

# Interim report

## January-March 2018

# Q1



*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 6,557 M in 2017. 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](http://www.humana.se) or <http://corporate.humana.se>.*

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Humana

# Improved results

## First quarter: January-March 2018

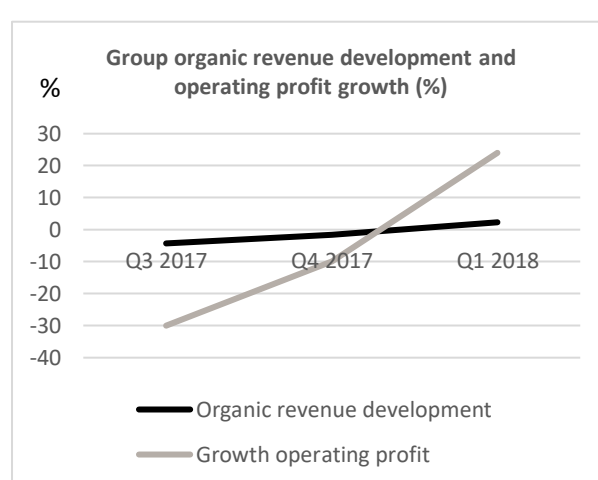
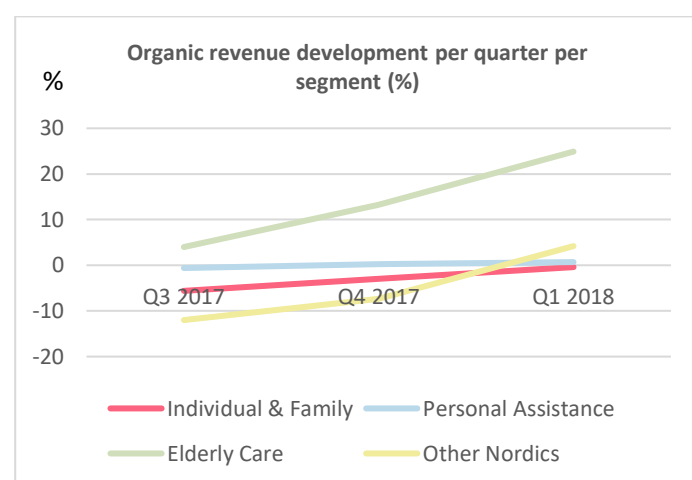
- **Operating revenue** was SEK 1,648 M (1,649), in line with last year. The home care services business, which has been sold, contributed SEK 67 M to first quarter revenue last year.
- **Operating profit** was SEK 81 M (66), an increase of SEK 15 M.
- **Net profit after tax for the period** was SEK 45 M (40).
- **Earnings per share for the period** before and after dilution were SEK 0.85 (0.76).
- **Operating cash flow** was SEK -32 M (-16).

## Significant events during the first quarter and after end of the period

- No significant events occurred during the first quarter or after the end of the quarter.

## Revenue and profit

SEK M	Jan-Mar 2018	Jan-Mar 2017	%	Apr-Mar 2017/18	Jan-Dec 2017	%
Net revenue	1 648	1 649	0%	6 541	6 542	0%
Other revenue	0	0	n/a	14	14	0%
<b>Operating revenue</b>	<b>1 648</b>	<b>1 649</b>	<b>0%</b>	<b>6 556</b>	<b>6 557</b>	<b>0%</b>
Operating profit	81	66	24%	332	316	5%
Adjusted operating profit	81	66	24%	332	316	5%
Net profit for the period	45	40	13%	199	194	3%
Operating cash flow	-32	-16	n/a	168	184	-8%



# Positive developments in the Group driven by Individual & Family and Other Nordics

**"The action programmes implemented in Individual & Family and Norway are showing results and we see increased demand for the units that were reorganised last year. Efficiency measures and structured change efforts help increase profits for the quarter."**

I'm pleased to present a first quarter that clearly shows our actions are having the desired effect and that the business is on the right track. We can see the effects of the significant restructuring and efficiency program in



Individual & Family last year, and the positive trend we saw in the fourth quarter with stabilisation of revenue and profits improvements has continued into the first quarter. We are entering 2018 significantly stronger than 2017. We are now turning our focus to investing in future growth.

