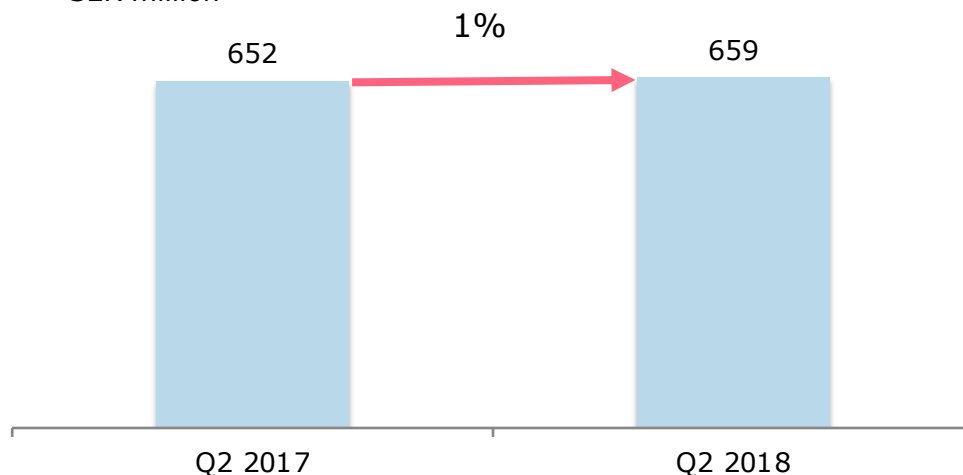




Personal Assistance – Q2 2018

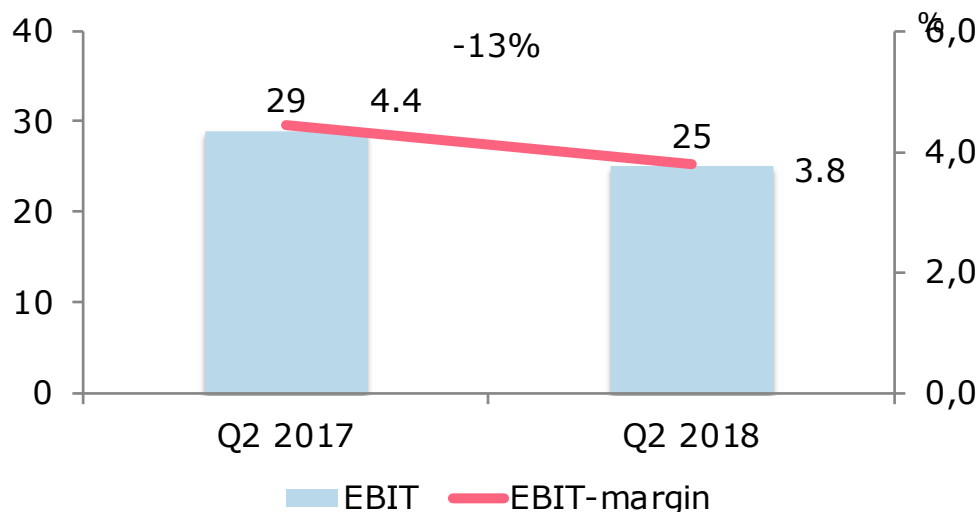
Operating revenue

SEK million



Operating profit (EBIT)

SEK million



Comments

- Operating revenue 1% higher than same period last year at SEK 659m.
- Operating profit decreased to SEK 25m (29), operating margin 3.8% (4.4)
 - explained by fewer clients and the fact that costs for salary increases are higher than the increase of reimbursement level

Average	Q2 2018	Q2 2017	+/- %
Clients	1,827	1,880	-2.8
Employees	5,024	5,034	-0.2



