

Interim report

July-September 2017

Q3



Humana is a leading Nordic public care company. The company is the market leader within individual and family care and personal assistance. In Norway and Finland, Humana is the second-largest provider within individual and family care. Humana has approx. 15,000 employees who all work with a shared vision – Everyone is entitled to a good life. The company had annual revenue of SEK 6,362 M in 2016. Humana is a growth company with a focus on quality and customer satisfaction. Humana has been listed on Nasdaq Stockholm since 2016. The company's headquarters are located in Stockholm, Sweden. Read more about Humana on www.humana.se or <http://corporate.humana.se>.

Contact Humana AB:

Tel: +46-8-599 299 00

Visiting address: Warfvinges väg 39, 112 51 Stockholm

Web: www.humana.se

Email: info@humana.se

VAT number: 556760-8475



Humana



Focus on improved efficiency and profitability

Third quarter: July-September 2017

- **Operating revenue** was SEK 1,614 M (1,676), a decrease of 4% or SEK 62 M. Disposal of the home care service business had a negative effect on revenue in the quarter.
- **Operating profit** was SEK 110 M (159) and was charged with SEK 14 M in capital losses from the sale of the home care service business. Adjusted operating profit amounted to SEK 125 M (159).
- **Net profit after tax for the period** was SEK 71 M (117).
- **Earnings per share for the period** before and after dilution were SEK 1.34 (2.21).
- **Operating cash flow** was SEK -40 M (51).

Interim period January-September 2017

- **Operating revenue** was SEK 4,940 M (4,681), an increase of 6% or SEK 259 M.
- **Operating profit** was SEK 250 M (256).
- **Net profit after tax for the period** was SEK 160 M (135).
- **Earnings per share for the period** before and after dilution were SEK 3.01 (2.23).
- **Operating cash flow** was SEK -13 M (111).

Events during the third quarter

- Humana's home care service business was disposed of as of 1 September 2017. The disposal resulted in a capital loss of SEK 14 M, charged to the third quarter. The amount of revenue divested for the full year is approximately SEK 250 M.
- A new three-year collective agreement was signed for personal assistance operations in Sweden.
- As proposed in the government budget, the state reimbursement level for personal assistance would increase by 1.5% to SEK 295.40 per hour starting in 2018, up from the previous SEK 291 per hour.

Events after the end of the period

- Humana acquired Ryhmäkoti Raide Oy in Finland in October 2017.

Revenue and profit

SEK M	Jul-Sep			Jan-Sep			Oct-Sep		Jan-Dec	
	2017	2016	%	2017	2016	%	2016/17	2016	%	
Net revenue	1,614	1,676	-4%	4,926	4,681	5%	6,607	6,362	4%	
Other revenue	0	0	n/a	14	0	n/a	14	0	n/a	
Operating revenue	1,614	1,676	-4%	4,940	4,681	6%	6,621	6,362	4%	
Operating profit	110	159	-30%	250	256	-2%	323	329	-2%	
Adjusted operating profit	125	159	-21%	250	296	-15%	323	369	-12%	
Net profit for the period	71	117	-39%	160	135	18%	194	170	15%	
Operating cash flow	-40	51	-179%	-13	111	-112%	-257	-135	n/a	



Improvements in a changing market

“The conversion and efficiency programme in Individual & Family is proceeding as planned, and we continue to see clear improvements. Market conditions in Personal Assistance as well as in Norway are still challenging. Humana’s operations in Finland are developing very well.”

Developments in the third quarter are moving in the right direction, but there is further potential. The action programmes are proceeding according to plan and we see clear improvements in Individual & Family.



The capacity that increased in the Swedish market to deal with the refugee crisis in 2015 and early 2016 is diminishing and the market for less complex health and social care services is being consolidated as a result of reduced demand. Demand for more complex care services remains high, but the quarter saw a changing dynamic in the market and we perceive a decline in demand in the children and adolescents area. Something that also affects us, and the entire health and social care industry, is the alarmingly long lead times for licensing at the Health and Social Care Inspectorate (IVO). This licensing inertia has resulted in a delay of business start-ups, which has a negative impact on revenue and profit. There are further opportunities for improvements in Individual & Family to strengthen future growth and profitability. We retain our previously announced expectation that we will be back at an operating margin of 9-10% for the business area in the 2018 financial year.

Market conditions for operating the personal assistance business in Sweden remain challenging. The proposed state reimbursement level is increasing by 1.5% per hour starting 1 January 2018 (previously 1.0% rise), while wages went up 2.2% as of 1 October 2017. The increase in compensation represents a step in the right direction, although it does not fully compensate for the wage increases.

The Social Insurance Board’s (Försäkringskassan) restrictive interpretations of several high-court rulings leads to a continued reduction in the entitled number of assistance hours, which restricts the right to a good life for thousands of people and those close to them.

Our growth investment in elderly housing under our own management, with establishment of the unit in Växjö during the quarter and with the one in Åkersberga just getting started, has resulted in start-up costs that, together with the disposed home care service business, have had a negative effect on profit. The unit in Gävle currently runs with high occupancy and satisfactory profitability, which supports our future growth plans. In addition to the three established units, two more are in the project planning stage and there is strong demand for Humana’s concept.

Operations in Finland continue to develop well, and the prospect of continued growth is considered very good in both existing and new segments. During the quarter we acquired Nordic Senior Services Oy and after the end of the quarter we also acquired a smaller company, Ryhmäkoti Raide Oy. These acquisitions mean a further strengthening of our geographical presence and our offer in Finland. The measures taken to increase capacity utilisation and efficiency in the Norwegian operations continued during the quarter. My expectation that in 2018 we will achieve an operating margin in the Norwegian operations that exceeds the 6% target of the Group remains.