Developments in Other Nordics are also positive, and we see clear improvements. The action programme in Norway has resulted in lower costs while we are also experiencing slightly improved demand in the market. Even though we still have more work to do to return to satisfactory profitability and capacity utilisation in Norway, developments in the first quarter indicate that we are on track. Operations in Finland continue to develop well, both in terms of quality, growth and profitability, driven by high capacity utilisation and good treatment results. Humana continues its expansion by investing in several new establishments in Finland. Political work on the sote-reform in Finland is continuing and a voting in the parliament is expected in June.

During the quarter, Humana continued to take market share in a declining personal assistance market in Sweden. The challenging market situation means that we are seeing increased acquisition

activity and that more companies are now going bankrupt. Overall, however, the market climate was more positive at the beginning of the year due to a temporary suspension of two-year reviews and a guiding judicial decision in the Supreme Administrative Court stipulating that tube-feeding should be included in basic needs, which entitles more individuals to personal assistance.

Finally, we also see that developments in the Elderly Care business area are moving in the right direction. The trend for the growth initiatives we took last year by establishing elderly housing units in Växjö and Åkersberga has been good with a gradual increase in capacity utilisation during the quarter, leading to increased revenues. Concentrating operations on elderly housing under our own management and quality-procured contracts focused the organisation while also leading to better cost-efficiency. In 2018, the focus will be on increasing profitability in the business area and preparing for the establishment of two new elderly housing units under our own management in 2019.

To summarise the quarter, we can see that we have a some work left before we reach satisfactory growth and profitability in some of our operations. However, we see positive organic growth in the first quarter and will further increase our focus on growth, both organically through the start-up of new units and through acquisitions.

Stockholm, 16 May 2018

A handwritten signature in blue ink, belonging to Rasmus Nerman.

**Rasmus Nerman**, President and CEO  
Humana AB

## Operating revenue by business area

	Jan-Mar	Jan-Mar		Apr-Mar	Jan-Dec	
SEK M	2018	2017	%	2017/18	2017	%
Individual & Family	551	553	0%	2 209	2 212	0%
Personal Assistance	653	648	1%	2 625	2 621	0%
Elderly Care	108	154	-30%	476	521	-9%
Other Nordics	336	293	15%	1 231	1 188	4%
Other revenue 2)	0	0	n/a	14	14	0%
<b>Total operating revenue</b>	<b>1 648</b>	<b>1 649</b>	<b>0%</b>	<b>6 556</b>	<b>6 557</b>	<b>0%</b>

## Organic growth by business area 1)

	Jan-Mar	Jan-Mar		Apr-Mar	Jan-Dec	
%	2018	2017		2017/18	2017	
Individual & Family	-0,4%	-2,6%		-2,6%	-2,8%	
Personal Assistance	0,7%	-2,7%		-0,1%	-0,9%	
Elderly Care	24,9%	7,4%		11,7%	12,2%	
Other Nordics, constant currency	4,2%	-5,7%		-5,7%	-5,4%	
<b>Total organic growth, constant currency rate</b>	<b>2,3%</b>	<b>-1,9%</b>		<b>-0,9%</b>	<b>-1,3%</b>	

## Operating profit per business area

	Jan-Mar	Jan-Mar		Apr-Mar	Jan-Dec	
SEK M	2018	2017	%	2017/18	2017	%
Individual & Family	48	37	29%	201	191	6%
Personal Assistance	35	36	-4%	159	160	-1%
Elderly Care	-1	-2	n/a	-17	-18	n/a
Other Nordics	18	13	40%	67	62	8%
Central costs/other 2) 3)	-18	-18	n/a	-79	-79	n/a
<b>Total operating profit</b>	<b>81</b>	<b>66</b>	<b>24%</b>	<b>332</b>	<b>316</b>	<b>5%</b>

## Operating profit margins by business area

	Jan-Mar	Jan-Mar		Apr-Mar	Jan-Dec	
%	2018	2017		2017/18	2017	
Individual & Family	8,7%	6,7%		9,1%	8,6%	
Personal Assistance	5,3%	5,6%		6,0%	6,1%	
Elderly Care	-1,2%	-1,6%		-3,5%	-3,4%	
Other Nordics	5,3%	4,4%		5,4%	5,2%	
Other	n/a	n/a		n/a	n/a	
<b>Total operating profit margin</b>	<b>4,9%</b>	<b>4,0%</b>		<b>5,1%</b>	<b>4,8%</b>	

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

2) Other revenue full year 2017 include a capital gain of SEK 14 M from the disposal of property (sale-and-leaseback).

