



Humana

Interim report Q1, January-March 2019

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Financial highlights Q1



Revenue and growth

- Operating revenue increased 4% to SEK 1,708 M (1,648)
 - The organic growth was 1.5% (2.3)
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Operating profit

- Operating profit decreased by 5 % to SEK 77 M (81)
 - Excluding the effects of IFRS 16 operating profit decreased by 13 % to SEK 70 M (81)
 - Operating margin decreased to 4.5% (4.9), respectively to 4.1% (4.9) when excluding the effects of IFRS 16
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Cash flow & leverage

- Operating cash flow was SEK 33 M (-32). Excluding the IFRS 16 effects cash flow was -24 (-32).
- Net debt/EBITDA of 5.7x (3.8). Excluding the IFRS 16 effects the ratio was 3.2 (3.8)



Operational highlights Q1



Strategic acquisition

- Acquisition of Coronaria Hoiva completed in April following approval from Finnish Competition and Consumer Authority, KKV
 - The approval did not require any special conditions or concessions from Humana's side
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Building for organic growth

- One new OwM elderly care home opened in Staffanstorp.
 - Several new I&F units opened in Finland and Sweden, primarily within LSS
 - Contract signed for new OwM elderly care unit in Vallentuna
 - After EOQ: Two additional contracts signed for new OwM elderly care units in Falkenberg and Norrtälje
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Quality development in focus

- From 2019 Humana Quality Index, HQI, is reported quarterly on the website
- HQI was 94 in the first quarter (92 for 2018, full year)
- Improvement from last year driven primarily by increased customer satisfaction and educational efforts



Weak demand impacting the quarter

- Weak demand from Q418 continued into Q119, especially early in the quarter
 - Overall low demand but foremost in the segments for children and youths
 - Demand (and utilization) has stabilized and improved throughout the quarter
- Eight new openings in the quarter of which four within OwM
 - Current focus on ramp up and utilization in these new units
- Outlook for the long term is positive, but our assessment is that, despite improvements during Q1, the weaker market within parts of Individual & Family will continue in 2019



**Individual
& Family**



Personal Assistance

Operational highlights Q1 - Personal Assistance

Stable growth and improved profitability in acquired companies

- Following the harsh criticism of the, in January, published LSS inquiry there is now a rather strong political support of LSS
 - Increased willingness of ensuring the right to personal assistance
 - Government ambition to widen legislation to allow for personal assistance for two additional *basic needs*
 - SEK 500 M in additional funding for personal assistance in 2019
- Last year's acquisitions within Personal Assistance contributed to an increase of the revenues by 5%
 - Improved efficiency in acquired operations
- Focus 2019 is on growth and further digitalisation of our operations
 - We foresee a continued active role in the consolidation of the market



Stable and strong organic growth

- Good market demand with very high occupancy in our units
 - OwM elderly housing units have very high capacity utilisation
 - The two new tendered elderly housing units, which were opened during Q4, contributes positively to revenues
- In March a new unit under OwM opened in Staffanstorp
 - Ramp-up exceeding expectations
- Preparations ongoing for the Q3 start of the OwM elderly housing unit in Kungsängen
- In the quarter we signed a contract to open an OwM unit in Vallentuna (60 pl) in Q420
- After the end of the quarter: contracts signed for two additional new OwM units in Falkenberg (60 pl) and Norrtälje (80 pl), to open in H121



**Elderly
Care**





Other Nordics

Operational highlights Q1 – Other Nordics

Finnish operations double in size

- The business area is showing good growth due to the opening of new units
 - Continued good momentum and growth in Norwegian operations – especially within BPA and HOT
 - Strong momentum with high demand for services in Finland
- Acquisition of Coronaria Hoiva in January, finalised in April following approval from Finnish competition authority
 - Operations in Finland double and strong platform for continued growth
 - Focus now is on integration
- Deficiencies of a few private providers discovered in connection with extensive inspections carried out by regulators
- Humana has had inspections at most of its Finnish units (including Coronaria Hoiva) and no inspections have yet resulted in demands for measures such as requirements for increased staffing



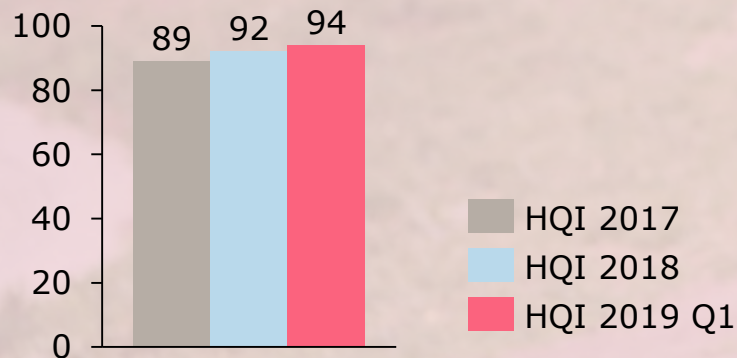


Market and political highlights

- The political climate in **Sweden** continues to be stable
 - Positive political signs with regards to personal assistance
- An ongoing lawsuit in **Norway** could have implications for the sector regarding the usage of consultants in operations
 - This will have no impact on Humana
- Following the general elections in **Finland**, negotiations have now started to form a new Government
 - Likely to be led Antti Rinne (SDP)
 - SOTE reform could proceed but uncertainty around the details
- Finnish regulatory authorities have intensified inspections
 - Humana has had inspections at most of its Finnish units and none has yet resulted in demands for increased staffing etc

Strengthened quality through systematic measurement

- Humana quality index (HQI) consists of a weighting of seven key quality indicators:
 - ✓ Customer satisfaction
 - ✓ Serious deviations
 - ✓ Employee satisfaction
 - ✓ Leadership index
 - ✓ Employee health
 - ✓ Values
 - ✓ Competence Development



