



# Humana

Everyone is entitled to a good life.

## Interim report Q1, January-March 2020

Rasmus Nerman, Ulf Bonnevier, Eva Nilsson Bågenholm, 7 May 2020



## A quarter characterised by mobilisation, unity and heroic efforts

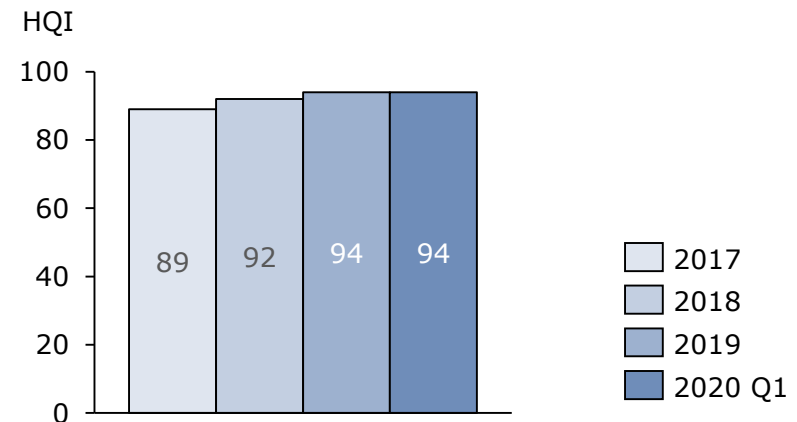
- Crisis mgmt organisation in place since February supporting all Nordic operations handling the pandemic
  - Ensuring a safe work environment
  - Preventing the spread of the virus
  - Protecting both clients and staff
- Challenging time – especially in elderly care
- Our strategy has proven successful as Humana so far has limited spread of the disease in our operations
- Financially the pandemic contributed somewhat negatively during the last weeks of the quarter
  - Revenue side: fewer assistance hours and outpatient care visits
  - Cost side: higher sick leave and procurement and usage of protective equipment
  - Higher costs and a continued impact on revenue associated with covid-19 also in Q2





## Other operational highlights Q1

- Humana Quality Index still at 94 in the first quarter, in spite of the challenging time
- Strong results in this year's employee survey. The already strong overall employee satisfaction figures continued to increase
- New financial targets from 2020





## Financial highlights Q1

### Revenue and growth

- Operating revenue was SEK 1,938m (1,708), an increase by 13%
- The organic growth was 3.8% (1.5)

### Operating profit

- Operating profit was SEK 98m (77), an increase by 28%.
- Operating margin was 5.1% (4.5), an increase compared to the same period last year

### Cash flow & leverage

- Operating cash flow was SEK 95m (33)
- Net debt/EBITDA of 5.2x (5.7)



Operational highlights Q1 2020

## Better results although challenging market remains

- Revenue increased organically for the first time in a few years
- Weaker markets in children and adolescents segment continue
  - Weaker demand partly offset by good operational efficiency in the quarter
- LSS and Adult segments performing well with solid growth driven mainly by greenfield openings
- Less impacted by covid-19 situation



**Individual  
& Family**





## Personal Assistance

Operational highlights Q1 2020

## Steady performance continues

- Yet another stable quarter
- Very strong results in our employee satisfaction survey for personal assistants
- Decreased customer mobility due to the pandemic
- The number of assistance hours increased, despite the negative effect of cancelled hours as a result of the pandemic



Operational highlights Q1 2020

## Focus on covid-19 while growth projects continue

- Good organic growth with revenue increase according to plan
- Focus on handling the covid-19 situation where safety for clients and staff is top priority
- So far our strategy to handle the covid-19 situation has been successful with limited spread
- Projects with new own managed housing units continue





## Finland

Operational highlights Q1 2020

### Good development during challenging quarter

- Covid-19 situation impacting Finland with fewer open care visits and high sick leave
- Strategy to handle the situation has been successful with limited spread
- I&F segments performing well whereas profitability challenges in newly acquired operations remain
- Turnaround program moving in the right direction but we do expect negative impact from covid-19
- New Head of Finland, Anu Kallio, taking over in March



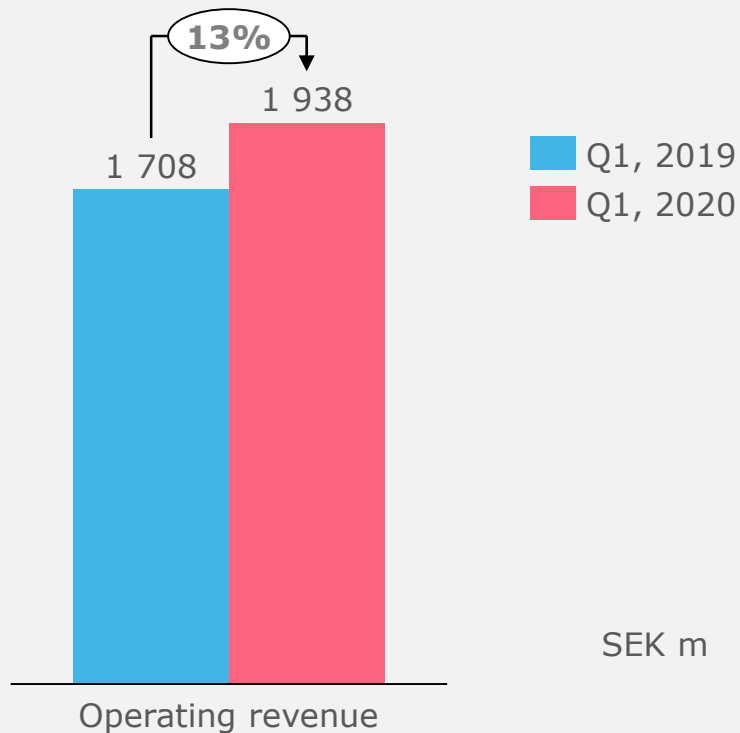
Operational highlights Q1 2020

## Stable development in Norway

- The strong momentum in Norway continues with personal assistance (BPA) and disabled care housing services (HOT) driving growth
- Impact from covid-19 situation managed well
- Increase in sick leave resolved due to timely and successful recruitment campaigns