To summarise, we have worked intensively with activities and actions in the quarter to strengthen Humana’s profitability but also continued to invest in growth.

Stockholm, 16 November 2017

Rasmus Nerman, President and CEO
Humana AB



Operating revenue by business area

SEK M	Jul-Sep	Jul-Sep	%	Jan-Sep	Jan-Sep	%	Oct-Sep	Jan-Dec	%
	2017	2016		2017	2016		2016/17	2016	
Individual & Family	537	553	-3%	1,659	1,654	0%	2,220	2,214	0%
Personal Assistance	667	671	-1%	1,968	1,994	-1%	2,619	2,645	-1%
Elderly Care	128	145	-12%	429	433	-1%	576	580	-1%
Other Nordics	282	307	-8%	869	602	44%	1,192	924	29%
Other revenue 2)	0	0	n/a	14	0	n/a	14	0	n/a
Total operating revenue	1,614	1,676	-4%	4,940	4,681	6%	6,621	6,362	4%

Organic growth by business area ¹⁾

%	Jul-Sep	Jul-Sep	%	Jan-Sep	Jan-Sep	%	Oct-Sep	Jan-Dec	%
	2017	2016		2017	2016		2016/17	2016	
Individual & Family	-5.6%	5.5%		-2.7%	6.8%		-2.7%	4.4%	
Personal Assistance	-0.6%	-2.5%		-1.3%	-1.1%		-1.6%	-1.6%	
Elderly Care	4.0%	1.0%		11.8%	-1.0%		13.1%	-1.0%	
Other Nordics, local currency	-12.0%	35.7%		-10.0%	9.8%		-6.1%	7.0%	
Total organic growth, constant currency rate	-4.3%	3.3%		-1.9%	2.3%		-1.6%	1.1%	

Operating profit per business area

SEK M	Jul-Sep	Jul-Sep	%	Jan-Sep	Jan-Sep	%	Oct-Sep	Jan-Dec	%
	2017	2016		2017	2016		2016/17	2016	
Individual & Family	70	79	-12%	147	177	-17%	181	211	-14%
Personal Assistance	49	43	14%	114	117	-2%	148	151	-2%
Elderly Care	-1	6	-121%	-10	-4	n/a	-12	-6	n/a
Other Nordics	26	44	-40%	55	66	-16%	78	89	-12%
Central costs/other 2) 3)	-33	-13	n/a	-56	-99	n/a	-73	-115	n/a
Total operating profit	110	159	-30%	250	256	-2%	323	329	-2%

Operating profit margins by business area

%	Jul-Sep	Jul-Sep	%	Jan-Sep	Jan-Sep	%	Oct-Sep	Jan-Dec	%
	2017	2016		2017	2016		2016/17	2016	
Individual & Family	13.0%	14.3%		8.9%	10.7%		8.2%	9.5%	
Personal Assistance	7.4%	6.4%		5.8%	5.9%		5.7%	5.7%	
Elderly Care	-1.1%	4.4%		-2.3%	-1.0%		-2.1%	-1.1%	
Other Nordics	9.3%	14.2%		6.3%	10.9%		6.6%	9.6%	
Total operating profit margin	6.8%	9.5%		5.1%	5.5%		4.9%	5.2%	

1) Like-for-like growth for companies that Humana owned in the preceding comparison period.

2) Operating profit full-year 2016 includes SEK 40 M in IPO costs and SEK 16 M in acquisition costs. Included in 2017 is a capital gain of SEK 14 M from the disposal of property (sale-and-leaseback) in the second quarter. Third quarter 2017 operating profit includes SEK 2 M in acquisition costs, YTD SEK 3 M.

3) Third quarter 2017 operating profit includes SEK 14 M capital loss from sale of home care service business.



Group performance

Revenue

Operating revenue in the third quarter decreased by 4% or SEK 62 M to SEK 1,614 M (1,676), which is under Humana's target of an annual growth increase of 8-10%. The decrease in revenue is explained by the disposal of the home care service business as of 1 September, lower acquisition activity than previously and lower capacity utilisation in parts of Individual & Family and Norway. Operations under our own management accounted for 95% of revenues. Acquired operations, that is, companies that were not owned throughout the previous comparative period, contributed SEK 31 M to revenues in the quarter. Organically, revenue decreased by 4.3%, which is explained by lower capacity utilisation in children and adolescents in Individual & Family and Norway. Market conditions that continue to be challenging in Personal Assistance have also contributed to the decrease.

For the nine-month period January-September, operating revenue increased by 6% to SEK 4,940 M (4,681), slightly below the growth target. Acquired companies contributed SEK 589 M to operating revenue. Organically, that is, excluding acquisitions, revenue decreased by 1.9%. As in the quarter, the decrease is attributable to lower capacity utilisation in parts of Individual & Family, the reorganisation in Norway and continued challenging market conditions in Personal Assistance.

Profit

Operating profit for the third quarter amounted to SEK 110 M (159), corresponding to an operating margin of 6.8% (9.5). Profit for the quarter was also impacted by a capital loss of SEK -14 M from the sale of the home care service business. Adjusted operating profit amounted to SEK 125 M (159), corresponding to an adjusted operating margin of 7.7% (9.5). Acquisitions contributed SEK 6 M to operating profit. Profit was affected by lower capacity utilisation in the children and youth area in Individual & Family and a somewhat lower utilisation in Norway. Further the results were impacted, by start-up costs for the elderly care units in Växjö and Åkersberga, costs for share savings programmes of SEK 2 M and acquisition costs of SEK 2 M. The fact that the new collective agreement in Personal Assistance took effect on 1 October 2017, thus pushing wage increases forward by a quarter, contributed positively to the quarter. Profit after tax for the period amounted to SEK 71 M (117).

