



# Humana

Everyone is entitled to a good life.

Interim report January-March, Q1, 2021

Rasmus Nerman, Noora Jayasekara, 6 May 2021



## Continued good progress in Q1 2021

- Main focus still on handling the pandemic
  - Situation improved following vaccinations of both residents and staff
  - Occupancy still dampened
- Steady performance continuing
- Humana Group continues to grow organically
- Acquisition of Team J-son (I&F)
- Strong cash flow and performance allowed for repurchase of additional shares
- All in all, a solid start to the year



# Financial highlights Q1 2021

## Growth

- **Revenue:** SEK 1,986m (1,938), +2% vs LY
- **Organic growth:** 2.4% (3.8)

## Profitability

- **Operating profit:** SEK 112m (98m), +14%
- **Operating margin:** 5.7% (5.1%)

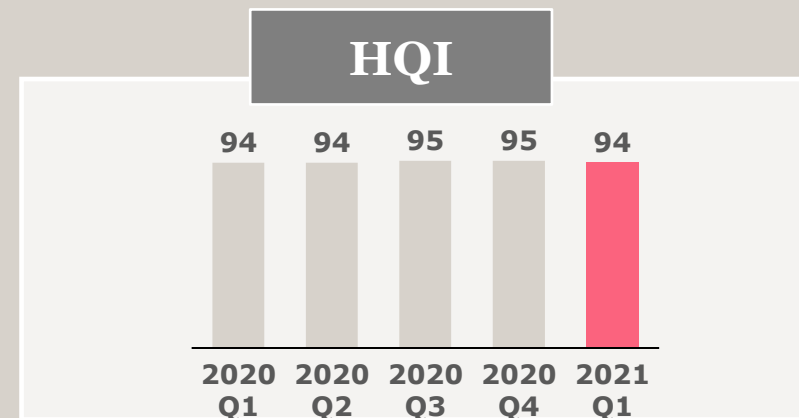
## Cash flow & leverage

- **Operating cash flow:** SEK 197m (95)
- **Net debt:** SEK 3,688 (3,798), SEK -110m
- **Net debt/EBITDA:** 4.4x (5.2)



## Covid-19 still the main focus

- Continued low transmission of Covid-19 due to hard work
- Good effect from vaccination programmes
- Humana Quality Index, HQI, slightly down in Q1, after two quarters on a record level
  - The employee survey reflected a challenging year for many employees
- 3 Lex Sarah and 1 Lex Maria reported to IVO





# Accelerated sustainability work

- ESG contributions 2020:
  - Strong quality (HQI increased)
  - Saved Nordic taxpayers SEK 1bn
  - 163 entry level jobs created
  - Work on equal opportunities
  - Carbon index implemented. Reduced emissions in 2020
  - Code of Conduct for suppliers
  - More on our work in the Annual and Sustainability report 2020
- Humana ranked as most sustainable brand in health care category in Sweden 2021 (Sustainable Brand Index)
- Accelerated sustainability efforts in 2021







## Another stable quarter in Personal Assistance

- Steady performance
- Growth of 5%, of which organic growth was 2.5%
- Continued strong momentum as a result of organisational changes and digitalisation
- High grades in our internal quality measurements due to good results in both the employee satisfaction survey as well as our customer satisfaction survey
- We continue to be positive to the future outlook of Personal Assistance. In the quarter, the number of hours increases slightly for the first time in a very long time



## Steady performance in Individual & Family

- Steady performance continues due to
  - Positive organisational momentum
  - Stable demand in all segments
- Improved organic growth
- New operations in LSS and the adult segment contributing
- In February, acquisition of Team J-son
  - Revenue of approximately SEK 90m and 120 employees.
  - First acquisition in I&F since 2017



**Individual  
& Family**

## Focus on the pandemic - and on new units

- Main focus continuously on handling the Covid-19 situation
  - Customers and employees have had vaccinations. We see a clear positive effect
  - Occupancy still negatively impacted although picking up
- New own managed unit in Falkenberg successfully opened in April
- In May and June new OWM-units to open in Vallentuna, Ängelhom and Norrtälje







## Finland

## Heading in the right direction but facing financial challenges

- Operationally the business area headed in the right direction
- The pandemic continues to have a negative effect on revenue due to lower occupancy
- I&F segments performing well although negatively impacted by new national regulations on capacity
- Elderly care segment is challenging
- New management team has closed in on the problems and is focused on taking corrective measures

## Strong development in Norway

- Strong organic growth of 11.2 percent
- The new agreement in the assistance operations has led to strong customer inflow
- The segment for disabled care is also growing
- The Hagen report on private welfare providers, published in December, contributing with important facts and knowledge to the debate on private welfare providers in Norway