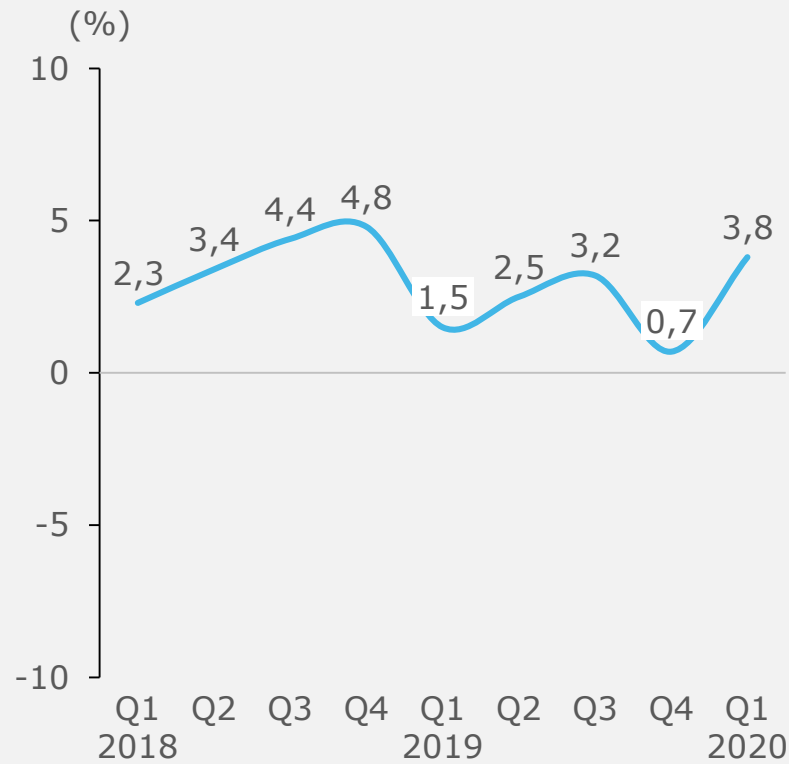
## Operating revenue



- The revenue growth of 13% is primarily acquisition driven. Acquired operations contributed SEK 164m to revenues in the quarter, of which SEK 148m relates to revenues from Coronaria Hoiva in Finland
- Organic growth was 3.8% (1.5)
- Operations under own management accounted for 94% of total revenues
- Covid-19 has impacted revenue somewhat negatively, above all through fewer hours performed in personal assistance and fewer visits performed in outpatient care

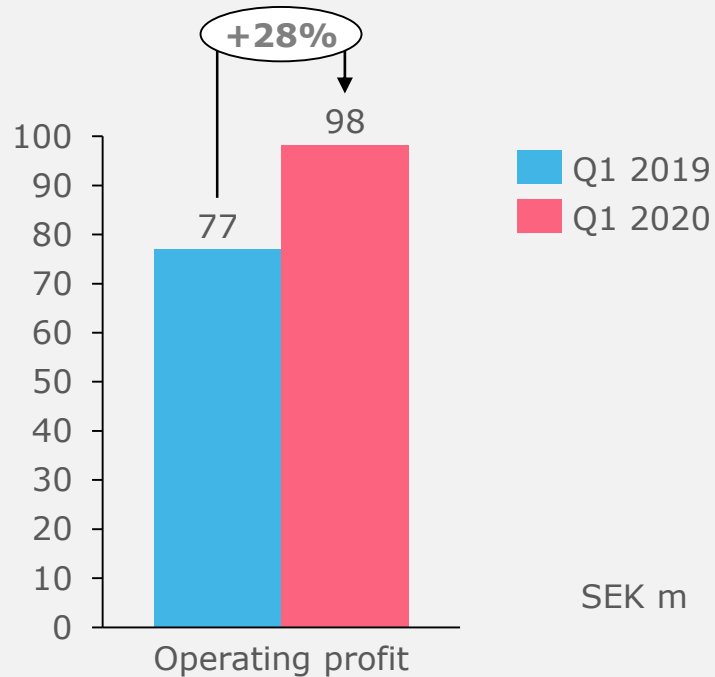


## Organic growth



— Group organic growth, %

- All business areas contributing to the growth
- The leap year positively impacted organic growth by 1% for the quarter, compared with the same quarter last year