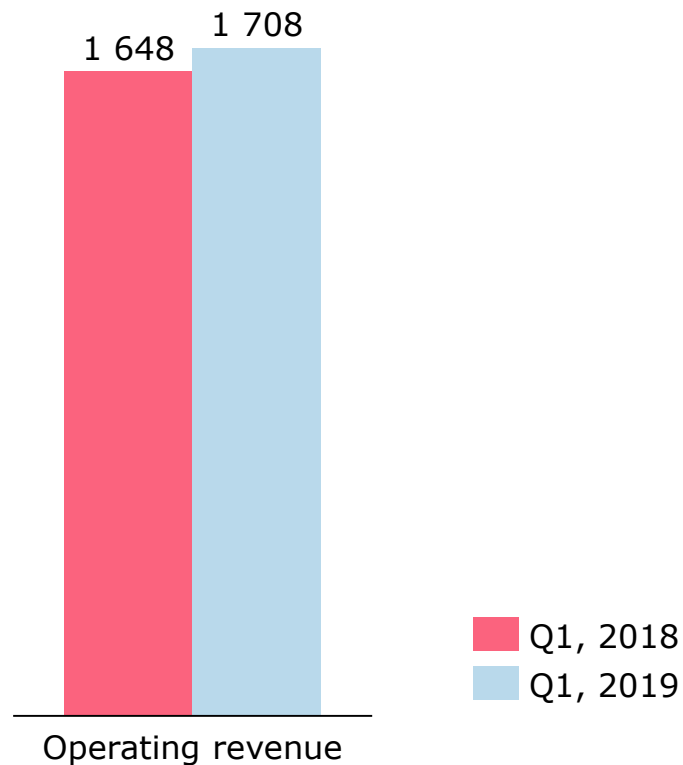
- In Q1 2019 the HQI improved to 94 due to increased customer satisfaction and reflecting our efforts in competence development
- The long term goal is to achieve index of 100



Humana



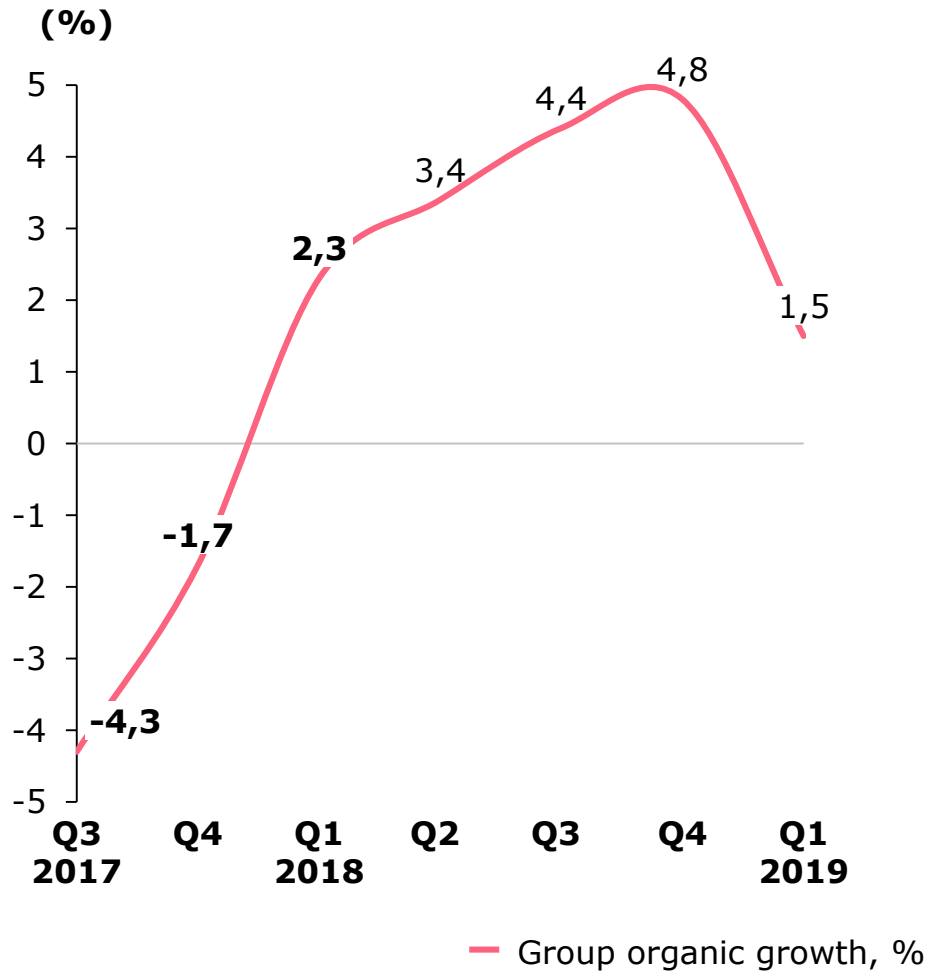
Operating revenue



Comments

- Operating revenue grew 4.0 % in Q1, to SEK 1,708 M (1,648)
- Acquired operations, that is, companies that were not owned throughout the previous comparative period, contributed SEK 34 M to revenues in the quarter
- Organic revenue growth was 1.5% (2.3)
- The slower growth during the quarter is due to decreased demand at the beginning of the year in the Individual & Family business area