3) Full year 2017 operation profit includes SEK 14 M sale loss of Home Care business and SEK 4M in acquisition costs.

## Group performance

### Revenue

Operating revenue in the first quarter was unchanged compared to the same quarter last year and amounted to SEK 1,648 M (1,649), which is below Humana's objective of an annual growth of 8-10%. Adjusted for the sold home care service business, growth was 4.2% for the quarter. Organic revenue growth was 2.3%. The lower growth compared to the Company's target is explained by lower acquisition activity and continued lower capacity utilisation than before in parts of Individual & Family and Norway. Operations under our own management accounted for 94% of revenues. Acquired operations, that is, companies that were not owned throughout the previous comparative period, contributed SEK 20 M to revenues in the quarter.

### Profit

Operating profit for the first quarter amounted to SEK 81 M (66), an increase of SEK 15 M or 24%, corresponding to an operating margin of 4.9% (4.0). The efficiency programmes implemented in parts of Individual & Family and in the Norwegian operations have gone well, helping to lower costs and increase efficiency in the quarter. Profit was affected by somewhat lower capacity utilisation in parts of Individual & Family and in Norway and costs for restructuring of units in Norway. Profit after tax for the period increased by SEK 5 M to SEK 45 M (40) compared to the corresponding period last year.

### Events

#### First quarter 2018

- The Swedish Agency for Health Technology Assessment and Assessment of Social Services (SBU) presents a report on the Treatment Foster Care Oregon (TFCO) method in family homes and at residential care homes that shows very good treatment results and cost savings for society. Humana holds a license for the method in the Nordic countries.
- Humana wins the quality procurement for contracted elderly housing at Riddargården in Stockholm, which can accommodate 45 residents.
- Humana's Board proposes that the 2018 AGM approve a dividend of SEK 0.60 per share for 2017.
- The government continues to propose a cap on profits in the welfare sector. The proposal referred to the Council on Legislation for consideration, which currently has no majority in the parliament, aims to limit profits to 7% of operating capital. The proposal will be up for a vote in the Parliament on 7 June.
- Andreas Westlund is appointed as new business area manager for Personal Assistance.

#### Events after the end of the quarter

- No significant events occurred after the end of the quarter.

## Business area performance

### Individual & Family

Revenue for the quarter amounted to SEK 551 M (553), which is in-line with last year. Organic revenue decreased by 0.4% for the quarter. The decrease in revenue compared to last year is mainly attributable to a continued slightly lower capacity utilisation than before in the children and youths operating area.

Operating profit for the quarter improved by 29% to SEK 48 M (37), corresponding to an operating margin of 8.7% (6.7) for the quarter. The increase is mainly due to lower costs resulting from implemented efficiency program.

### Personal Assistance

Revenue increased by 1% in the quarter to SEK 653 M (648). The increase in the state reimbursement level of 1.5% has contributed to revenues. The number of customers continued to decline slightly in the quarter while the number of assistance hours provided increased slightly. Due to Försäkringskassan's restrictive application of current regulations, the market for personal assistance continued to decline by just over 1% in the first quarter, which meant an increase in Humana's market share.

Operating profit for the quarter decreased by 4% to SEK 35 M (36), corresponding to an operating margin of 5.3% (5.6) for the quarter. Personnel cost increases that exceeded the state reimbursement level increase had a negative impact on profit.

As at 1 April 2018, the government approved a temporary amendment to the law entailing that two-year reviews be stopped for persons who have been granted personal assistance ("Emergency Stop"). The stop is expected to help stabilise the market somewhat. A verdict from the Supreme Administrative Court in Sweden in April 2018





stated that tube-feeding is included in basic needs, thus giving clients the right to personal assistance. This verdict is also expected to help stabilise the market.