Financial summary Q1 2020

## Profitability

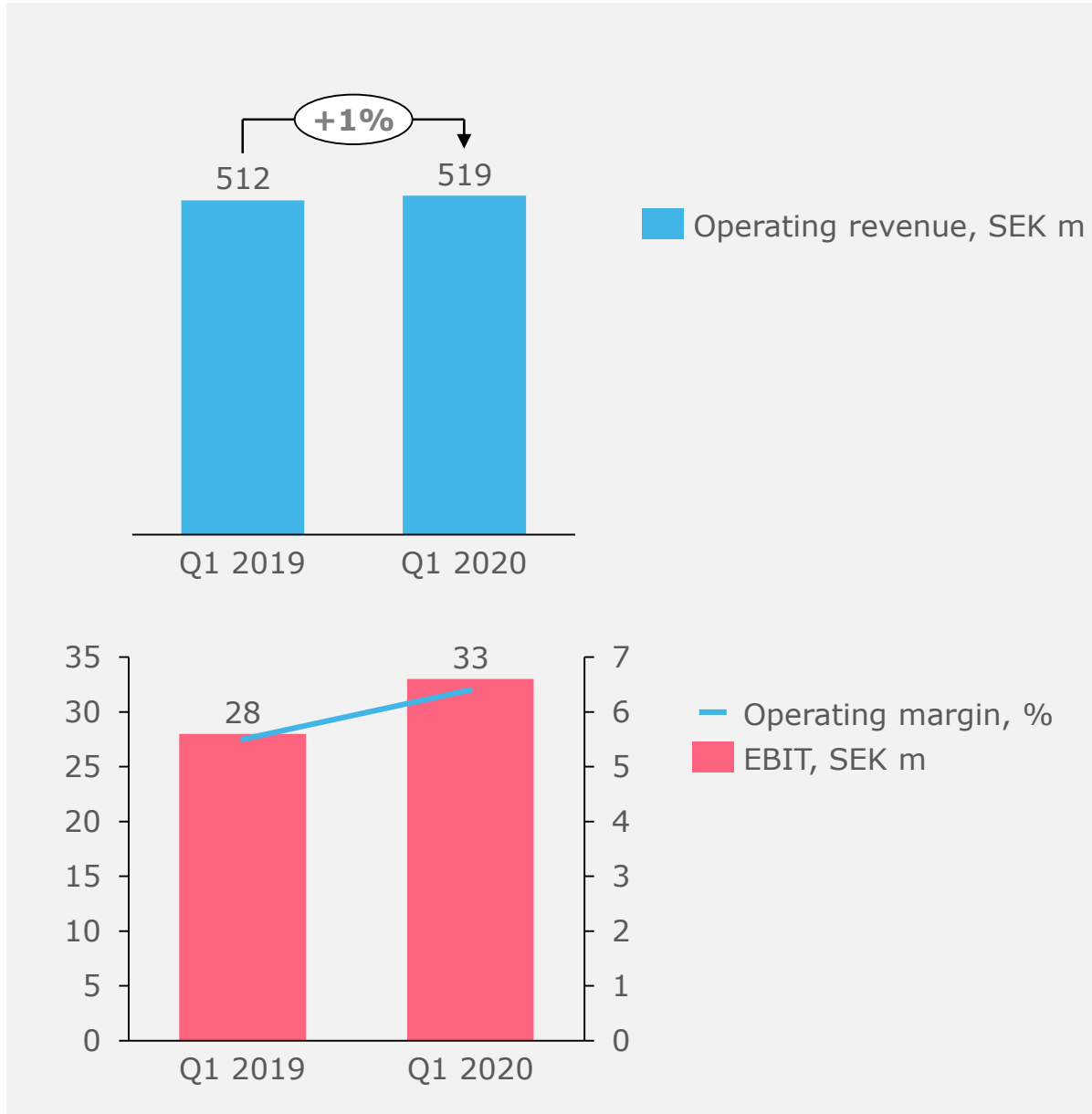
- Operating profit margin was 5.1% (4.5)
- The covid-19 pandemic has affected the Group in terms of profit negatively
  - Volume effects
  - Increased sick leave
  - Increased need and use of PPE (personal protective equipment)
  - + To a certain extent, these negative effects are mitigated by lower travel costs
- The leap year has positively impacted the profit and compensates for the negative effect of covid-19