Operating profit for the nine-month period amounted to SEK 250 M (256 including SEK 40 M in IPO costs). Profit included SEK 14 M in capital gains from property sales and SEK -14 M in capital losses from the sale of the home care service business. Adjusted operating profit amounted to SEK 250 M (296), corresponding to an adjusted operating margin of 5.1% (6.3). Acquired companies contributed SEK 56 M to profit. Operating profit for the period decreased as a result of lower capacity utilisation in children and adolescents in Individual & Family and in Norway and of continued challenging market conditions in Personal Assistance.

Events during the nine-month period

Third quarter 2017

- New collective agreement for companies active in personal assistance in Sweden (Personal Assistance).
- Proposed state reimbursement level increase in personal assistance in Sweden of 1.5% per hour to SEK 295.4 (Personal Assistance).
- Agreement on the fifth elderly housing unit under own management. The accommodation, located in Kungsängen outside Stockholm, will have 72 apartments and is scheduled to open in 2019 (Elderly Care).
- Humana disposed of its home care service business as of 1 September (Elderly Care). The capital loss charged to the third quarter amounted to SEK 14 M. Full year revenues amounted to approximately SEK 250 M.
- Humana acquired Nordic Senior Services Oy in Finland (Other Nordics). The acquisition meant an expansion of Humana's service area to include elderly care and LSS.

Second quarter 2017

- Humana disposed of 16 properties in Sweden. The purchase price amounted to SEK 135 M with a capital gain of SEK 14 M.
- Humana's AGM approved a dividend of SEK 0.50 per share for the 2016 financial year.

First quarter 2017

- Humana acquired Skellefteå Stöd och Behandling AB (Individual & Family).
- Humana intends to open its fourth elderly housing unit under own management in 2018 (Elderly Care).

Events after the end of the quarter

- Humana acquired Ryhmäkoti Raide Oy in Finland in October 2017 (Other Nordics).



Business area performance

Individual & Family

Revenue decreased by 3% in the quarter to SEK 537 M (553). Revenues for the nine-month period were in line with the previous year and amounted to SEK 1,659 M (1,654). Organic revenue decreased by 5.6% in the quarter and 2.7% for the nine-month period. The weaker growth rate is mainly due to lower capacity utilisation in the children and youth area as well as delayed start-ups due to extended licensing times at the Health and Social Care Inspectorate (IVO). Acquisitions contributed SEK 16 M to revenue in the quarter and SEK 59 M year to date.

Operating profit declined to SEK 70 M (79), corresponding to an operating margin of 13.0% (14.3) in the quarter, which was a further improvement compared with the first and second quarters. Acquisitions contributed SEK 3 M to profit in the quarter. Operating profit for the nine-month period was SEK 147 M (177). Acquisitions contributed with SEK 12 M to profits for the period. The decline in profit for the quarter and for the period is largely explained by a somewhat lower degree of capacity utilisation in the children and youth area, as well as costs for conversion and measures to increase cost-effectiveness in the business area. Humana's view is that the improvement program, which will continue through 2017, will increase efficiency and thereby strengthen profitability in the business area.

Personal Assistance

Revenue decreased by 1% in the third quarter and during the nine-month period. Revenue for the quarter amounted to SEK 667 M (671). An increase in the state reimbursement level of 1.0% compared to last year influenced these figures. However, the number of customers and the number of assistant hours delivered continued to decline during the quarter as a result of Social Insurance Board's (Försäkringskassan) very restrictive application of current regulations.

Operating profit for the quarter improved to SEK 49 M (43), corresponding to an operating margin of 7.4% (6.4) for the quarter. The improvement is explained by continued efficiency improvements and that the new collective agreement signed in the third quarter, with a 2.2% wage increase, went into effect as of 1 October 2017 with no retroactivity. For the nine-month period, operating profit decreased by SEK 3 M to SEK 114 M (117). The decrease is attributable to costs for increased social security fees for young people, that the personnel cost increase exceeds the increase in the state reimbursement level and somewhat fewer customers.

The government's proposal regarding the state reimbursement level for personal assistance

companies is an increase of 1.5% per hour from 1 January 2018 (previously 1.0% rise). The increase means that pay per hour increases from today's SEK 291 to SEK 295.40. The increase is positive for the industry, although it does not fully offset the personnel cost increase of 2.2%.

Elderly Care

Revenues in Elderly Care amounted to SEK 128 M (145) in the third quarter, a decrease of 12%. Revenue for the nine-month period amounted to SEK 429 M (433), a decrease of 1% compared to the corresponding period last year.

Disposal of the home care service business as of 1 September 2017 had a negative effect on revenue in the quarter. The home care service business contributed SEK 43 M (64) to revenue in the third quarter and SEK 178 M (208) to revenue for the period. Now divested operations had an effect on profit in the quarter of SEK 0 M (1) and of SEK -7 M (-3) for the nine-month period. The home care service business, which was divested with a capital loss of SEK 14 M during the quarter, generated annual revenues of approximately SEK 250 M.

Operating profit was SEK -1 M (6) for the quarter. Operating profit for the nine-month period was SEK -10 M (-4). The decline in profit in the quarter is explained by start-up costs for the elderly housing units in Växjö and Åkersberga, SEK 4 M. The decline in profit for the period is explained by losses in the now divested home care service business and start-up costs for new elderly housing units.

A decision has been made to build two additional elderly housing units under our own management in Staffanstorp and Kungsängen and the units are scheduled to open in 2019.

Other Nordics

Revenues in Other Nordics amounted to SEK 282 M (307) in the third quarter, a decrease of 8%. Organically, revenue decreased by 12% at constant exchange rates. The organic decline is explained by lower revenues from unaccompanied asylum-seeking minor children in Norway. Acquisitions contributed SEK 15 M to revenue in the quarter. For the nine-month period, revenue amounted to SEK 869 M (602), an increase of 44% or SEK 267 M. Acquisitions contributed SEK 530 M.