Organic growth



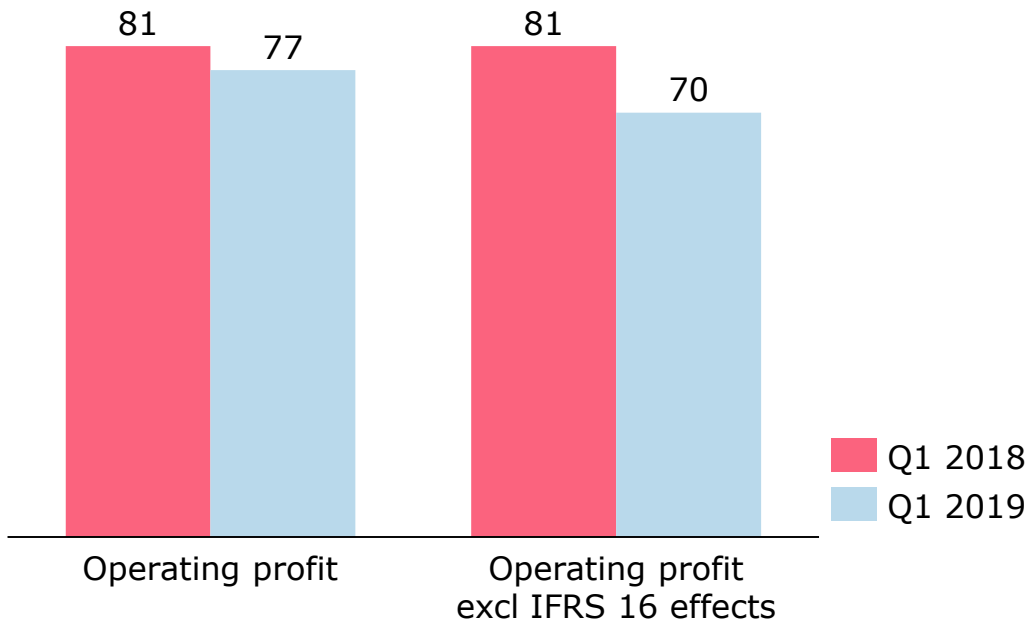
Comments

- Organic growth decreased to 1.5% (2.3) in the quarter
- The slower growth during the quarter is due to decreased demand at the beginning of the year in the Individual & Family business area

Profitability

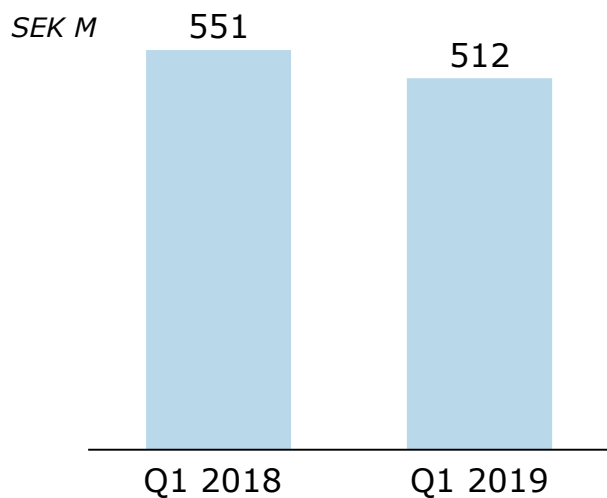
Comments

- Operating profit decreased by 5 % in the quarter, to SEK 77 M (81)
- Excluding IFRS 16 effects, operating profit decreased by 13% to SEK 70 M (81). The effect of the accounting standard amounts to SEK 7 M and is due to decreased rental costs of SEK 58 M and higher depreciation of SEK 51 M (a reduction of the central costs)
- Operating profit margin decreased to 4.5% (4.9) in the quarter. Excluding IFRS 16 effects, operating profit margin decreased to 4.1 % (4.9)
- The decline in profit compared to Q1 last year was due to lower demand in the Individual & Family business area. Adjustments are ongoing
- In all other business areas, profit has increased compared with the same period last year

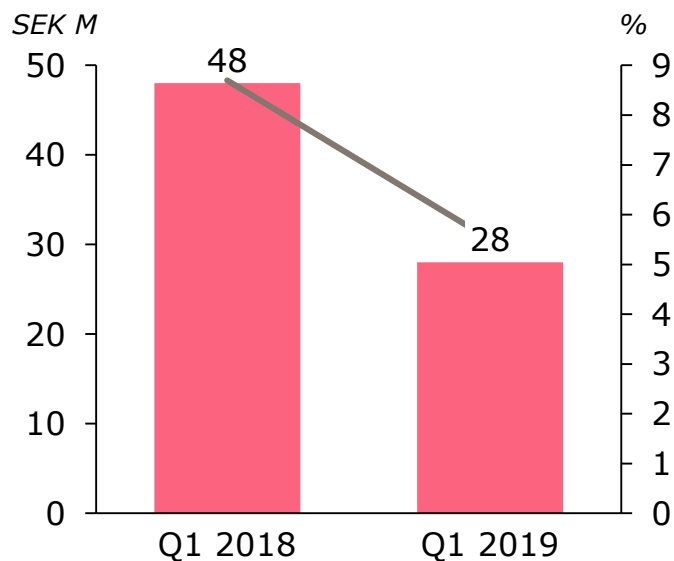


Individual & Family

Operating revenue



Operating profit (EBIT)