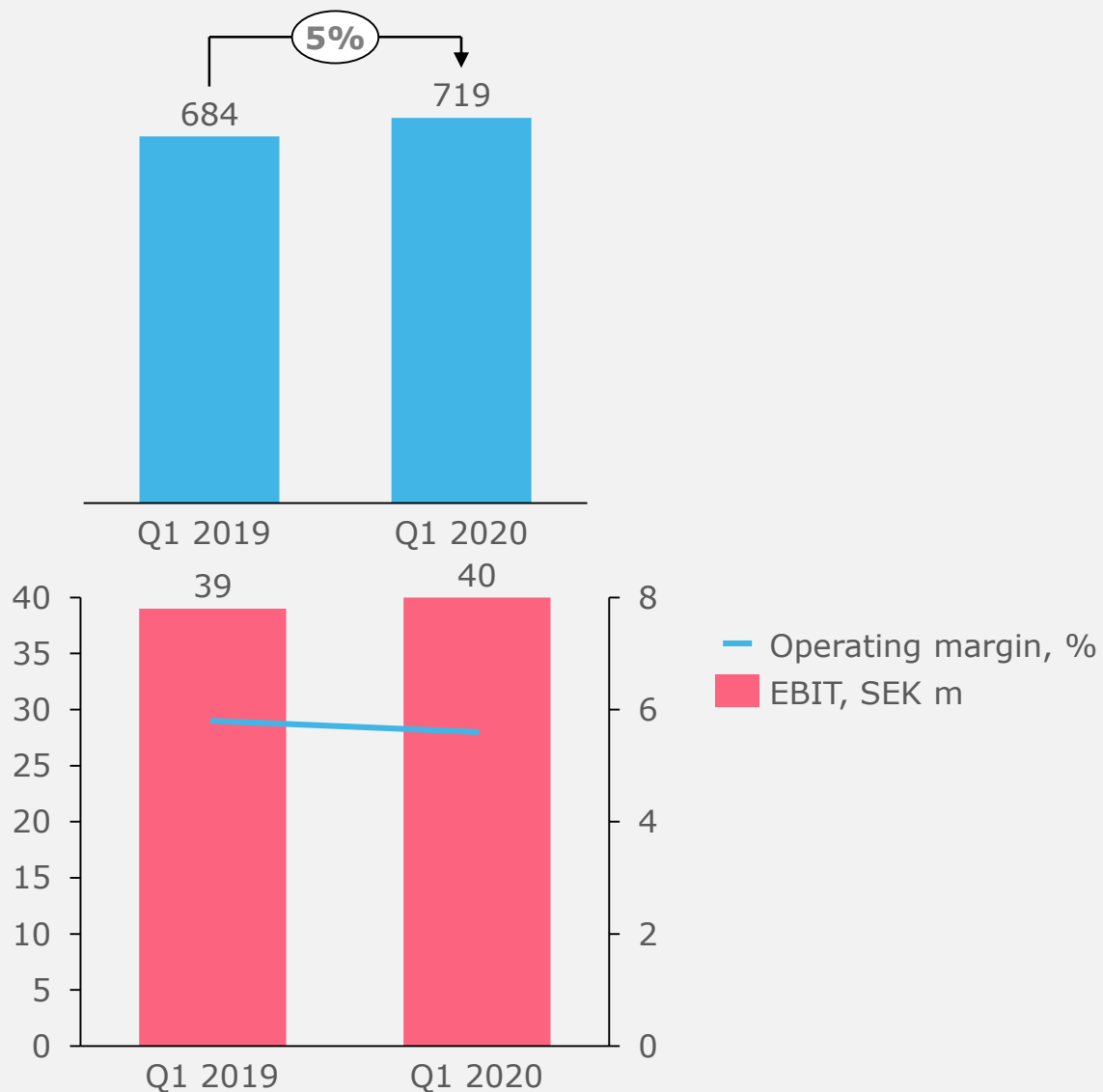
Financial summary Q1 2020

## Individual & Family

- Organic growth of 1.4% (-7.0) positively impacted by leap year
- Still lower occupancy as a result of lower demand in the market segment for children and adolescents. An increased capacity utilisation in the adult segment has compensated
- Operating margin at 6.4% (5.5)
- The increase in profit primarily attributable to more stable capacity utilisation and improvements in efficiency versus Q1 prior year

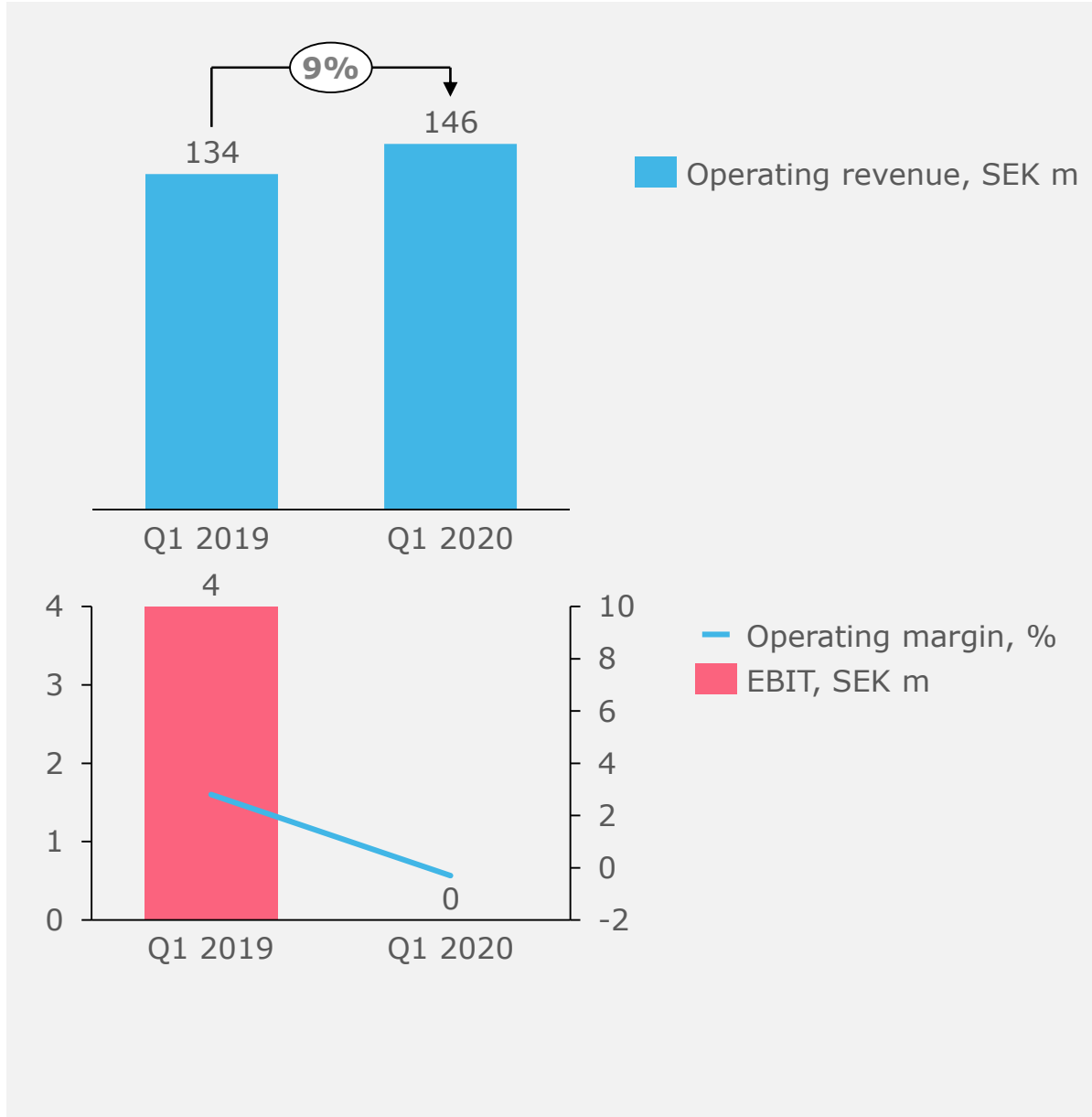


## Personal Assistance



- The increase in revenue of 5% is due to more assistance hours (despite a negative effect on the number of hours due to covid-19), a higher assistance allowance and acquisitions
- Organic growth of 2.9% (1.5)
- Operating profit for the quarter increased 3%
- The operating margin was 5.6% (5.8) for the quarter. The decrease is mainly due to increased sick leave