## Elderly Care

Revenues in Elderly Care amounted to SEK 108 M (154, of which Home Care Service 67) in the first quarter, a decrease of 30%. However, organic revenue increased by 24.9% for the quarter. Capacity utilisation in the elderly homes under own management that opened in Åkersberga and Vaxjö in 2017 developed as expected during the quarter.

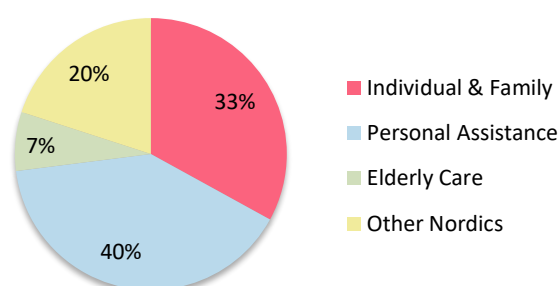
Operating profit was SEK -1 M (-2) for the quarter. Costs for newly started operations impacted profit by SEK 4 M during the quarter. Two additional elderly housing units under our own management in Staffanstorps and Kungsängen has been decided and will open in 2019.

## Other Nordics

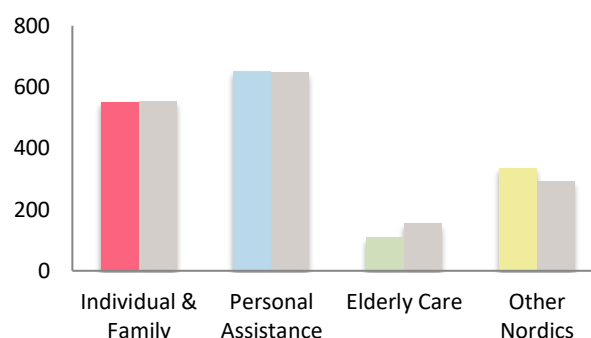
Revenues in Other Nordics amounted to SEK 336 M (293) in the first quarter, an increase of 15%. Organic revenue growth was 4.2%. Efforts to improve efficiency and capacity utilisation rates in the Norwegian operations continue, contributing to both revenues and profit in the quarter. The Finnish operations show strong growth due to good organic developments and contributions from completed acquisitions. Acquisitions contributed SEK 20 M to revenue in the quarter.

Operating profit for the first quarter amounted to SEK 18 M (13), corresponding to a 40% improvement in profit. The operating margin for the quarter was 5.3% (4.4). The improvement in profit is explained by the high demand and good occupancy in Finland.

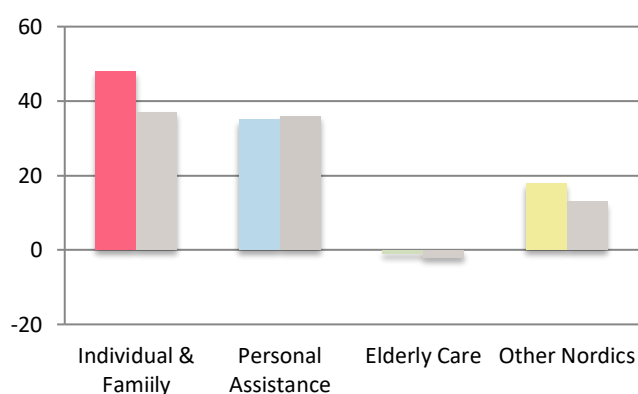
Share of total revenue Q1 2018 (%)



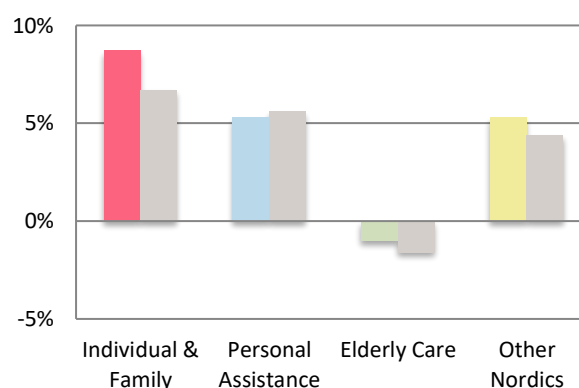
Revenue per business area Q1 2018  
(Q1 2017) (SEK M)