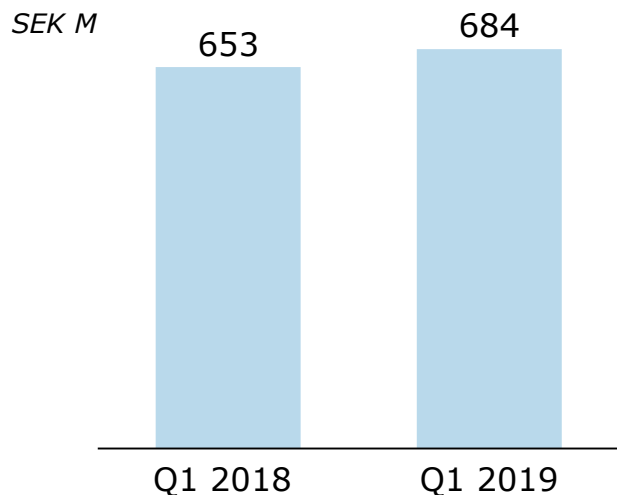


Comments

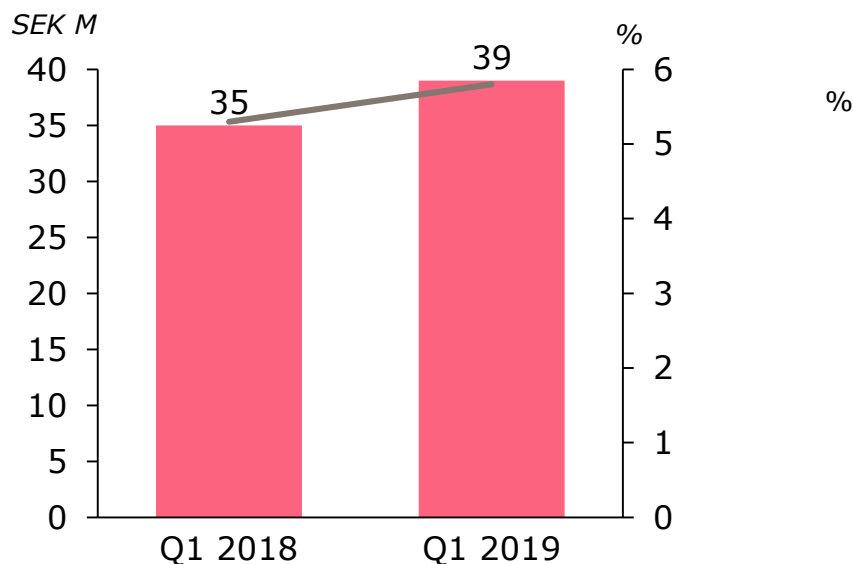
- Revenues for the quarter amounted to SEK 512 M (551), a decrease of 7%. The decrease is due to lower demand for solutions for children and adolescents
- Organic growth was negative, -7.0% (-0.4)
- Operating profit decreased by 41% to SEK 28 M (48). The lower profit for the quarter is mainly due to lower demand
- Operating margin of 5.5% (8.7) in the quarter
- During the end of the quarter we have seen more stable demand and better utilisation

Average	Q1 2019	Q1 2018	Change
Clients	1 842	2 010	-8%
Employees	2 249	2 372	-5%

Operating revenue



Operating profit (EBIT)



Personal Assistance

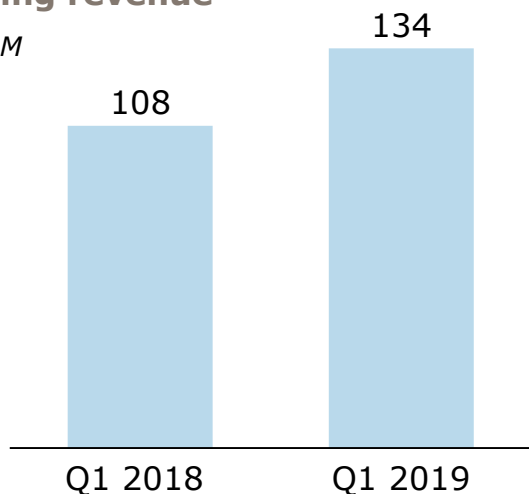
Comments

- Revenues amounted to SEK 684 M (653), an increase of 5%
- Acquisitions last year account for SEK 21 M of the increase in revenues
- Organic growth was 1,5 % (0.7)
- Operating profit increased by 13% to SEK 39 M (35). The increase in the state reimbursement level of 1,5% has contributed to the improvement in profit
- Operating margin of 5.8% (5.3)

Average	Q1 2019	Q1 2018	Change
Clients	1 854	1 835	1%
Employees	5 032	4 920	2%

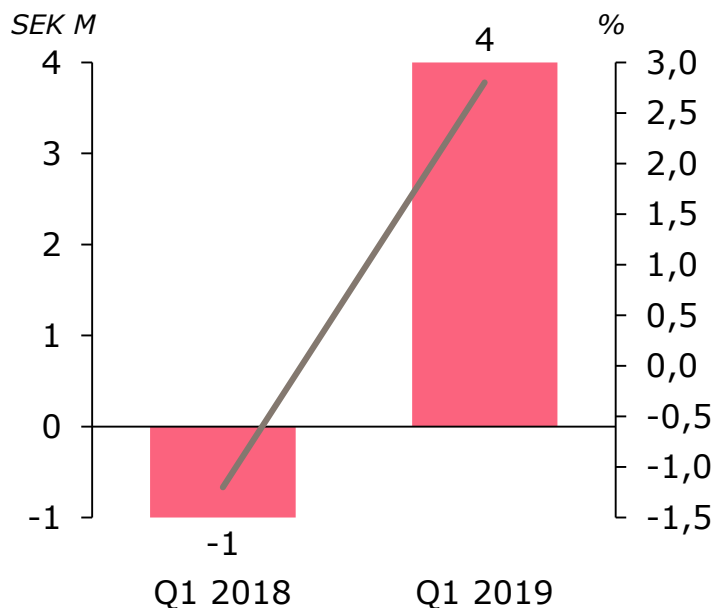
Operating revenue

SEK M



Operating profit (EBIT)