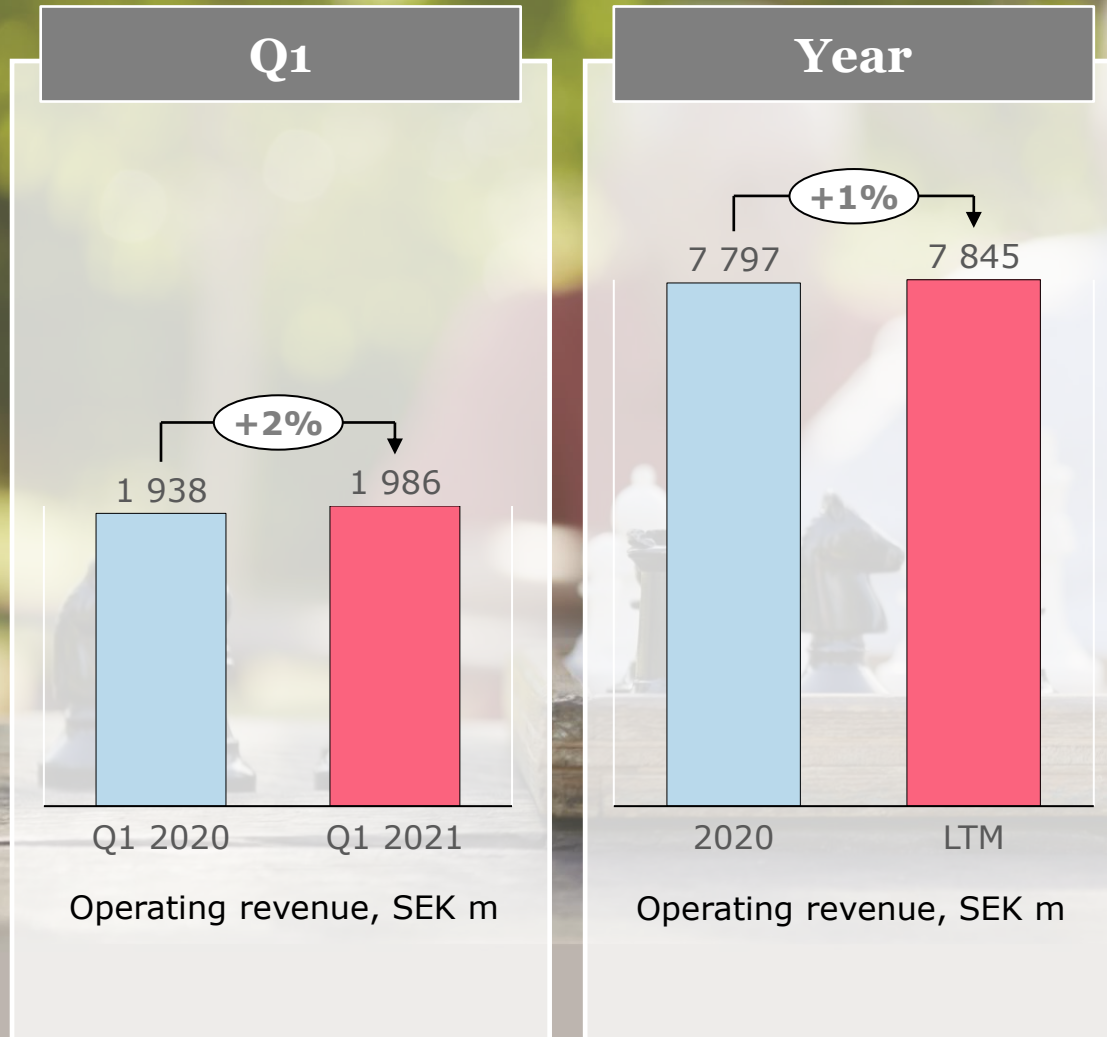
**Norway**





## CFO highlights Q1 2021

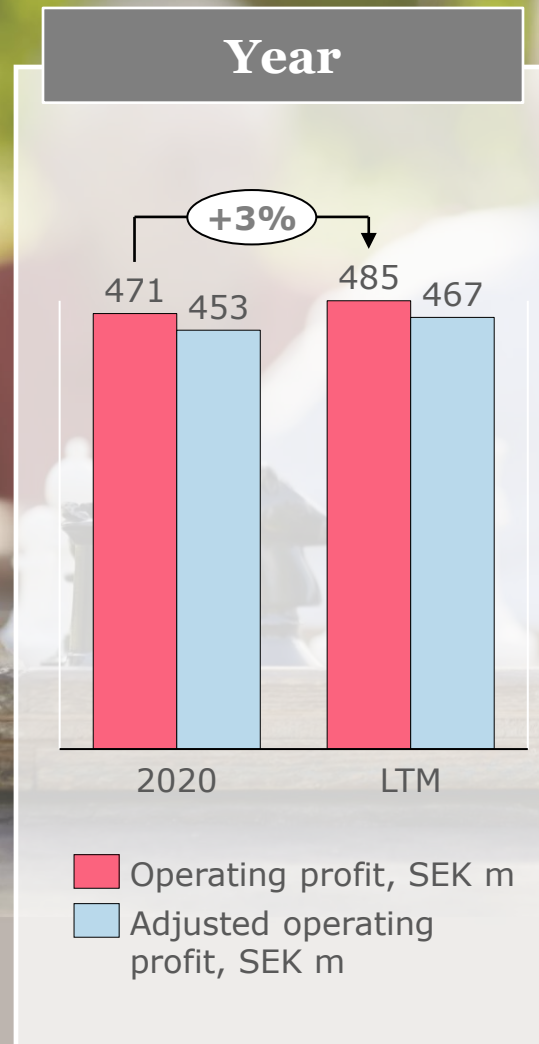
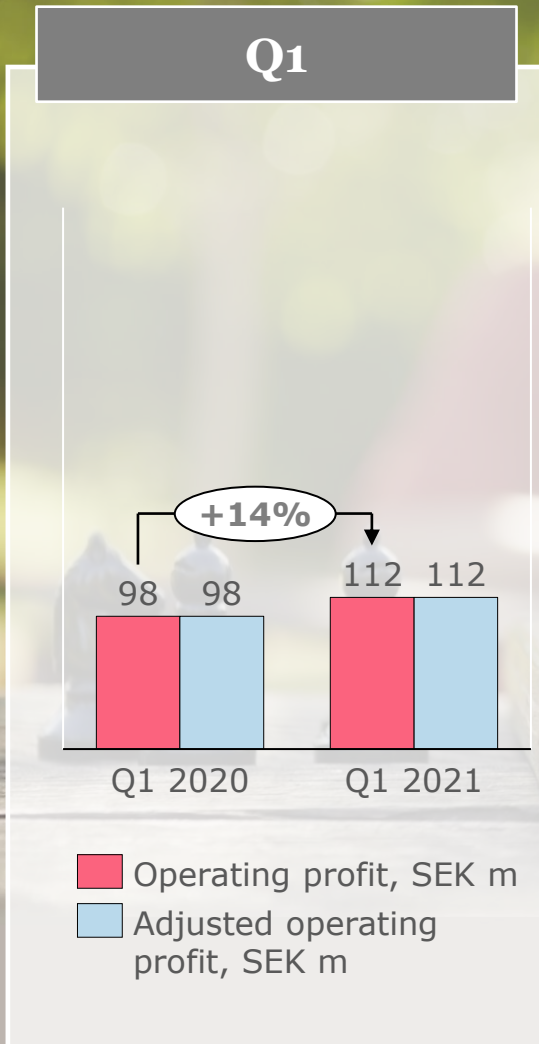
- From a financial perspective our main objectives remain: to increase predictability and stability
- Continued progress within digitalisation
- In February and March, further repurchases of shares in accordance with the authorisation from AGM 2020 – now holding 5,017,059 shares, purchased to an average price of SEK 62,44
- Financially another stable quarter – leverage in line with target and strong operative cash flow



## Operating revenue

- An increase in revenues by 2%
- Organic growth 2.4% (3.8)
  - Improved organic growth in Individual & Family and Norway
  - Decrease in organic growth in Finland
  - Adjusted for leap day, organic growth was 3.5% (2.7) in Q1
- Acquired operations accounted for SEK 29m
- Negative impact from Covid-19
  - Lower occupancy in elderly care in Sweden and Finland and outpatient care in Finland