Operating profit for the third quarter amounted to SEK 26 M (44), corresponding to an operating margin of 9.3% (14.2). Acquisitions contributed SEK 3 M to profit. For the period, operating profit decreased to SEK 55 M (66), of which acquisitions contributed SEK 44 M.



The decrease is explained by costs for the start-up of new units, both in Finland and Norway, which are not yet contributing revenue, as well as a lower capacity utilisation and reorganisation costs in the Norwegian operations.

Financial position

Financing

At the end of September 2017, group equity amounted to SEK 1,856 M (1,726 at 31 December 2016), equivalent to an equity/assets ratio of 37.1% (37.6). Humana's interest-bearing net debt amounted to SEK 1,590 M (1,330). The increase is mainly related to Försäkringskassan's changed payment terms. Changed payment terms in Personal Assistance have had an impact on working capital of approximately SEK 370 M since being introduced last year. Humana's interest-bearing net debt in relation to EBITDA at the end of the period was 4.2 times (3.3), which is above the company's net debt target. The goal is for interest-bearing net debt to not exceed 3.0 times EBITDA over time.

SEK M	30 Sep 2017	30 Sep 2016	31 Dec 2016
Non-current interest-bearing liabilities	1 351	1 406	1 405
Current interest-bearing liabilities	671	318	687
Cash and cash equivalents	-432	-395	-465
Interest-bearing net debt	1 590	1 330	1 628
Equity/assets ratio, %	37,1%	37,6%	34,8%
Interest-bearing net debt/adjusted EBITDA 12 months, times	4,2x	3,3x	3,9x

Cash flow and capital expenditures

Operating cash flow during the period was SEK -13 M (111). The decrease is essentially explained by increased working capital of SEK -199 M (-97). The increase in working capital is mainly due to calendar effects caused by holiday days used. The effect of payment in arrears in Personal Assistance was somewhat positive at SEK 10 M during the period. Investments during the period increased compared with the same period last year to SEK -110 M (-84).

The net effect of acquisitions on cash flow was SEK -29 M (-455), of which SEK -6 M (-6) was for settlement of earn-out payments related to acquisitions from previous years. Cash flow from financing activities was SEK -75 M (SEK 383 M including the IPO's new share issue). Cash flow for the period was SEK -41 M (-100).

Financial targets

Revenue growth

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

Profitability

- EBIT margin of approximately 6% over the medium term

Capital structure

- Interest-bearing net debt in relation to EBITDA not to exceed a factor of 3.0
- However, leverage may temporarily exceed the target level, for example, in relation to acquisitions

Dividend policy

- Payment of a dividend equivalent to 30% of net 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 at the end of September 2017 was 10,011 (10,091 per end of December 2016).

Shares, share capital and shareholders

The number of shares in Humana AB at the end of September 2017 amounted to 53,140,064 shares with a quotient value of SEK 0.022, corresponding to share capital of SEK 1,180,879. The number of shareholders at the end of September 2017 was 4,013. The five largest shareholders were Air Syndication SCA (Argan), Bodenholm Master, MSIL IPB Client Account, Zirkona AB (Per Granath) and Zeres Public Market Fund.

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 programme

Humana has two long-term incentive programmes: one warrant programme for eight of the Company's senior executives and one share savings programme for 187 other Humana employees. The purpose of the incentive programme is to encourage a broad shareholding among Humana employees, facilitate recruitment, retain competent employees and increase motivation to achieve or exceed Humana's financial targets. The programmes include a warrant programme and a share savings programme. The warrant programme comprises a total of 1,440,420 warrants entitling holders to subscribe for the same number of new Humana shares. The participants acquired the warrants at market value, amounting to a total of approximately SEK 5.5 M, a total dilution of approximately 2.7 percent of Humana's total number of shares. The warrants have been issued in three series with different maturities. Those who retain their savings shares over the share savings programme's three-year period will receive matching shares for each savings share acquired at the end of those three years. At full allotment, the total number of shares amounts to a maximum of 106,000 shares, corresponding to approximately 0.2 percent of the total number of outstanding shares in the company. The cost of the share savings programme is recognised in accordance with IFRS 2. Costs for the share savings programme amounted to SEK 1.8 M in the third quarter and also apply to costs for the first and second quarter of 2017. The cost per quarter amounts to SEK 0.6 M. More information is available in the 2016 Annual Report.

Related-party transactions

The Group's key persons consist of the Board of Directors, group management and CEO – in part through ownership in Humana and in part through the executives' roles. Related parties also include the principal shareholder, Air Syndication S.C.A. Related-party transactions are conducted on an arm's length basis.

Risks and uncertainties

While doing business the Group is exposed to various types of financial risk. These risks can be summarised as financing risk, liquidity risk, credit risk and interest rate risk. A detailed description of risks is provided in the risk section of the 2016 Annual Report, pages 70-73 and in Note K21.

The main business-related risks and uncertainties that could affect the Group's performance in 2017 are related to political decisions that could affect private care companies, along with risks associated with the implementation of completed acquisitions.

Humana's business is funded by governments, municipalities and county councils, entailing that the business is impacted by political decisions. This means that Humana's growth opportunities are affected by public opinion and by politicians' views of the Group's areas of operation. Humana uses business intelligence to promptly identify changes in the external operating environment and can thereby assess risks and opportunities, and adapt its operations to changes in the Group's operating environment. The political situation is evaluated on a continuous basis.

Parent Company

Profit for the period was SEK -35 M (-49). The Parent Company's equity/assets ratio was 43.3% (44.3% on 30 September 2016).



Humana

This interim report was subject to a review by the company's auditors.