SEK M



— Operating margin, %
 ■ EBIT

Elderly Care

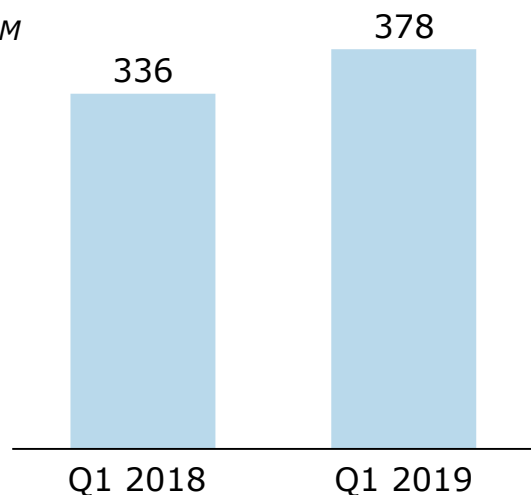
Comments

- Revenues amounted to SEK 134 M (108), an increase of 24 %
- Operating profit amounted to SEK 4 M (-1)
- Operating margin was 2.8% (-1.2)
- Good occupancy in our own managed housing units and two new tendered elderly housing units in Q4 contributed to the increase in revenue in Q1
- The new unit under own management in Staffanstorp which opened in March has a small negative effect on the results

Average	Q1 2019	Q1 2018	Change
Clients	782	674	16%
Employees	840	731	15%

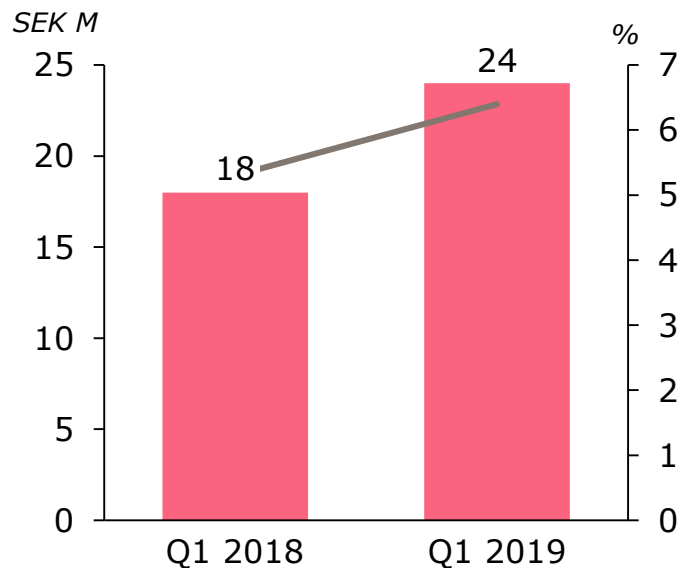
Operating revenue

SEK M



Operating profit (EBIT)

SEK M



— Operating margin, %
 ■ EBIT

Other Nordics

Comments

- Revenues amounted to SEK 378 M (336), an increase of 12%
- Organic revenue increased to 8.5%
- The growth was due to the opening of new units
- Operating profit increased to SEK 24 M (18) or by 34% compared with the same period last year
- The operating margin was 6.4% (5.3)
- Norway is the main contributor to the improvement in profits

Average	Q1 2019	Q1 2018	Change
Clients	2 947	2 895	2%
Employees	1 662	1 435	16%

Central costs

Comments

- Underlying central costs was SEK 23 M (18). The increase is explained mainly by
 - increased staff cost building more central structural capital
 - increased growth related costs (early project costs)
- Acquisition related costs affected the quarter negatively with SEK 2 M (0)
- Positive effects of IFRS 16 was SEK 7 M and has reduced central costs

SEK M

Costs	Q1 2019	Q1 2018
Underlying central costs	23	18
Acquisition related costs	2	-
Effects of IFRS 16	-7	-
Central overhead costs	18	18



Cash flow

SEK M

	Q1 2019	Q1 2018
Cash flow from operating activities before changes in working capital	144	97
Changes in working capital	-50	-114
Cash flow from operating activities	95	-17
Financial items, net	-15	-5
Income tax paid	-17	-8
Cash flow from operating activities, net	63	-30
Acquisitions and sales of subsidiaries, net cash impact	0	0
Investments	-62	-14
Cash flow from investing activities	-62	-14
Cash flow from financing activities	-101	-51
Cash flow for the period	-100	-95