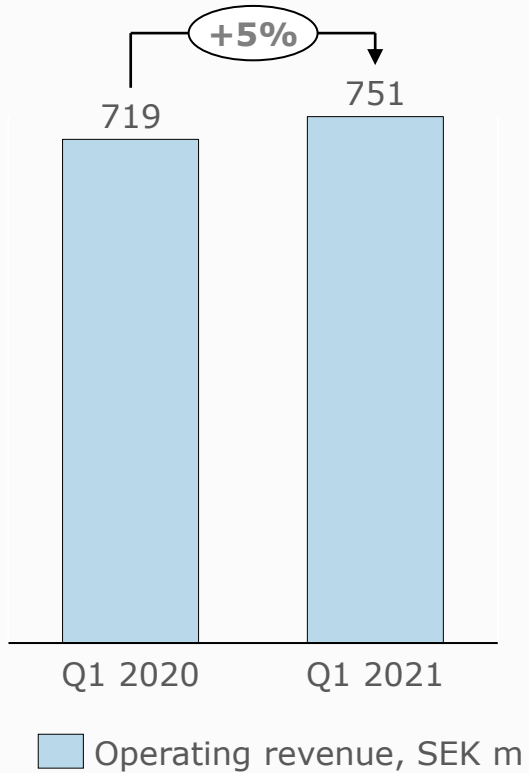




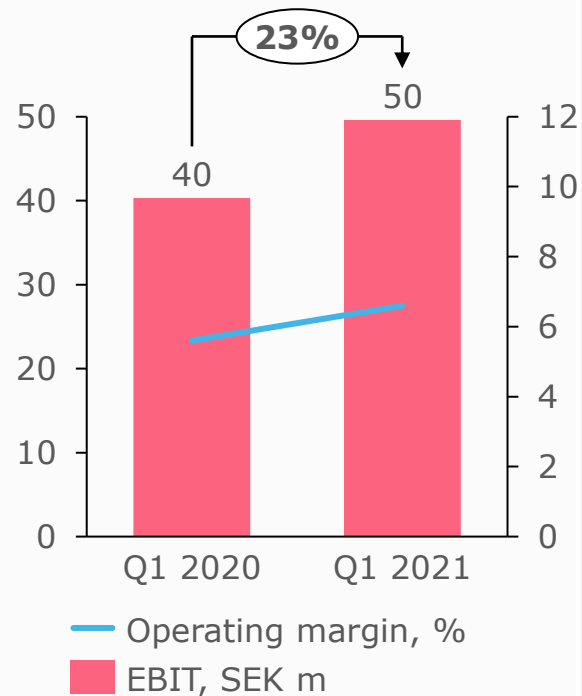
## Profitability

- Operating margin 5.7% (5.1) in Q1
- Operating profit increase of 14%
  - All business areas contributing to the increase except for Finland
- Covid-19 affected the profit from several aspects
  - Lower occupancy
  - Increased sickness absences and increased use of PPE
  - Reduced social security costs, government support for sickness absence and partial compensation for PPE offset the costs
- Effect on operating profit of IFRS 16: SEK 15m

## Revenue



## Profitability

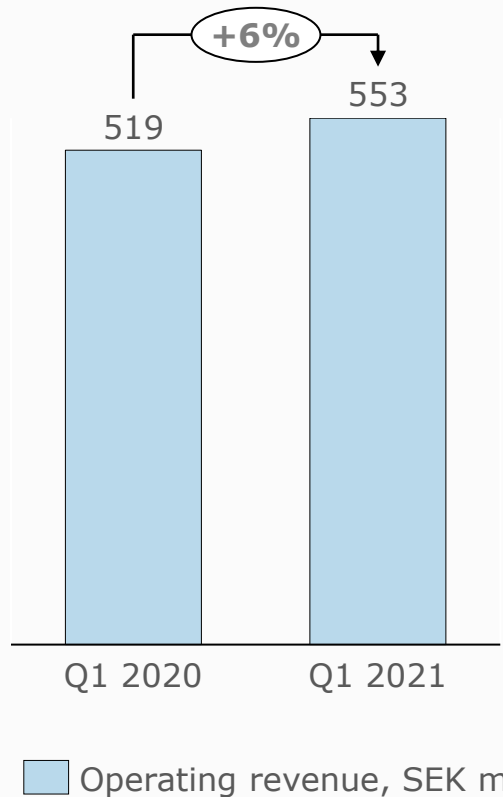


## Personal Assistance

- Revenue increased by 5%
  - Organic growth was 2.5% (2.9).
  - Higher reimbursement
  - Acquired operations contributed
- Operating profit increased by 23%
  - Operating margin was 6.6% (5.6)
  - More efficient cost management
  - Positive contributions from acquisitions