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 16 November 2017.

Conference call

A conference call will be held today, 16 November, at 09:00 CET, at which President and CEO Rasmus Nerman and CFO Ulf Bonnevier will present the report and answer questions. To participate, please call:

SE: +46 8 566 426 90

UK: +44 203 008 98 07

USA: +1 855 753 22 35

The Board of Directors and President certify that the nine-month report 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.

For further information, please contact:

Rasmus Nerman, President and CEO

Tel.: +46-70-828 18 60

Ulf Bonnevier, CFO

Tel.: +46-70-164 73 17

Cecilia Lannebo, Head of IR

Tel.: +46 722 208 277

Financial calendar 2018

Interim report Jan-Dec 2017 21 Feb 2018

Interim report Jan-Mar 2018 16 May 2018

AGM 16 May 2018



Consolidated income statement

SEK M	Note	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Oct-Sep 2016/17	Jan-Dec 2016
Net revenue		1,614	1,676	4,926	4,681	6,607	6 362
Other revenue		0	0	14	0	14	0
Operating revenue	3	1,614	1,676	4,940	4,681	6,621	6,362
Other external costs		-238	-246	-752	-691	-1,024	-963
Personnel costs		-1,233	-1,257	-3,876	-3,644	-5,196	-4 964
Depreciation		-16	-14	-45	-35	-60	-50
Other operating costs		-17	0	-17	-55	-19	-57
Operating costs		-1,503	-1,517	-4,690	-4,425	-6,298	-6,033
Operating profit		110	159	250	256	323	329
Financial revenue		1	4	3	10	4	11
Financial costs		-15	-19	-56	-108	-88	-140
Unrealised changes in value of derivatives		0	8	9	21	15	27
Profit before tax		97	152	206	179	254.49	228
Income tax		-26	-34	-46	-44	-60	-58
Net profit for the period		71	117	160	135	194	170
Of which, attributable to:							
Owners of the Parent Company		71	117	160	135	194	170
Net profit for the period		71	117	160	135	194	170
Earnings per ordinary share, SEK, before dilution	5	1.34	2.21	3.01	2.23	3.66	2.87
Earnings per ordinary share, SEK, after dilution	5	1.34	2.21	3.01	2.23	3.66	2.87
Average number of ordinary share, thousands		53,140	53,140	53,140	50,968	53,140	51,514

Consolidated statement of comprehensive income

SEK M	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Oct-Sep 2016/17	Jan-Dec 2016
Net profit	71	117	160	135	194	170
Other comprehensive income						
Items that have been/can be reclassified to profit/loss						
Exchange rate differences on translation of foreign operation	-2	13	-4	21	-10	15
Comprehensive income for the period	70	131	156	156	184	185
Of which, attributable to:						
Owners of the Parent Company	70	131	156	156	184	185

**Consolidated balance sheet in summary**

SEK M	Note	30 Sep 2017	30 Sep 2016	31 Dec 2016
Assets				
Non-current assets				
Goodwill	4	3,089	3,073	3,089
Other intangible assets		13	15	13
Property, plant and equipment		394	358	405
Financial assets		8	11	6
Total non-current assets		3,504	3,456	3,514
Current assets				
Trade receivables		574	524	523
Other current receivables		499	141	459
Cash and cash equivalents		432	395	465
Total current assets		1,505	1,059	1,446
TOTAL ASSETS		5,010	4,515	4,960
Equity and liabilities				
Equity				
Share capital		1	1	1
Additional paid-in capital		1,092	1,091	1,091
Retained earnings		763	606	634
Equity attributable to owners of the parent company		1,856	1,697	1,726
Non-current liabilities				
Interest-bearing liabilities		1,351	1,406	1,405
Deferred tax liabilities		82	72	78
Total non-current liabilities		1,433	1,478	1,484
Current liabilities				
Interest-bearing liabilities		671	318	687
Trade payables		107	81	103
Other current liabilities		942	941	960
Total current liabilities		1,720	1,339	1,750
TOTAL EQUITY AND LIABILITIES		5,010	4,515	4,960

**Consolidated statement of changes in equity in summary**

SEK M	Share Capital	Additional paid-in capital	Translation reserve	Retained earnings	Total equity
Opening balance, 1 January 2016	1	642	-7	457	1,093
Comprehensive income for the period					
Profit for the period	-	-	-	135	135
Other comprehensive income for the period	-	-	21	-	21
Total comprehensive income for the period	-	-	21	135	156
Transactions with Company owners					
New share issue	0	450	-	-	450
IPO expenses	-	-8	-	-	-8
Tax on IPO expenses	-	2	-	-	2
New share option issue	-	5	-	-	5
Total transactions with Company owners	-	448	-	-	448
Closing balance, 30 September 2016	1	1,091	14	592	1,697
Opening balance, 1 January 2017	1	1,091	8	626	1,726
Comprehensive income for the period					
Profit for the period	-	-	-	160	160
Other comprehensive income for the period	-	-	-4	-	-4
Total comprehensive income for the period	-	-	-4	160	156
Transactions with Company owners					
Dividend	-	-	-	-27	-27
Share-savings plan	-	1	-	-	1
Total transactions with Company owners	-	1	-	-27	-25
Closing balance, 30 September 2017	1	1,092	4	760	1,856