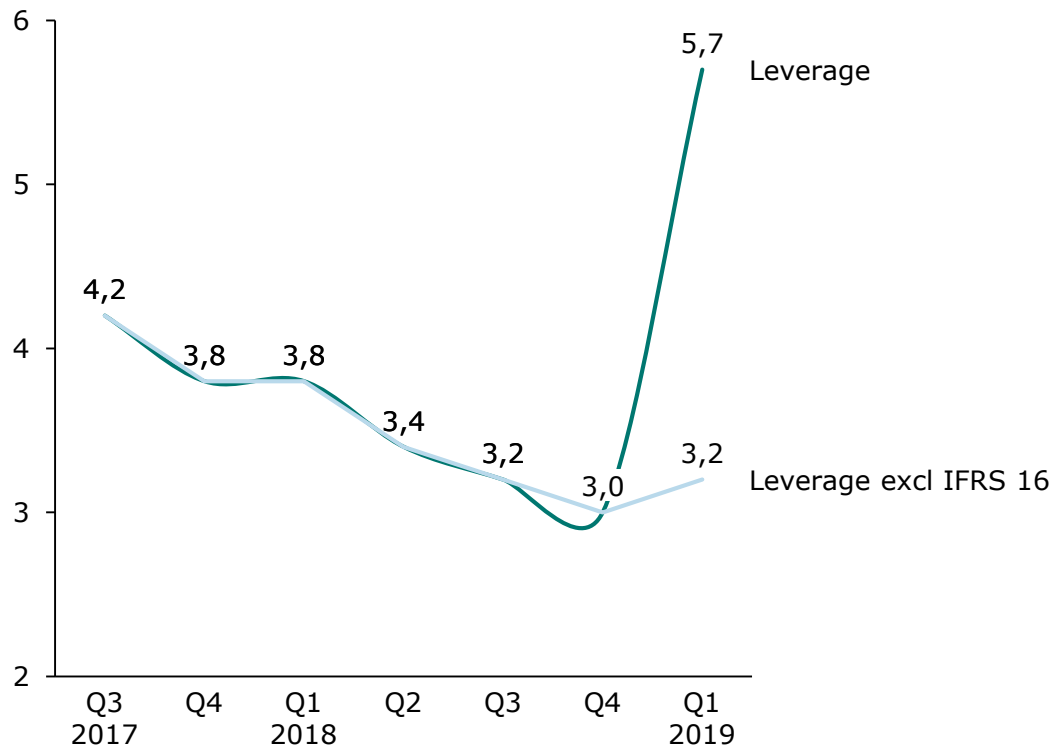
Comments

- Cash flow for the period was SEK -100 M (-95)
- A decrease in working capital contributed positively to the period's cash flow
- Investments during the period increased in relation to last year, mainly related to property investments in Sweden and Finland
- Cash flow from financing activities totaled SEK -101 M (-51), of which SEK -50 M (0) relates to payment of leasing fees where -45 is an effect of IFRS 16



Financial position

Net debt/EBITDA



Comments

- Net debt increased to SEK 2,928 M (1,496) in Q1
- With the IFRS 16 effects excluded net debt decreased slightly to 1,437 (1,496)
- Net debt/EBITDA increased to 5.7x (3.8), but decreased to 3.2 (3.8) when the effects of IFRS 16 are excluded
- The acquisition of Coronaria Hoiva, completed in April, will further increase leverage in the short term from Q2



Humana

Thank you!

QA



Humana

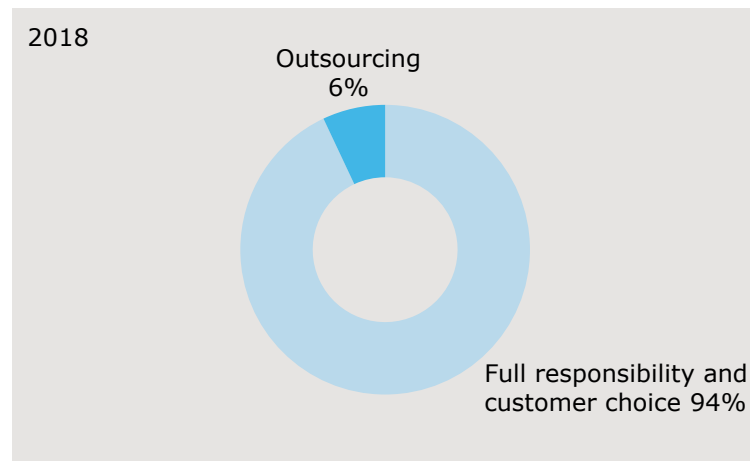
Appendix

Humana at a glance

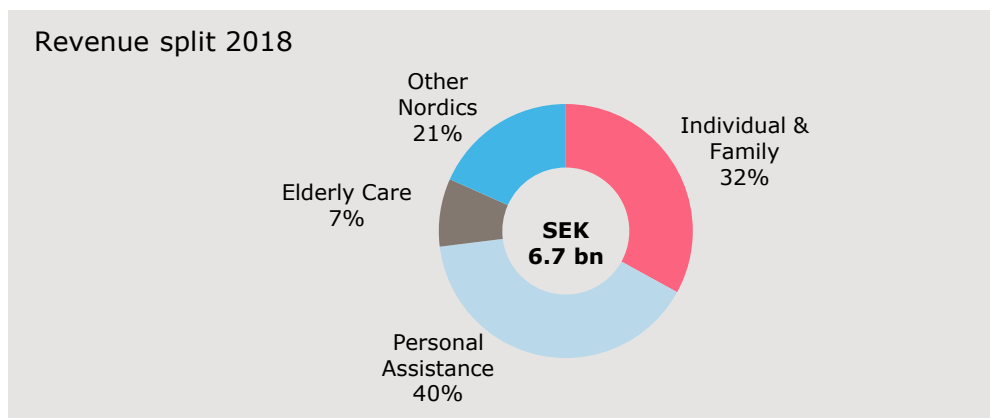
Market leading positions in three countries