## Revenue



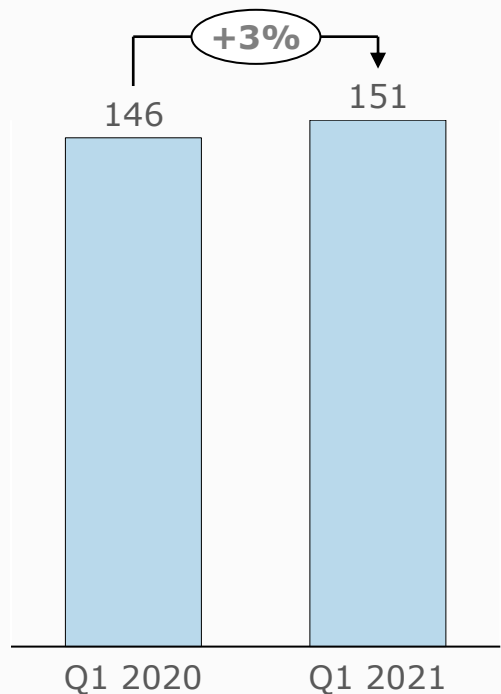
## Profitability



## Individual & Family

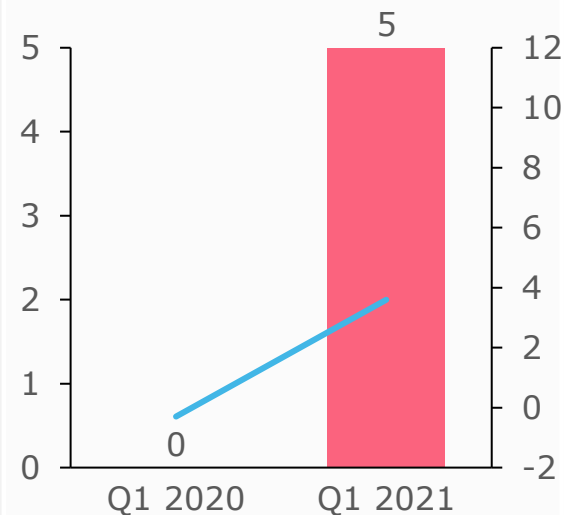
- Revenue increased by 6%
  - Organic growth of 3.6% (1.4).
  - Stable occupancy in Children and youth
  - Increased occupancy in Adult
  - New units and acquisitions contributed
- Operating profit increased by 24%
  - Operating margin was 7.5% (6.4)
  - Improved control and positive contributions from acquisitions
  - The increased costs associated with the pandemic compensated for by government grants

## Revenue



Operating revenue, SEK m

## Profitability



Operating margin, %

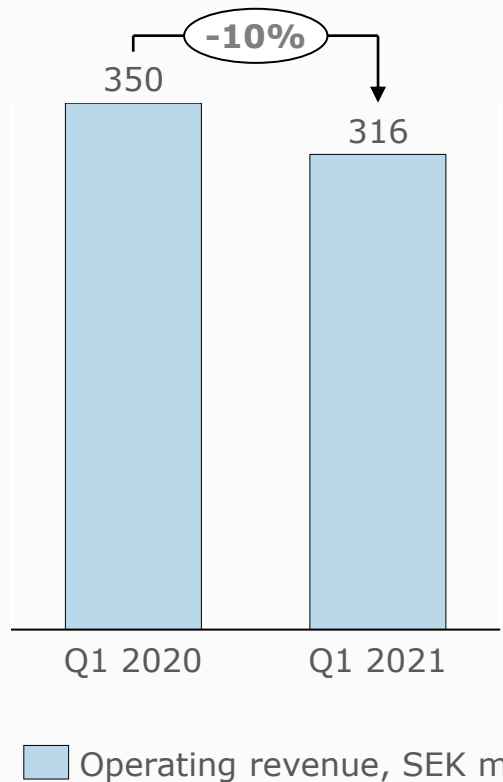
EBIT, SEK m

# Elderly Care

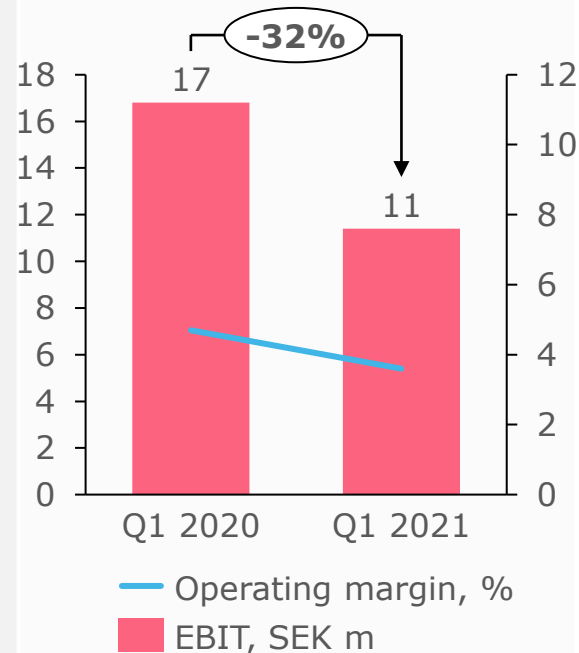
- Revenue growth of 3%
  - The increase in revenue is organic
  - The increase is due entirely to contracted operations
  - Lower occupancy due to Covid-19
- Operating margin was 3.6% (-0.3)
  - Improvements in new units
  - The pandemic affected the result through lower occupancy and higher costs for sick leave and PPE, partially offset by government grants