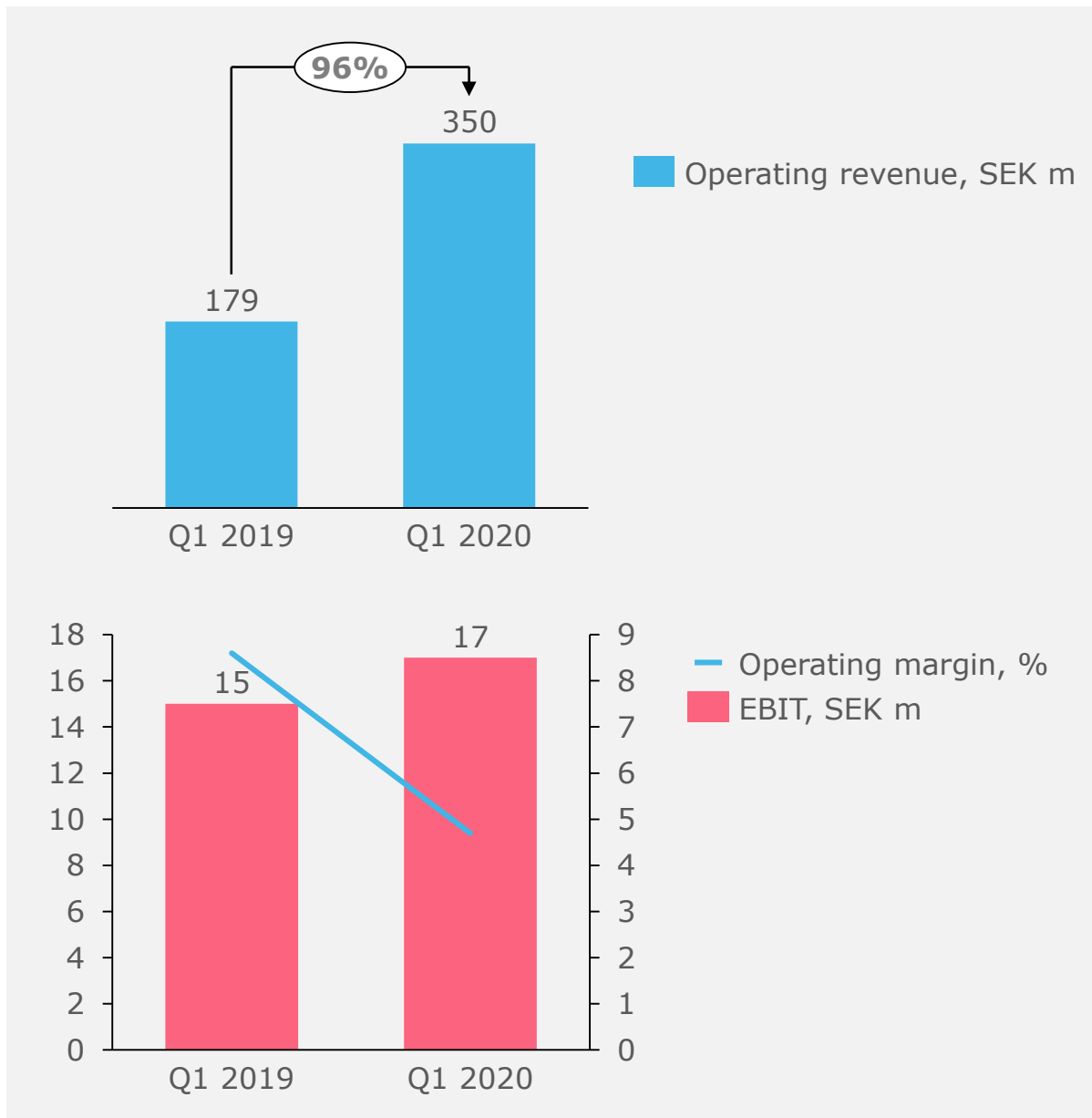
Financial summary Q1 2020

## Elderly Care

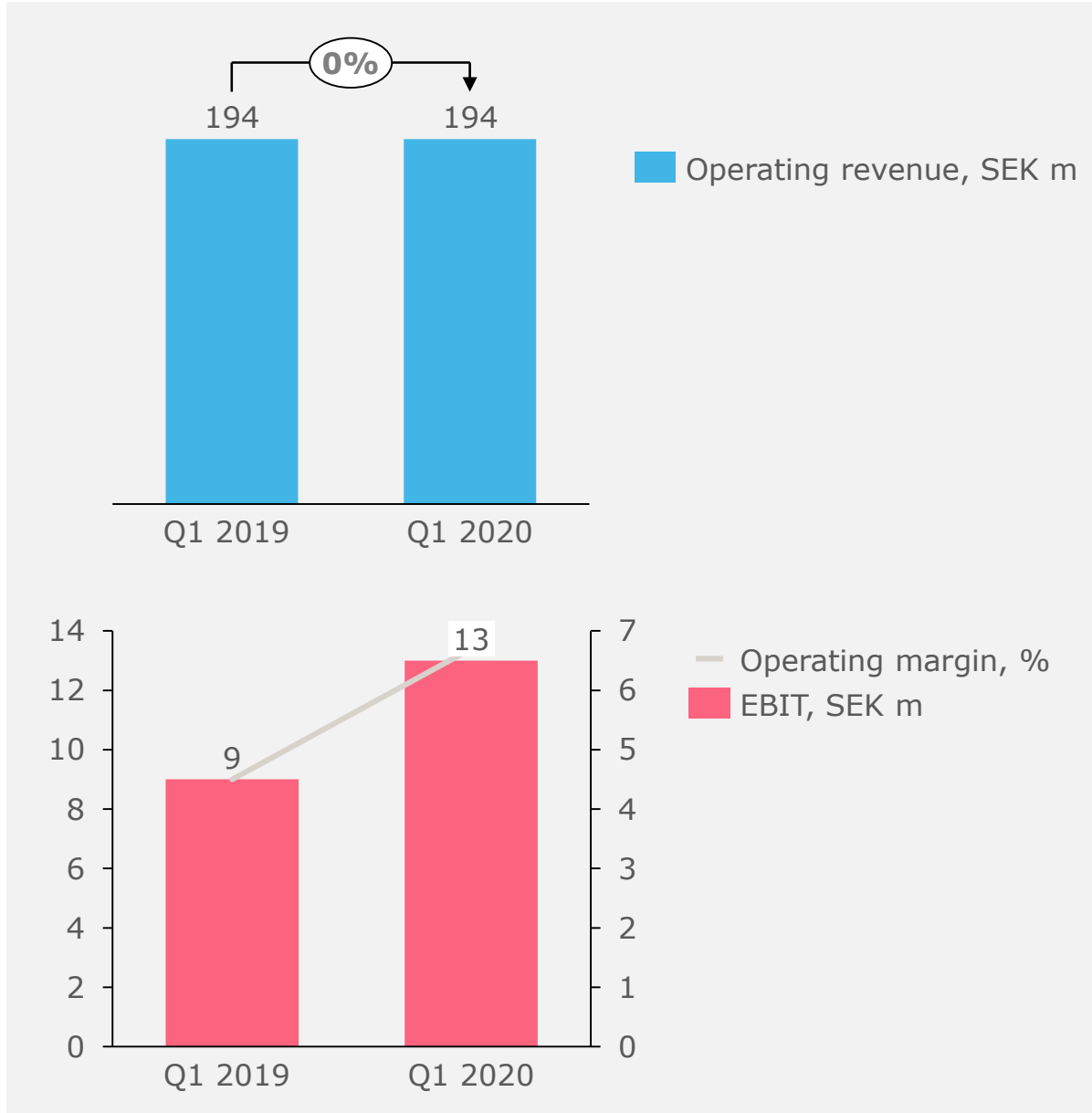
- The revenue increase is due to the new elderly housing under own management in Staffanstorp and Kungsängen
- The revenue increase of 9% is organic
- Start-up costs of SEK 3m for Kungsängen, which opened in September 2019, and covid-19 has a negative impact on Q1 profits
- Operating margin was -0.3% (2.8)