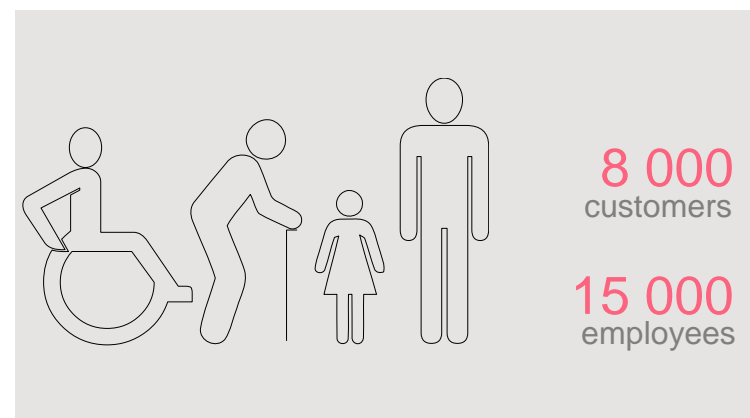
Clear focus on full responsibility



Operations in four segments



Critical actor in the Nordic welfare



Consolidated income statement

SEK M	Note	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
		2019	2018	2018/19	2018
Net revenue		1 708	1 648	6 770	6 714
Other revenue		0	0	11	11
Operating revenue	3	1 708	1 648	6 781	6 725
Other external costs	8	-216	-262	-998	-1 044
Personnel costs		-1 344	-1 288	-5 254	-5 202
Depreciation	8	-68	-15	-123	-70
Other operating costs		-2	0	-20	-19
Operating costs		-1 631	-1 566	-6 394	-6 334
Operating profit		77	81	387	391
Financial revenue		6	0	7	1
Financial costs	8	-27	-24	-79	-76
Unrealised changes in value of derivatives		0	0	1	1
Profit before tax		56	58	315	317
Income tax	8	-12	-12	-71	-72
Net profit for the period		44	45	244	245
Of which, attributable to:					
Owners of the Parent Company		44	45	244	246
Non-controlling interests		0	0	-1	-1
Net profit for the period		44	45	244	246
Earnings per share, SEK, before dilution	5, 8	0,83	0,85	4,60	4,62
Earnings per share, SEK, after dilution	5, 8	0,83	0,85	4,60	4,62
Average number of share, thousands		53 140	53 140	53 140	53 140

Consolidated statement of other comprehensive income

SEK M	Note	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
		2019	2018	2018/19	2018
Net profit		44	45	244	245
Other comprehensive income					
Items that have been/can be reclassified to profit/loss					
Effect of currency hedge of net investment in foreign operations	6c	-18	-18	-2	-3
Exchange rate differences on translation of foreign operation		31	47	10	26
Net profit and other comprehensive income for the period		58	74	252	269
Of which, attributable to:					
Owners of the Parent Company		58	74	252	269
Non-controlling interests		0	0	-1	-1



Consolidated balance sheet

SEK M	Note	31 Mar 2019	31 Mar 2018	31 Dec 2018
Assets				
Non-current assets				
Goodwill	4	3 193	3 142	3 168
Other intangible assets		7	9	8
Property, plant and equipment		551	421	560
Right-of-use assets		1 543	0	0
Financial assets:		13	9	9
Total non-current assets		5 306	3 581	3 745
Current assets				
Trade receivables and other receivables		880	924	847
Other current receivables		133	134	112
Cash and cash equivalents		420	497	514
Total current assets		1 434	1 555	1 473
TOTAL ASSETS		6 741	5 137	5 218
Equity and liabilities				
Equity				
Share capital		1	1	1
Additional paid-in capital		1 095	1 093	1 094
Reserves		41	33	28
Retained earnings		1 051	839	1 007
Equity attributable to owners of the parent company		2 188	1 966	2 130
Equity attributable to non controlling interest		18	0	17
Total equity		2 205	1 966	2 147
Non-current liabilities				
Lease liability, long term		1 326	0	0
Other Interest-bearing liabilities		1 197	1 306	1 259
Deferred tax liabilities		77	72	73
Total non-current liabilities		2 600	1 378	1 333
Current liabilities				
Lease liability, short term		223	0	0
Other interest-bearing liabilities		602	687	633
Trade payables		90	75	121
Other current liabilities		1 020	1 031	985
Total current liabilities		1 935	1 792	1 739
TOTAL EQUITY AND LIABILITIES		6 741	5 137	5 218

Consolidated cash flow statement

SEK M	Note	Jan-Mar 2019	Jan-Mar 2018	Apr-Mar 2018/19	Jan-Dec 2018
Profit before tax	8	56	58	315	317
Adjustment for:					
Depreciation	8	68	15	123	70
Financial items, net	8	21	24	72	74
Other non-cash items		-1	0	-1	0
Cash flow from operating activities before changes in working capital		144	97	508	461
Changes in working capital		-50	-114	46	-18
Cash flow from operating activities		95	-17	555	443
Financial items, net	8	-15	-5	-64	-53
Income tax paid		-17	-8	-67	-58
Cash flow from operating activities, net		63	-30	424	331
Acquisition of subsidiaries, net cash impact		0	0	-86	-86
Sales of subsidiaries, net cash impact		0	0	4	4
Investments in other non-current assets, net		-62	-14	-206	-158
Cash flow from investing activities		-62	-14	-288	-240
Proceeds from new borrowings		0	0	145	145
Repayment of borrowings		-51	-51	-279	-279
Amortization of leasing debt	8	-50	0	-50	0
Dividend		0	0	-32	-32
Cash flow from financing activities		-101	-51	-216	-166
Cash flow for the period		-100	-95	-79	-74
Cash and cash equivalents at start of period		514	584	497	584
Exchange rate difference in cash/cash equivalents		7	8	3	3
Cash and cash equivalents at end of period		420	497	420	514



Income statement and cash flow excluding effects of IFRS 16

Effects of IFRS 16 on income statement

SEK M	Jan-Mar	IFRS 16-effect	Excl IFRS 16	Jan-Mar
	2019	Jan -Mar 2019	Jan -Mar 2019	2018
Operating revenue	1 708	-	1 708	1 648
Other external costs	-216	58	-274	-262
Personnel costs	-1 344	-	-1 344	-1 288
Depreciation	-68	-51	-17	-15
Other operating costs	-2	-	-2	0
Operating costs	-1 631	7	-1 637	-1 566
Operating profit	77	7	70	81
Financial revenue	6	-	6	0
Financial costs	-27	-13	-14	-24
Unrealised changes in value of derivatives	0	-	0	0
Profit before tax	56	-6	62	58
Income tax	-12	1	-13	-12
Net profit for the period	44	-5	49	45
Earnings per share, SEK, before&after dilution	0,83	-0,09	0,92	0,85