## Revenue



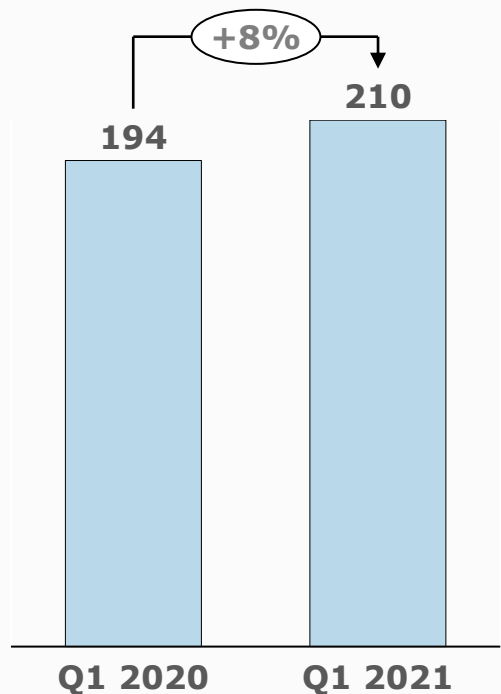
## Profitability



## Finland

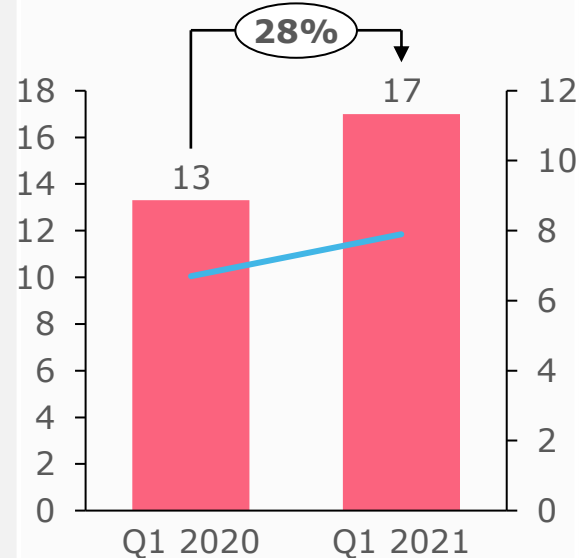
- Revenue decrease of 10%
  - Organic growth was -4.6% (10.2)
  - Terminated some contracts
  - Negative impact on occupancy from Covid-19 in elderly care and outpatient care
  - New unit openings contributed
- Operating profit decreased by 32%
  - Operating margin was 3.6% (4.7)
  - The decrease is partly explained by the negative effects of the pandemic on occupancy and increased costs related to sick leave

## Revenue



Operating revenue, SEK m

## Profitability



Operating margin, %

EBIT, SEK m

## Norway

- Revenue increase of 8%
  - Organic growth was 11.2% (4.6)
  - Increase in customers in personal assistance and the care home segment
- Operating profit increased by 28%
  - Operating margin for the quarter was 7.9% (6.7)
  - The increase is due to a greater number of customers and higher operational efficiency



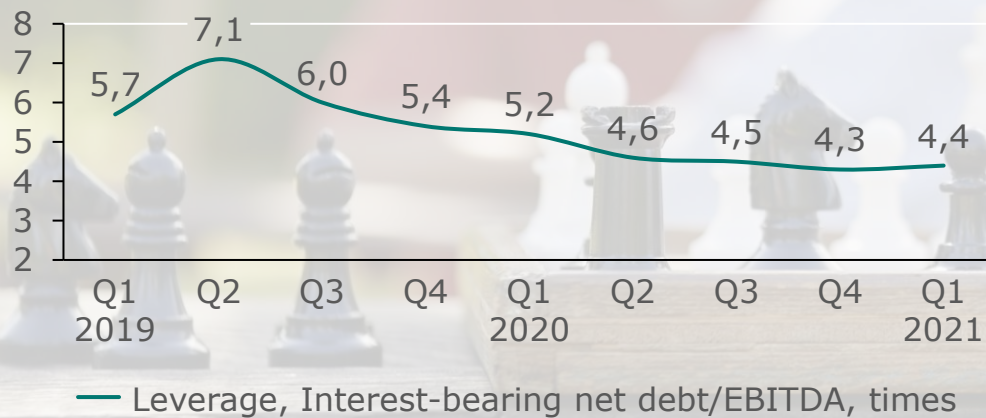
Q1

SEK m	Q1 2020	Q1 2021
<b>Underlying central costs</b>	<b>27</b>	<b>27</b>
Acquisition related costs	0	0
Effects of IFRS 16	-16	-15
Sales of real estate	-5	0
<b>Central overhead costs</b>	<b>5</b>	<b>12</b>