## Finland

- The acquisition of Coronaria Hoiva contributed SEK 148m to revenues
- Organic growth at 10.2% (7.7). Openings of units and more customers contributed
- Operating profit increased by 7%
- Operating margin was 4.7% (8.6). The decrease is due to a lower margin in the newly acquired operations in Finland, but also covid-19 has impacted. Work to increase the profitability continues





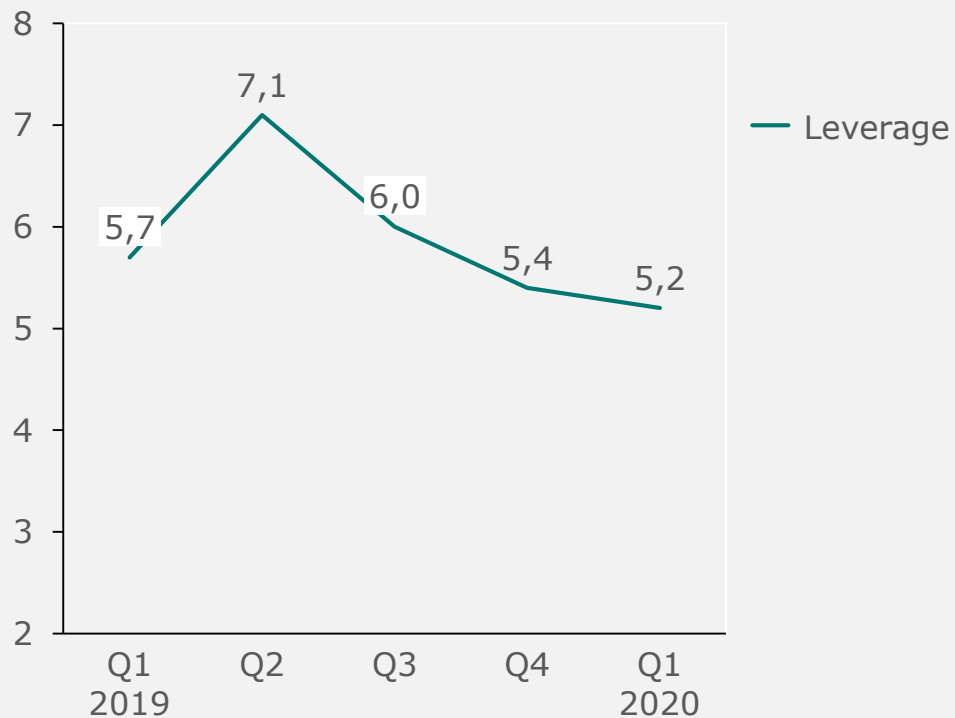


## Financial summary Q1 2020

# Norway

- Flat revenue year on year explained by currency effects
- Organic growth at 4.6% (9.2). The organic growth is due to openings of units and more customers.
- Operating margin was 6.7% (4.5). The increase is mainly due to a decrease in losses from, now closed, unprofitable units

Net debt/EBITDA



Financial summary Q1 2020

## Financial position

- Net debt increased to SEK 3,798m (2,928) versus Q1 prior year
- Leverage continues to move in the right direction

## Financial summary Q1 2020

# Cash flow

- Three reasons for improvement:
  - Profits up
  - Better working capital
  - Investments down

	Q1 2020	Q1 2019
<b>Cash flow from operating activities before changes in working capital</b>	<b>187</b>	<b>144</b>
Changes in working capital	-41	-50
<b>Cash flow from operating activities</b>	<b>146</b>	<b>94</b>
Financial items, net	-30	-15
Income tax paid	-23	-17
<b>Cash flow from operating activities, net</b>	<b>94</b>	<b>63</b>
Acquisitions of subsidiaries, net cash impact	0	0
Sales of Real Estate	20	0
Investments	-51	-62
<b>Cash flow from investing activities</b>	<b>-31</b>	<b>-62</b>
<b>Cash flow from financing activities</b>	<b>-121</b>	<b>-101</b>
<b>Cash flow for the period</b>	<b>-58</b>	<b>-100</b>

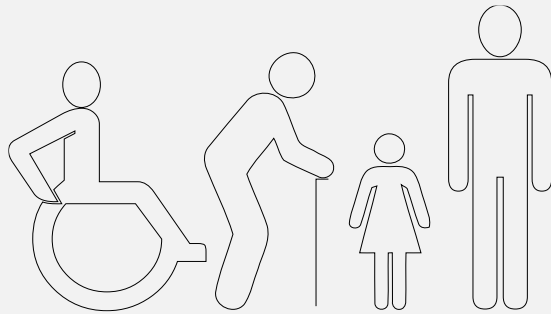


Thank you!