Humana

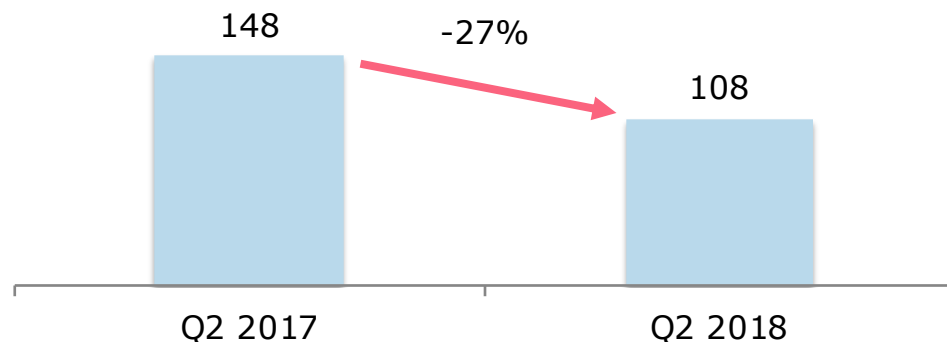


Elderly Care

– Q2 2018

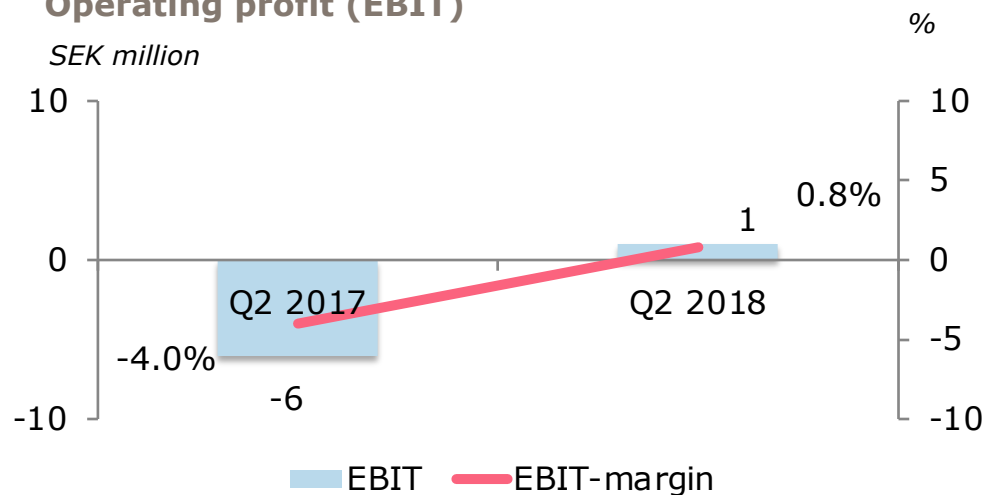
Operating revenue

SEK million



Operating profit (EBIT)

SEK million



Comments

- Operating revenue decreased by 27% in Q2 2018 to SEK 108m but organic growth of 35.3% from own managed elderly care homes and contracts. The revenue decrease is explained by the sale of home care operations (68m).
- Operating losses were reversed to a profit in the quarter SEK 1m (-6), an improving trend
- Margin 0.8% (-4.0)
 - we expect to be profit making in Växjö and Åkersberga OWM unit going forward