## Central costs

- Underlying central costs at same level as in Q1 previous year
- Positive effects of IFRS 16 of SEK 15m on central costs (and operating profit) in the quarter

## Leverage, development



## Financial position

- Interest-bearing net debt decreased, year-on-year, by SEK 110m to SEK 3,688m (3,798)
  - The decrease mainly attributable to an increased operating cash flow offset by buyback of shares
- Leverage, interest-bearing net debt in relation to adj. EBITDA, decreased to 4.4x (5.2)
  - Higher profit and fewer investments explains the lower leverage
  - Leverage in line with target



## Operating cash flow

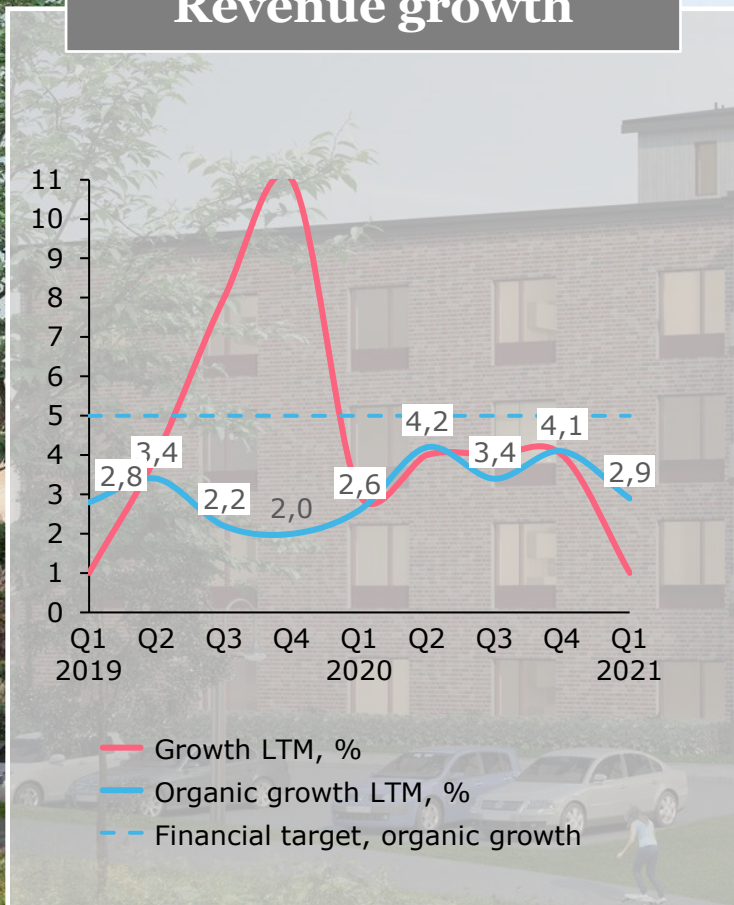
SEK m	Q1 2020	Q1 2021
<b>Operating profit</b>	<b>98</b>	<b>112</b>
Depreciation	88	91
Changes in working capital	-41	23
Investments in other non-current assets, net	-51	-29
<b>Operating cash flow</b>	<b>95</b>	<b>197</b>