# Appendix

# Humana at a glance




## Critical actor in the Nordic welfare



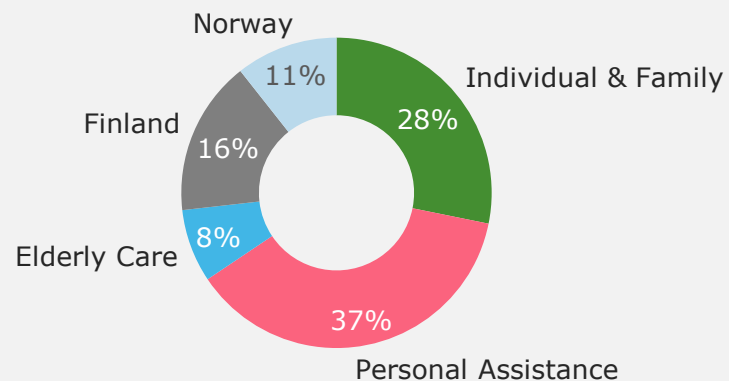
**9,000**  
Customers

**15,000**  
Employees

## Market leading positions in the Nordics

-  **1** Individual & Family
-  **1** Personal Assistance
-  Elderly Care

## Operations and revenue split

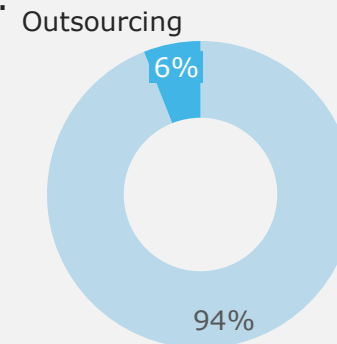


**7,467**  
Revenues  
SEK m, 2019

**369**  
EBIT  
SEK m, 2019

## Clear focus on full responsibility

Split of revenues:



Full responsibility and customer choice



# Consolidated income statement

SEK m	Note	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
		2020	2019	2019/20	2019
Net revenue		1,932	1,708	7,671	7,446
Other operating revenue		6	0	26	21
<b>Operating revenue</b>	3	<b>1,938</b>	<b>1,708</b>	<b>7,697</b>	<b>7,467</b>
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
<b>Operating costs</b>		<b>-1,840</b>	<b>-1,631</b>	<b>-7,306</b>	<b>-7,097</b>
<b>Operating profit</b>		<b>98</b>	<b>77</b>	<b>391</b>	<b>369</b>
Finance income		4	6	123	125
Finance expenses		-38	-27	-256	-246
<b>Profit before tax</b>		<b>64</b>	<b>56</b>	<b>257</b>	<b>249</b>
Income tax		-11	-12	-61	-61
<b>Net profit for the period</b>		<b>53</b>	<b>44</b>	<b>197</b>	<b>187</b>
<b>Attributable to:</b>					
Parent Company shareholders		53	44	198	188
Non-controlling interests		0	0	-1	-1
<b>Net profit for the period</b>		<b>53</b>	<b>44</b>	<b>197</b>	<b>187</b>
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 balance sheet

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

# Consolidated cash flow statement

	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
SEK m	2020	2019	2019/20	2019
<b>Profit before tax</b>	<b>64</b>	<b>56</b>	<b>257</b>	<b>249</b>
<b>Adjustments for:</b>				
Depreciation/amortisation	88	68	348	327
Financial items, net	34	21	133	121
Other non-cash items	0	-1	1	0
<b>Cash flow from operating activities before changes in working capital</b>	<b>187</b>	<b>144</b>	<b>739</b>	<b>697</b>
Change in working capital	-41	-50	135	126
<b>Cash flow from operating activities</b>	<b>146</b>	<b>94</b>	<b>875</b>	<b>823</b>
Financial items, net	-30	-15	-135	-120
Income tax paid	-23	-17	-77	-71
<b>Cash flow from operating activities, net</b>	<b>94</b>	<b>63</b>	<b>663</b>	<b>631</b>
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
<b>Cash flow from investing activities</b>	<b>-31</b>	<b>-62</b>	<b>-292</b>	<b>-323</b>
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
<b>Cash flow from financing activities</b>	<b>-121</b>	<b>-101</b>	<b>-6</b>	<b>14</b>
<b>Cash flow for the period</b>	<b>-58</b>	<b>-100</b>	<b>365</b>	<b>322</b>
<b>Cash and cash equivalents at start of period</b>	<b>836</b>	<b>514</b>	<b>420</b>	<b>514</b>
Exchange differences	11	7	4	0
<b>Cash and cash equivalents at end of period</b>	<b>789</b>	<b>420</b>	<b>789</b>	<b>836</b>



# Key ratios

	<b>Jan-Mar 2020</b>	<b>Jan-Mar 2019</b>	<b>Apr-Mar 2019/20</b>	<b>Jan-Dec 2019</b>		<b>Jan-Mar 2020</b>	<b>Jan-Mar 2019</b>	<b>Apr-Mar 2019/20</b>	<b>Jan-Dec 2019</b>
Operating revenue	1,938	1,708	7,697	7,467	Average number of employees, Individual & Family, FTE	2,085	2,249	2,021	2,026
Operating margin, %	5.1%	4.5%	5.1%	4.9%	Average number of employees, Personal Assistance, FTE	4,887	5,032	4,938	4,909
Interest-bearing net debt, SEK m	3,798	2,928	3,798	3,712	Average number of employees, Elderly Care, FTE	820	840	841	847
Return on capital employed, %	1.4%	1.4%	5.6%	5.4%	Average number of full-time employees, Finland	1,681	840	1,749	1,538
Equity/assets ratio, %	28.4%	32.7%	28.4%	28.0%	Average number of full-time employees, Norway	779	795	794	799
Operating cash flow, SEK m	95	33	657	595	Average number of full-time employees, Central functions incl. DK	57	53	57	56
Interest-bearing net debt/adjusted EBITDA, 12 months, times	5.2x	5.7x	5.2x	5.4x	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