Consolidated statement of cash flows in summary

SEK M	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Oct-Sep 2016/17	Jan-Dec 2016
Profit before tax	97	152	206	179	254	228
Adjustment for:						
Depreciation	16	14	45	35	60	50
Financial items, net	14	6	44	77	69	101
Cash flow from operating activities before changes in working capital	126	173	295	291	382	379
Changes in working capital	-122	-93	-199	-97	-473	-371
Cash flow from operating activities	4	80	96	195	-91	8
Financial items, net	-4	-22	-43	-76	-66	-99
Income tax paid	17	-10	-22	-63	-29	-70
Cash flow from operating activities, net	17	48	32	56	-186	-161
Acquisition of subsidiaries, net cash impact	-13	-13	-29	-455	-48	-474
Sales of subsidiaries, net cash impact	9	0	141	0	141	0
Investments in other non-current assets, net	-44	-29	-110	-84	-167	-143
Cash flow from investing activities	-48	-42	3	-539	-73	-616
Proceeds from new borrowings	0	0	7	1 619	357	1,969
Repayment of borrowings	0	0	-56	-1 678	-56	-1,678
Dividend	0	0	-27	0	-27	0
New share issue	0	0	0	442	0	442
Cash flow from financing activities	0	0	-75	383	274	733
Cash flow for the period	-31	6	-41	-100	15	-44
Cash and cash equivalents at start of period	468	393	465	501	395	501
Cash flow for the period	-31	6	-41	-100	15	-44
Exchange rate difference in cash/cash equivalents	-4	-4	9	-5	22	8
Cash and cash equivalents at end of period	432	395	432	395	432	465



Key ratios

	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Oct-Sep 2016/17	Jan-Dec 2016
Operating revenue	1,614	1,676	4,940	4,681	6,621	6,362
EBIT, %	6.8%	9.5%	5.1%	5.5%	4.9%	5.2%
Interest-bearing net debt, SEK M	1,590	1,330	1,590	1,330	1,590	1,628
Return on capital employed, %	2.9%	4.8%	6.5%	7.8%	8.4%	8.9%
Equity/assets ratio, %	37.1%	37.6%	37.1%	37.6%	37.1%	34.8%
Operating cash flow	-40	51	-13	111	-257	-135
Interest-bearing net debt/Adjusted EBITDA 12 months, times	4.2x	3.3x	4.2x	3.3x	4.2x	3.9x
Average number full-time employees Individual & Family	2,559	2,621	2,528	2,516	2,537	2,528
Average number full-time employees Personal Assistance	5,428	5,491	5,140	5,265	5,104	5,198
Average number full-time employees Elderly Care	1,051	1,329	1,153	1,249	1,176	1,248
Average number full-time employees Other Nordic	1,379	1,235	1,344	796	1,331	920
Average number full-time employees Central functions	24	19	23	18	23	19
Total average number full-time employees	10,440	10,694	10,189	9,844	10,170	9,912
Number of full-time employees on the closing date	10,011	10,649	10,011	10,649	10,649	10,091
			,			
			,			
Average number of customers Individual & Family	1,994	2,159	2,080	2,182	2,088	2,165
Average number of customers Personal Assistance	1,861	1,897	1,873	1,911	1,875	1,904
Average number of customers Elderly Care	1,898	2,935	2,401	2,985	2,568	3,006
Average number of customers Other Nordic	2,464	1,942	2,343	1,004	2,291	1,286
Total average number of customers	8,218	8,932	8,696	8,081	8,822	8,361
			,			
Average number of ordinary shares on the closing date, 000s	53,140	53,140	53,140	50,968	53,140	51,514
Equity per ordinary share, SEK	35	33	35	33	35	34



Parent company

Income statement in summary

SEK M	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Operating revenue	4	3	5
Operating costs	-15	-48	-54
Operating profit	-11	-46	-48
Group contribution	0	0	155
Interest revenue from group companies	0	0	0
Interest cost	-33	-17	-36
Profit after financial items	-44	-63	70
Change untaxed reserves	0	0	-1
Tax	10	14	-15
Net profit for the period	-35	-49	54

Balance sheet in summary

SEK M	30 Sep 2017	30 Sep 2016	31 Dec 2016
Non-current assets	1,625	1,623	1,623
Current assets	1,776	1,602	1,890
TOTAL ASSETS	3,401	3,225	3,513
Equity	1,472	1,429	1,532
Untaxed reserves	171	170	171
Non-current Interest-bearing liabilities	1,299	1,355	1,354
Other current liabilities	458	271	456
TOTAL EQUITY AND LIABILITIES	3,401	3,225	3,513



Notes

Note 1 Accounting policies

This report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting along with applicable stipulations of 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. For the Group, the same accounting policies and bases of calculation have been used as in the annual report for 2016, which was prepared in accordance with International Financial Reporting Standards as endorsed by the EU, and interpretations of these. No changes have been made in the Group's accounting policies.

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 not yet applicable

IFRS 9 *Financial Instruments* will replace IAS 39 *Financial Instruments: Recognition and Measurement* on 1 January 2018. The major changes are related to a new model for impairment losses on trade receivables (expected loss vs incurred loss) and changed rules for hedge accounting. IFRS 9 will therefore not have any significant impact on Humana's financial reporting.

IFRS 15 *Revenue from Contracts with Customers* replaces as of 2018 existing IFRSs related to revenue recognition, such as IAS 18 *Revenue*, IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*. IFRS 15 introduces new ways of determining how and when revenues are to be recognised. Evaluation of the effects on Humana's accounts is ongoing. IFRS 15 is not expected to have any material impact on the company's income statement or balance sheet, but will result in more extensive disclosures.

Note 2 Estimations and assessments

Preparation of financial statements in accordance with IFRS requires that company management makes assessments and estimations along with assumptions that affect application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual outcome may deviate from these estimations and assessments.