Effects of IFRS 16 on cash flow

SEK M	Jan-Mar	IFRS 16-effect	Excl IFRS 16	Jan-Mar
	2019	Jan -Mar 2019 1)	Jan -Mar 2019	2018
Profit before tax	56	6	62	58
Adjustment for:				
Depreciation	68	-51	17	15
Financial items, net	21	-13	8	24
Other non-cash items	-1	-	-1	0
Cash flow from operating activities before changes in working capital	144	-58	87	97
Cash flow from operating activities	95		37	-17
Financial items, net	-15	13	-2	-5
Income tax paid	-17	-	-17	-8
Cash flow from operating activities, net	63	13	18	-30
Financing activities				
Proceeds from new borrowings	-	-	-	-
Repayment of borrowings	-51	-	-51	-51
Amortization of leasing debt	-50	45	-5	-
Dividend	-	-	-	-
Cash flow from financing activities	-101	0	-56	-51

1) According to IFRS 16, lease payments are allocated between amortisation of lease liabilities and interest expenses. In comparison with 2018, this means that cash flow from operating activities is positively affected by the fact that depreciation of right of use assets is reversed as not affecting cash flow while most of the lease payments are recognised as amortisation of interest-bearing liabilities in cash flow from financing

activities.



Key ratios

	Jan-Mar 2019	Jan-Mar 2018	Apr-Mar 2018/19	Jan-Dec 2018
Operating revenue	1 708	1 648	6 781	6 725
EBIT, %	4,5%	4,9%	5,7%	5,8%
Interest-bearing net debt, SEK M	2 928	1 496	2 928	1 378
Return on capital employed, %	1,4%	2,1%	7,0%	9,7%
Equity/assets ratio, %	32,7%	38,3%	32,7%	41,1%
Operating cash flow, SEK M	33	-32	350	285
Interest-bearing net debt/Adjusted EBITDA 12 months, times	5,7x	3,8x	5,7x	3,0x
Excluding IFRS 16 effects:				
Operating revenue	1 708	1 648	6 781	6 725
EBIT, %	4,1%	4,9%	5,6%	5,8%
Interest-bearing net debt, SEK M	1 437	1 496	1 437	1 378
Return on capital employed, %	1,7%	2,1%	9,4%	9,7%
Equity/assets ratio, %	42,1%	38,3%	42,1%	41,1%
Operating cash flow, SEK M	-24	-32	292	285
Interest-bearing net debt/Adjusted EBITDA 12 months, times	3,2x	3,8x	3,2x	3,0x
Average number full-time employees Individual & Family	2 249	2 372	2 365	2 415
Average number full-time employees Personal Assistance	5 032	4 920	5 096	5 085
Average number full-time employees Elderly Care	840	731	803	809
Average number full-time employees Other Nordic	1 662	1 435	1 576	1 441
Average number full-time employees Central functions	25	23	23	23
Total average number full-time employees	9 808	9 481	9 863	9 773
Number of full-time employees on the closing date	9 481	9 207	9 481	9 729
Average number of customers Individual & Family	1 842	2 010	1 913	1 955
Average number of customers Personal Assistance	1 854	1 835	1 838	1 833
Average number of customers Elderly Care	782	674	718	691
Average number of customers Other Nordic	2 947	2 895	2 999	2 987
Total average number of customers	7 424	7 414	7 469	7 466
Average number of ordinary shares on the closing date, 000s	53 140	53 140	53 140	53 140
Equity per ordinary share, SEK	41	37	41	40



Segments financials

Operating revenue by business area

	Jan-Mar	Jan-Mar		Apr-Mar	Jan-Dec	
SEK M	2019	2018	%	2018/19	2018	%
Individual & Family	512	551	-7%	2 146	2 188	-2%
Personal Assistance	684	653	5%	2 698	2 668	1%
Elderly Care	134	108	24%	484	457	6%
Other Nordics	378	336	12%	1 443	1 401	3%
Other revenue 2)	0	0	n/a	11	11	0%
Total operating revenue	1 708	1 648	4%	6 781	6 725	1%

Organic growth by business area 1)

	Jan-Mar	Jan-Mar		Apr-Mar	Jan-Dec
%	2019	2018		2018/19	2018
Individual & Family	-7,0%	-0,4%		-3,1%	-1,3%
Personal Assistance	1,5%	0,7%		0,9%	0,7%
Elderly Care	24,2%	24,9%		32,7%	33,4%
Other Nordics, constant currency	8,5%	4,2%		12,9%	9,8%
Total organic growth, constant currency rate	1,5%	2,3%		2,8%	3,4%

Operating profit per business area

	Jan-Mar	Jan-Mar		Apr-Mar	Jan-Dec	
SEK M	2019	2018	%	2018/19	2018	%
Individual & Family	28	48	-41%	176	196	-10%
Personal Assistance	39	35	13%	156	151	3%
Elderly Care	4	-1	n/a	14	9	56%
Other Nordics	24	18	34%	128	122	5%
Central costs/other 2) 3)4)	-18	-18	n/a	-88	-88	n/a
Total operating profit	77	81	-5%	387	391	-1%

Excluding IFRS 16 effects (affects only Central costs):

Total operating profit	70	81	-13%	380	391	-3%
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Financial targets*



Revenue growth 8-10 %

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



Profitability 6 %

- EBIT margin in the medium term of approximately 6 percent



Capital structure 3x

- 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 %

- 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



* Before the effects of the new accounting standard IFRS 16 are taken into account.

For further information, please contact:

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Financial calendar 2019

Interim report Jan-Mar 2019	9 May 2019
AGM 2019	9 May 2019
Interim report Apr-Jun 2019	16 Aug 2019
Interim report Jul-Sep 2019	8 Nov 2019