Average	Q2 2018	Q2 2017	+/--%
Clients	662	2,586	-74.4
Employees	799	1,174	-31.9



Humana



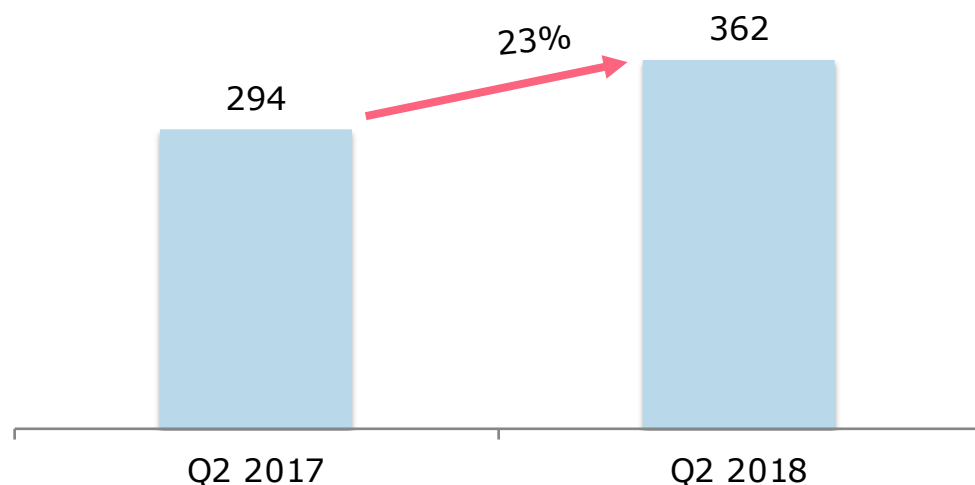
Other Nordics – Q2 2018

Comments

- Operating revenue increased 23% to SEK 362m (294), driven by improvements in the Norwegian operation and the organic expansion in Finland. Organic increase at constant currency of 11.4%.
- Operating profit increased to SEK 28m (16), margin 7.8% (5.4). The increase is explained by growing revenues and cost savings in the Norwegian operation together with continued solid development and good revenue demand in Finland.

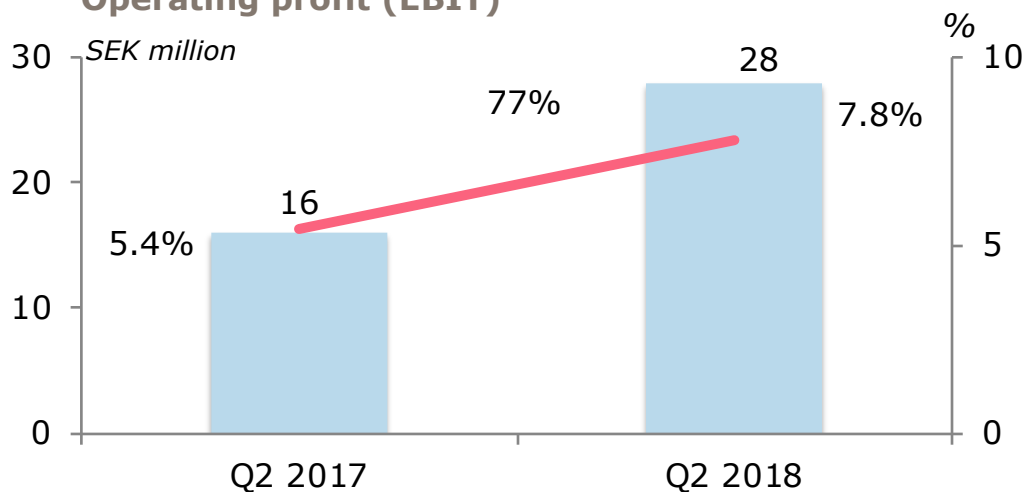
Operating revenue

SEK million



Operating profit (EBIT)

SEK million



Humana

EBIT EBIT-margin

Average	Q2 2018	Q2 2017	+/-%
Clients	3,017	2,429	+24.2
Employees	1,496	1,347	+11.1

Cash flow – key highlights

SEK million

	Q2 2017	Q2 2018
Operating cash flow before changes in working capital	89	94
Changes in working capital	-19	87
Underline cash flow from operations	70	180
Financial items, net	-21	-23
Income tax paid	-29	-9
Cash flow from operating activities	20	148
Acquisitions, net cash impact	132	-18
Investments	-26	-37
Cash flow from investing activities	106	-54
Cash flow from financing activities	-27	-88
Cash flow for the period	99	6

Comments

- Cash flow from operating activities for the quarter was SEK 148m vs. SEK 20m last year.
- Investments in the quarter driven mainly by Other Nordics (Finland) and Individual & Family.



Central costs/other

SEK million

Costs	Q2 2017	Q2 2018
Underlying central costs	20	21
Effect from final settlement of additional purchase prices	-	-9
Cost for acquisitions	-	5
Sale and lease back	-15	-
Long-term incentive program	-	1
Capital gain (sale of company in Finland)	-	-2
Central overhead costs	5	16
Costs	6M 2017	6M 2018
Underlying central costs	37	38
Effect from final settlement of additional purchase prices	-	-9
Sale-and-leaseback	-15	-
Long-term incentive program	-	1
Cost for acquisitions	1	5
Capital gain (sale of company in Finland)	-	-2
Central overhead costs	23	33

Comments

- Underlying central costs in Q2 2018 SEK 21m vs SEK 20m in Q2 2017

- Underlying central costs for the period was SEK 38 m vs. SEK 37m for the 6M period last year