Note 3 Operating segments

SEK M	Individual & Family		Personal Assistance		Elderly Care		Other Nordic		Other 1)		Total	
	Jan-Sep 2017	Jan-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Sep 2017	Jan-Sep 2016
Net revenue –												
External revenue	1,659	1,654	1,968	1,994	429	433	869	602	0	0	4,926	4,681
Other operating revenue	0	0	0	0	0	0	0	0	14	0	14	0
Operating revenue	1,659	1,654	1,968	1,994	429	433	869	602	14	0	4,940	4,681
Profit before depreciation, amortisation and other operating costs	169	196	116	119	-5	1	70	74	-38	-43	312	347
Depreciation	-22	-19	-2	-2	-5	-5	-15	-8	-1	-2	-45	-35
Other operating costs	0	0	0	0	0	0	0	0	-17	-55	-17	-55
Operating profit	147	177	114	117	-10	-4	55	66	-56	-99	250	256

1) Operating profit in 2016 includes SEK 40 M in IPO expenses and SEK 15 M in acquisition costs. A capital gain on the sale of property (sale-and-leaseback) of SEK 14 M, acquisition costs of SEK 3 M and a capital loss of SEK 14 M from the sale of the home care service business are included in 2017.



Note 4 Acquisition of operations

Goodwill

SEK M	30 Sep 2017	31 Dec 2016
Opening balance, 1 January	3,089	2,584
Acquisitions of subsidiaries	17	463
Adjustment of acquisition analysis	-3	-
Exchange rate differences	-14	42
Closing balance, end of period	3,089	3,089

Acquisitions in 2017

Humana acquired Nordic Senior Services Oy in Finland in August 2017. The acquisition strengthens Humana's geographical presence in Finland while expanding its service offer to include elderly care and LSS. The company's revenue in 2017 was approximately SEK 69 M.

In January 2017, Humana acquired Skellefteå Stöd & Behandling AB. The acquisition meant that Humana strengthened its presence in individual and family care in Norrland. Skellefteå Stöd & Behandling runs supportive housing unit Fyren and residential care home Lotsen. The target group is boys ages 14–18 with psychosocial and neuropsychiatric problems (ADHD). The company had sales of approximately SEK 12 M in 2016.

Acquisitions in 2016

Humana completed seven acquisitions during 2016. The acquisitions will help Humana expand into Finland, strengthen its geographic position in Norway and expand its specialisation in individual and family care.

- Nygårds Vård Gotland AB (Individual & Family), in April 2016
- Kvæfjord Opplevelse og Avlastning AS (Other Nordics), in May 2016
- Arjessa Oy (Other Nordics), in May 2016
- Kilen Akut Behandlingshem AB (Individual & Family), in September 2016
- FUGA omsorg AB (Individual & Family), in September 2016
- Platea AB (Individual & Family), in November 2016
- Pienryhmäkoti Puolenhehtaarin Metsä Oy (Other Nordics), in December 2016

For more information regarding these acquisitions, refer to the Annual Report for 2016.



SEK M	Smaller acquisitions* and other	Total
Non-current assets	21	21
Trade receivables and other receivables	23	23
Cash and cash equivalents	2	2
Interest-bearing liabilities	-12	-12
Trade payables and other operating liabilities	-26	-26
Deferred tax liability	0	0
Net identifiable assets and liabilities	8	8
Goodwill	17	17
Consideration paid		
Cash and cash equivalents	25	25
Contingent earn-out payments	0	0
Total consideration paid	25	25
Impact on cash and cash equivalents		
Cash consideration paid	25	25
Cash and cash equivalents in acquired units	-2	-2
Total impact on cash and cash equivalents	23	23
Settlement of payments attributable to acquisitions in previous years	6	6
Total impact on cash and cash equivalents	29	29
Impact on revenue and profit 2017		
Operating revenue	34	34
Operating profit	7	7
Net profit impact earn-out payment	0	0

*The acquisition analysis is preliminary since the final settlement has not been determined.

Goodwill

The goodwill resulting from the acquisitions relates to employee expertise in treatment methods, establishment of market position, the underlying profitability of the acquired units and the synergies expected to arise when the units are integrated with the rest of the Group. No part of the goodwill that arose in 2016 and 2017 is tax deductible.

Acquisition costs

Acquisition costs amounted to SEK -3 M (-15). The costs consist primarily of compensation to consultants and lawyers for financial and legal advice in connection with acquisitions. The costs are recognised as other operating expenses in the income statement.

Note 5 Earnings per share

SEK M	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Oct-Sep 2016/17	Jan-Dec 2016
Net profit for the period	71	117	160	135	194	170
Less return on preference shares	-	-	-	-22	-	-22
Profit for the period after return on preference shares	71	117	160	114	194	148
Average number of ordinary shares, thousands	53,140	53,140	53,140	50,968	53,140	51,514
Earnings per ordinary share, SEK, before dilution	1.34	2.21	3.01	2.23	3.66	2.87
Earnings per ordinary share, SEK, after dilution	1.34	2.21	3.01	2.23	3.66	2.87



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

30 September 2017	SEK M	Financial assets/liabilities assessed at fair value through profit and loss	Trade and other receivables	Other liabilities	Total	Fair value	Level 1	Level 2	Level 3	
Financial liabilities at fair value										
		Interest-rate swaps for hedging*	1	-	-	1	1	-	1	-
		Earn-out payments	22	-	-	22	22	-	-	22

31 December 2016	SEK M	Financial assets/liabilities assessed at fair value through profit and loss	Trade and other receivables	Other liabilities	Total	Fair value	Level 1	Level 2	Level 3	
Financial liabilities at fair value										
		Interest-rate swaps for hedging*	10	-	-	10	10	-	10	-
		Earn-out payments	28	-	-	28	28	-	-	28

* Fair value is based on the brokers' quotations. Similar contracts are traded in an active market, and the rates reflect actual transactions for comparable instruments.