# Segments financials

## Operating revenue by business area

SEK M	Jan-Mar	Jan-Mar	%	Apr-Mar	Jan-Dec	%
	2020	2019		2019/20	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%
<b>Total operating revenue</b>	<b>1,938</b>	<b>1,708</b>	<b>13%</b>	<b>7,697</b>	<b>7,467</b>	<b>3%</b>

## Organic growth by business area 1)

%	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
	2020	2019	2019/20	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%
<b>Total organic growth</b>	<b>3.8%</b>	<b>1.5%</b>	<b>2.6%</b>	<b>2.0%</b>

# Segments financials, cont'd

## Operating profit by business area

SEK M	Jan-Mar	Jan-Mar	%	Apr-Mar	Jan-Dec	%
	2020	2019		2019/20	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 <sup>2) 3)</sup>	-5	-18	n/a	-59	-72	n/a
<b>Total operating profit</b>	<b>98</b>	<b>77</b>	<b>28%</b>	<b>391</b>	<b>369</b>	<b>6%</b>

## Operating margins by business area

%	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
	2020	2019	2019/20	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%
<b>Total operating profit margin</b>	<b>5.1%</b>	<b>4.5%</b>	<b>5.1%</b>	<b>4.9%</b>

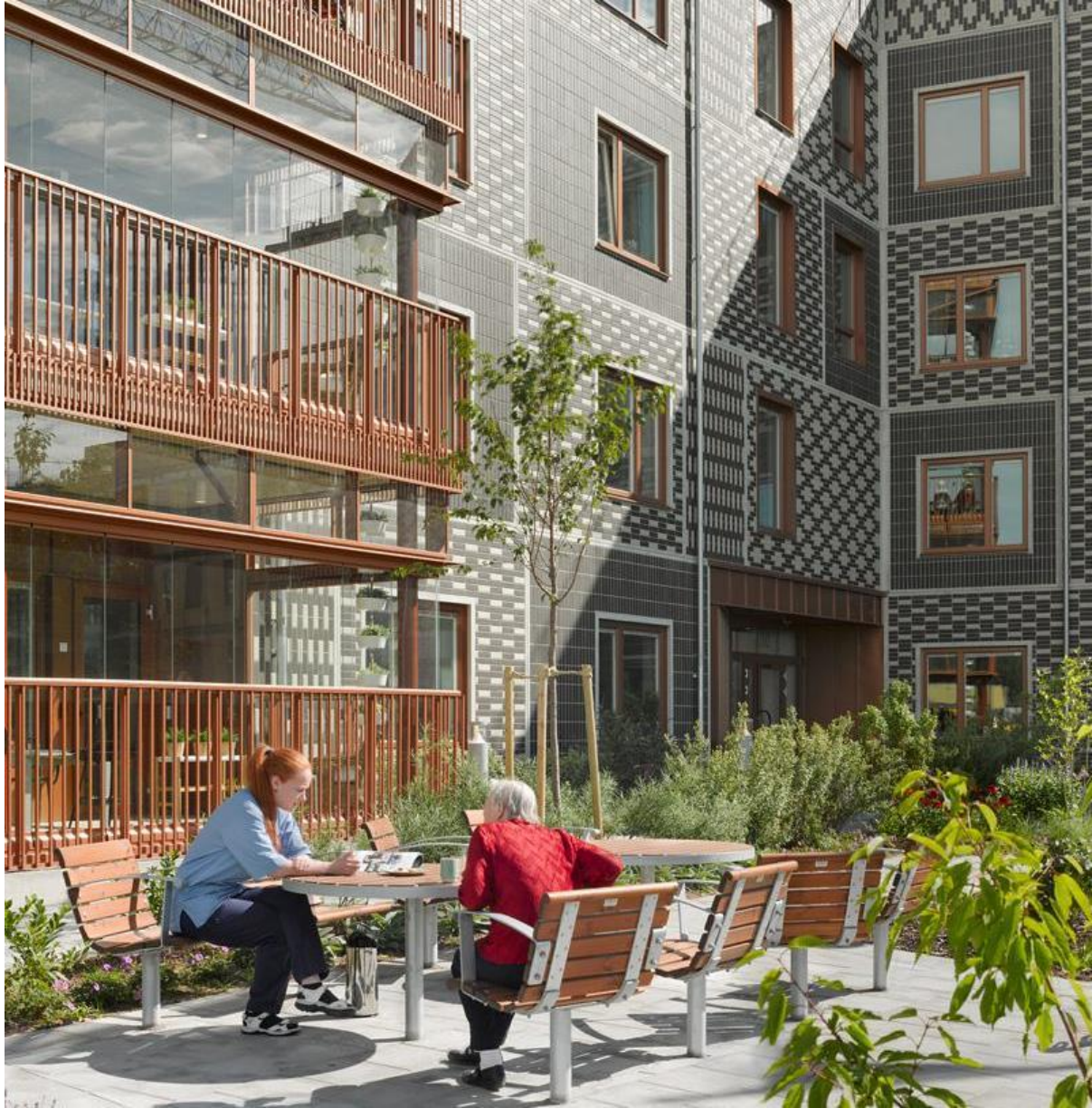


Central costs, SEK m	Q1 2020	Q1 2019
<b>Underlying central costs</b>	<b>27</b>	<b>23</b>
Acquisition related costs	0	2
Effects of IFRS 16	-16	-7
Sales of Real estate	-5	-
<b>Central overhead costs</b>	<b>5</b>	<b>18</b>

Financial summary Q1 2020

## Central costs

- New care homes under own management and sale-and-leaseback increases the effects of IFRS 16



## 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 profit before depreciation, amortisation and impairment (see Note 9b, Financial definitions and intent). Debt may temporarily exceed the target level, for example in connection with acquisitions.





## 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, please contact:

Ulf Bonnevier, CFO and Vice President,  
+46 70-164 73 17, [ulf.Bonnevier@humana.se](mailto:ulf.Bonnevier@humana.se)

Anna Sönne, Head of Investor Relations  
+46 70-601 48 53, [anna.sonne@humana.se](mailto:anna.sonne@humana.se)