## Cash flow

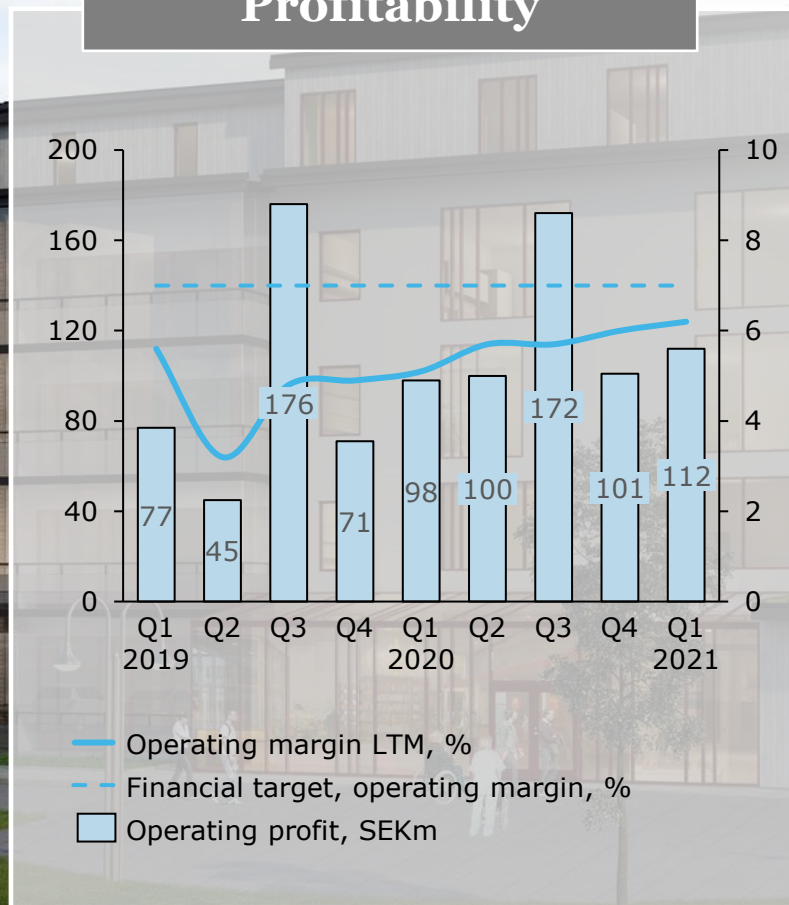
- Operating cash flow SEK 197m (95)
  - Improved profit, decreased working capital and fewer investments behind the increase
- Cash flow for the quarter SEK -196m (-58), where
  - Net cash flow from operating activities SEK 169m (94)
  - Cash flow from investing activities SEK -82m (-31), of which SEK -59m related to acquisitions
  - Cash flow from financing activities SEK -283m (-121). SEK -159m related to the buyback of shares

# Financial targets and development

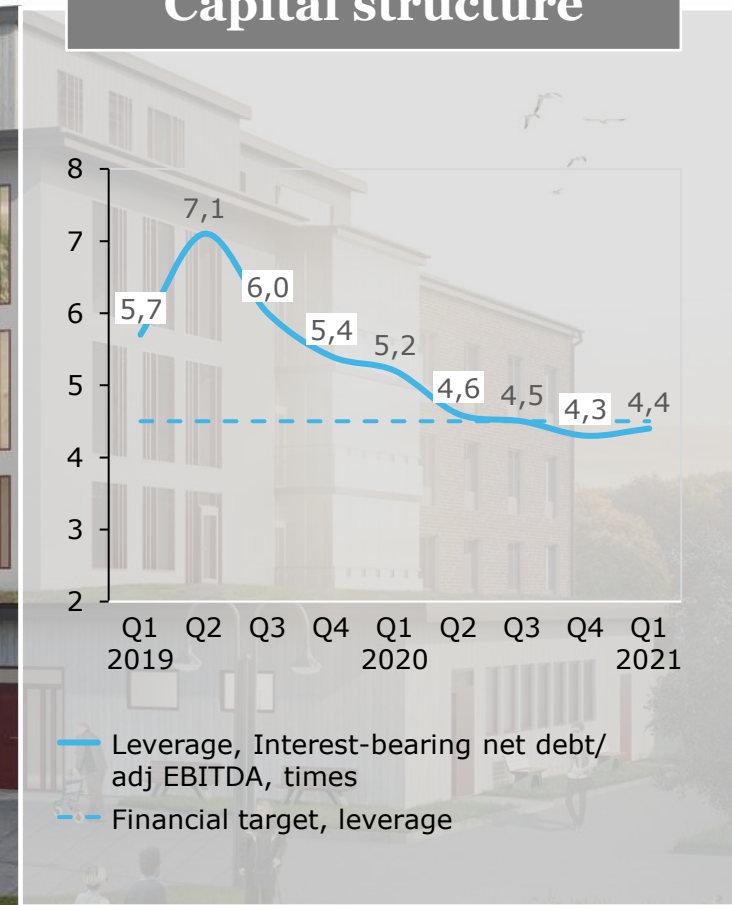
## Revenue growth



## Profitability



## Capital structure







## Summary

- ✓ Q1 2021- a stable quarter
  - ✓ The vaccinations improved our operational situation
  - ✓ Humana continued to grow organically
  - ✓ Improved operating profit in four out of five business areas
  - ✓ Strong cash flow

### Priorities going forward

- Handle the pandemic in a good way
- Continued focus on value creation and stability/predictability
- Drive organic growth coupled with accretive add-on's
- Accelerated sustainability efforts in 2021



# Thanks!

## Financial calendar

AGM	11 May 2021
Half-year report Jan-Jun and Q2 2021	20 Aug 2021
Interim report Jan-Sep and Q3 2021	11 Nov 2021

## Further information

Anna Sönne, Head of IR and Sustainability,  
+46 70 601 4853  
[anna.sonne@humana.se](mailto:anna.sonne@humana.se)