Fair value measurement

When the fair value of an asset or liability is to be determined, 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 and closing balances for financial instruments measured at level 3, earn-out payments

SEK M	30 Sep 2017	31 Dec 2016
Opening balance, 1 January	28	26
Total recognised gains and losses:		
Recognised in adjustment of earn-out payments in profit for the year	0	0
Cost of acquisitions	0	20
Settled during the period	-5	-19
Closing balance, end of period	22	28



Note 7a Financial definitions

Adjusted EBIT

Operating profit adjusted for items affecting comparability.

Average equity

Average equity attributable to owners of the Parent Company per quarter, based on opening and closing balance per quarter.

Average number of customers

Average number of customers during the period.

Average number of ordinary shares

Average of number of shares outstanding on a daily basis after redemptions and repurchases.

Average number of full-time employees

Average number of full-time employees over the entire period.

Capital employed

Total assets less non-interest-bearing liabilities.

Earnings per ordinary share for the period

Profit for the period attributable to owners of the Parent Company less the period's share of declared dividend on preferred shares, divided by average number of ordinary shares.

EBIT

Operating profit before interest and tax.

EBIT margin (%)

EBIT divided by operating revenue multiplied by 100.

EBITDA

Operating profit before depreciation, amortisation and impairment losses.

Equity per ordinary share

Equity attributable to owners of the Parent Company divided by number of shares outstanding after the end of the period after redemptions, repurchases and new issues.

Equity/assets ratio (%)

Equity including non-controlling interests divided by total assets, multiplied by 100.

Interest-bearing net debt

Borrowings excluding interest rate derivatives less cash and cash equivalents and interest-bearing assets.

Interest-bearing net debt/EBITDA

Interest-bearing net debt divided by EBITDA.

Operating cash flow

Operating profit including changes in depreciation/amortisation and impairment, working capital and investments in other non-current assets (net).

Operating profit

Profit before interest and tax.

Organic growth

Like-for-like growth for companies in the respective segments that Humana owned in the preceding comparative period.

Return on capital employed, ROCE (%)

Operating profit plus net financial income divided by capital employed, multiplied by 100.



Note 7b Reconciliation with IFRS financial statements

In the financial reports that Humana issues, there are alternative performance measures specified that complement the measures 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 measures defined in the applicable financial reporting rules. The alternative performance measures are derived from the company's consolidated financial statements and do not comply with IFRS.

Reconciliation with IFRS financial statements

	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Oct-Sep 2016/17	Jan-Dec 2016
Adjusted operating profit						
Operating profit	110	159	250	256	323	329
IPO costs		-	0	40	0	40
Loss on disposal of Home Care	14	-	14	0	14	-
Capital gains on sale of properties	0	-	-14	0	-14	-
Adjusted operating profit	125	159	250	296	323	369
Adjusted EBITDA						
Operating profit	110	159	250	256	323	329
Depreciation	16	14	45	35	60	50
IPO costs	0	-	0	40	0	40
Loss on disposal of Home Care	14	-	14	0	14	-
Capital gains on sale of properties	0	-	-14	0	-14	-
Adjusted EBITDA	141	173	295	331	383	419
Organic revenue growth						
Revenue, base	1,611	1,370	4,230	2,710	4,972	5,481
Revenue, organic growth	-69	45	-81	62	-79	58
Total organic growth, constant currency rate	-4.3%	3.3%	-1.9%	2.3%	-1.6%	1.1%
Operating cash flow						
Operating profit	110	159	250	256	323	329
Depreciation	16	14	45	35	60	50
Changes in working capital	-122	-93	-199	-97	-473	-371
Investments in other non-current assets, net	-44	-29	-110	-84	-167	-143
Operating cash flow	-40	51	-13	111	-257	-135



	30 Sep 2017	30 Sep 2016	31 Dec 2016
Interest-bearing net debt, SEK M			
Non-current interest-bearing liabilities	1,351	1,406	1,405
Current interest-bearing liabilities	671	318	687
Cash and cash equivalents	-432	-395	-465
Interest-bearing net debt	1,590	1,330	1,628
Adjusted EBITDA 12 month	381	405	419
Interest-bearing net debt/Adjusted EBITDA 12 months, times	4.2x	3.3x	3.9x
Return on capital employed, %			
TOTAL ASSETS	5,010	4,515	4,960
Deferred tax liabilities	-82	-72	-78
Trade payables	-107	-81	-103
Other current liabilities	-942	-941	-960
Capital employed	3,879	3,422	3,818
Operating profit	250	256	329
Financial revenue	3	10	11
Total	253	266	341
Return on capital employed, %	6.5%	7.8%	8.9%
Equity/assets ratio, %			
Equity attributable to owners of the parent company	1,856	1,697	1,726
TOTAL ASSETS	5,010	4,515	4,960
Equity/assets ratio, %	37.1%	37.6%	34.8%

Note 7c Intent

Return on capital employed

Indicates the operating return on the capital that owners and lenders have made available. The intent is to show consolidated returns, regardless of the type of financing.

Adjusted operating profit and adjusted EBITDA

Operating profit adjusted for items affecting comparability. The 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). Excluding cash flow from acquisitions and financing facilitates an analysis of cash flow generation in operating activities.

Interest-bearing net debt

Net debt is used to easily illustrate and assess the Group's ability to meet financial commitments.

Interest-bearing net debt/EBITDA

Indicates consolidated debt in relation to EBITDA. Used to illustrate the Group's ability to meet financial commitments.

Equity/assets ratio

Indicates the proportion of assets that are financed with equity. The aim is to assess the Group's solvency in the long term.

Working capital

Total current assets minus total current liabilities.



Humana

Review report

Humana AB

Corp. id. 556760-8475

Introduction

We have reviewed the summary interim financial information (interim report) of Humana AB as of 30 September 2017 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements **ISRE 2410** Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm 16 November 2017

KPMG AB

Petra Lindström

Authorized Public Accountant