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

	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jul-Jun 2017/18	Jan-Dec 2017
SEK M						
Net revenue	1 685	1 663	3 333	3 312	6 563	6 542
Other revenue	11	15	11	15	11	14
Operating revenue	1 696	1 678	3 344	3 326	6 574	6 556
Other external costs	-265	-258	-528	-514	-1 030	-1 016
Personnel costs	-1 333	-1 331	-2 621	-2 643	-5 123	-5 145
Depreciation	-16	-15	-31	-29	-62	-60
Other operating costs	-5	0	-5	-1	-24	-19
Operating costs	-1 619	-1 604	-3 185	-3 187	-6 239	-6 241
Operating profit	78	74	159	140	335	316
Financial revenue	0	0	0	2	3	5
Financial costs	-17	-18	-41	-41	-79	-79
Unrealised changes in value of derivatives	1	2	1	9	1	9
Profit before tax	61	58	119	109	260	250
Income tax	-14	-9	-27	-20	-63	-57
Net profit for the period	47	48	92	89	197	194
Of which, attributable to:						
Owners of the Parent Company	47	48	92	89	197	194
Net profit for the period	47	48	92	89	197	194
Earnings per ordinary share, SEK, before dilution	0,88	0,91	1,73	1,26	3,71	3,64
Earnings per ordinary share, SEK, after dilution	0,88	0,91	1,73	1,26	3,71	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 Jun 2018	30 Jun 2017	31 Dec 2017
Assets			
Non-current assets			
Goodwill	3 170	3 080	3 104
Other intangible assets	10	12	10
Property, plant and equipment	452	371	413
Financial assets	15	8	8
Total non-current assets	3 647	3 471	3 535
Current assets			
Trade receivables and other receivables	845	861	842
Other current receivables	144	174	99
Cash and cash equivalents	507	468	584
Assets held for sale	-	43	-
Total current assets	1 497	1 545	1 525
TOTAL ASSETS	5 144	5 016	5 060
Equity and liabilities			
Equity			
Share capital	1	1	1
Additional paid-in capital	1 093	1 091	1 091
Retained earnings	899	694	799
Equity attributable to owners of the parent company	1 994	1 785	1 891
Non-current liabilities			
Interest-bearing liabilities	1 286	1 350	1 345
Deferred tax liabilities	78	82	73
Total non-current liabilities	1 364	1 432	1 417
Current liabilities			
Interest-bearing liabilities	639	680	680
Trade payables	97	85	93
Other current liabilities	1 051	997	979
Liabilities directly associated with the assets held for sale	-	38	-
Total current liabilities	1 786	1 799	1 752
TOTAL EQUITY AND LIABILITIES	5 144	5 016	5 060



Consolidated cash flow statement

SEK M	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jul-Jun 2017/18	Jan-Dec 2017
Profit before tax	61	58	119	109	260	250
Adjustment for:						
Depreciation	16	15	31	29	62	60
Financial items, net	17	17	40	30	75	65
Cash flow from operating activities before changes in working capital	94	89	190	169	397	376
Changes in working capital	87	-19	-26	-76	9	-40
Cash flow from operating activities	180	70	164	93	406	335
Financial items, net	-23	-21	-27	-39	-52	-64
Income tax paid	-9	-29	-18	-39	-8	-30
Cash flow from operating activities, net	148	20	120	16	346	242
Acquisition of subsidiaries, net cash impact	-22	0	-22	-16	-48	-42
Sales of subsidiaries, net cash impact	4	132	4	132	5	133
Investments in other non-current assets, net	-37	-26	-51	-65	-137	-151
Cash flow from investing activities	-54	106	-69	51	-180	-60
Proceeds from new borrowings	144	0	144	7	144	7
Repayment of borrowings	-200	0	-251	-56	-251	-56
Dividend	-32	-27	-32	-27	-32	-27
Cash flow from financing activities	-88	-27	-139	-75	-139	-75
Cash flow for the period	6	99	-88	-9	26	106
Cash and cash equivalents at start of period	497	359	584	465	468	465
Exchange rate difference in cash/cash equivalents	5	10	11	13	12	13
Cash and cash equivalents at end of period	507	468	507	468	507	584



Key ratios

	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jul-Jun 2017/18	Jan-Dec 2017
Operating revenue	1 696	1 678	3 344	3 326	6 574	6 556
EBIT, %	4,6%	4,4%	4,8%	4,2%	5,1%	4,8%
Interest-bearing net debt, SEK M	1 417	1 561	1 417	1 561	1 417	1 440
Return on capital employed, %	2,0%	1,9%	4,1%	3,7%	8,6%	8,2%
Equity/assets ratio, %	38,8%	35,6%	38,8%	35,6%	38,8%	37,4%
Operating cash flow	143	45	113	28	269	184
Interest-bearing net debt/Adjusted EBITDA 12 months, times	3,4x	3,8x	3,4x	3,8x	3,4x	3,8x
Average number full-time employees Individual & Family	2 382	2 500	2 415	2 513	2 415	2 483
Average number full-time employees Personal Assistance	5 024	5 034	5 085	4 996	5 085	5 097
Average number full-time employees Elderly Care	799	1 174	809	1 204	809	1 028
Average number full-time employees Other Nordic	1 496	1 347	1 441	1 327	1 441	1 372
Average number full-time employees Central functions	22	23	23	23	23	23
Total average number full-time employees	9 723	10 079	9 773	10 063	9 773	10 003
Number of full-time employees on the closing date	9 981	10 055	9 981	10 055	9 981	9 503
Average number of customers Individual & Family	1 984	2 092	1 997	2 122	2 002	2 064
Average number of customers Personal Assistance	1 827	1 880	1 831	1 878	1 842	1 866
Average number of customers Elderly Care	662	2 586	668	2 653	953	1 946
Average number of customers Other Nordic	3 017	2 429	2 956	2 282	2 778	2 441
Total average number of customers	7 491	8 987	7 453	8 935	7 575	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	38	34	38	34	38	36



Segments financials

Operating revenue by business area

	Apr-Jun 2018	Apr-Jun 2017	%	Jan-Jun 2018	Jan-Jun 2017	%	Jul-Jun 2017/18	Jan-Dec 2017	%
SEK M									
Individual & Family	555	569	-2%	1 106	1 123	-1%	2 196	2 212	-1%
Personal Assistance	659	652	1%	1 312	1 301	1%	2 632	2 621	0%
Elderly Care	108	148	-27%	217	302	-28%	436	521	-16%
Other Nordics	362	294	23%	698	587	19%	1 300	1 188	9%
Other revenue 2)	11	15	-24%	11	15	-24%	11	14	-25%
Total operating revenue	1 696	1 678	1%	3 344	3 326	1%	6 575	6 556	0%

Organic growth by business area 1)

	Apr-Jun 2018	Apr-Jun 2017	%	Jan-Jun 2018	Jan-Jun 2017	%	Jul-Jun 2017/18	Jan-Dec 2017	%
%									
Individual & Family	-2,4%	-0,2%		-1,4%	-1,3%		-3,3%	-2,8%	
Personal Assistance	1,0%	-0,6%		0,8%	-1,6%		0,3%	-0,9%	
Elderly Care	35,3%	2,5%		29,9%	4,9%		19,4%	12,2%	
Other Nordics, constant currency	11,4%	-8,6%		6,5%	-5,4%		-16,1%	-5,4%	
Total organic growth, constant currency rate	3,4%	-0,8%		2,6%	-1,2%		-0,8%	-1,3%	

Operating profit per business area

	Apr-Jun 2018	Apr-Jun 2017	%	Jan-Jun 2018	Jan-Jun 2017	%	Jul-Jun 2017/18	Jan-Dec 2017	%
SEK M									
Individual & Family	40	40	-2%	87	77	13%	201	191	5%
Personal Assistance	25	29	-13%	60	65	-8%	155	160	-3%
Elderly Care	1	-6	n/a	0	-8	n/a	-10	-18	n/a
Other Nordics	28	16	77%	46	29	60%	79	62	28%
Central costs/other 2) 3)	-16	-5	n/a	-34	-23	n/a	-90	-79	n/a
Total operating profit	78	74	5%	159	140	14%	335	316	6%