EBIT (Q1 2017) (SEK M)



EBIT margin Q1 2018 (Q1 2017) (%)



## Financial position

### Financing

At the end of March 2018, group equity amounted to SEK 1,966 M (1,764), equivalent to an equity/assets ratio of 38.3% (35.5). At the end of December 2017 group equity amounted to SEK 1,891 M, an equity/assets ratio of 37.4%. Humana's interest-bearing net debt amounted to SEK 1,496 M (1,685), a decrease of 11% compared to the same period last year. Humana's interest-bearing net debt in relation to EBITDA declined and was 3.8 times (4.1), which was unchanged compared with the end of December 2017. The level is above the company's net debt target and the goal is for interest-bearing net debt to not exceed 3.0 times EBITDA over time.

### Financial position

	31 Mar	31 Mar	31 Dec
SEK M	2018	2017	2017
Non-current interest-bearing liabilities	1 306	1 365	1 345
Current interest-bearing liabilities	687	680	680
Cash and cash equivalents	-497	-359	-584
<b>Interest-bearing net debt</b>	<b>1 496</b>	<b>1 685</b>	<b>1 440</b>
Equity/assets ratio, %	38,3%	35,5%	37,4%
Interest-bearing net debt/adjusted EBITDA 12 months, times	3,8x	4,1x	3,8x

### Cash flow and capital expenditures

Operating cash flow during the first quarter was SEK -32 M (-16). The decline is explained by a higher working capital, totalling SEK -114 M (-57). The change in working capital in the first quarter is explained by higher trade receivables due to calendar effects. Investments during the quarter declined to net SEK -14 M (-39). Acquisitions had no effect on cash flow during the quarter (-16). Settlement of earn-out payments related to acquisitions from previous years had no effect during the quarter (-6). Cash flow from financing activities was SEK -51 M (-49). Cash flow for the period improved somewhat to SEK -95 M (-108).

### 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 March 2018 was 9,207 (9,708). The number of full time employees was 9,503 at the end of December 2017.

### Shares, share capital and shareholders

The number of shares in Humana AB at the end of March 2018 amounted to 53,140,064 with a quote value of SEK 0.022, corresponding to share capital of SEK 1,180,879. The number of shareholders at the end of March 2018 was 3,499. The five largest shareholders were Air Syndication SCA (Argan), Incentive AS, Nordea Investment Funds, Zirkona AB (Per Granath) and UBS AG London Branch.

### 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 165 other Humana employees. For more information regarding the programmes, see the annual report for 2017.

### 2018 Annual General Meeting

Humana's 2018 Annual General Meeting will be held May 16<sup>th</sup>, 2018 at 1:00 pm CET at Lindhagen Mat & Möten, Kungsholmen auditorium Horn, Lindhagensgatan 126.

### Dividend

Humana's Board proposes that the 2018 AGM approve a dividend of SEK 0.60 per share for the 2017 financial year.

### 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 2017 Annual Report, pages 58-61 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 is ongoing monitoring changes in the external operating environment. The purpose is to quickly 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 first quarter was SEK -13 M (-12). The Parent Company's equity/assets ratio was 44.7% (44.0%).





This interim report was not subject to a review as per ISRE 2410 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 May 2018.*

### Conference call

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

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The President certify that the first quarter 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.

Stockholm, May 16, 2018

### Rasmus Nerman

President and CEO

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#### Financial calendar 2018/2019

Interim report Apr-Jun 2018	17 Aug 2018
Interim report Jul-Sep 2018	16 Nov 2018
Interim report Oct-Dec 2018	14 Feb 2019



## Consolidated income statement

SEK M	Note	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/18	Jan-Dec 2017
Net revenue		1 648	1 649	6 541	6 542
Other revenue		0	0	14	14
<b>Operating revenue</b>	3	<b>1 648</b>	<b>1 649</b>	<b>6 556</b>	<b>6 557</b>
Other external costs		-262	-256	-1 022	-1 016
Personnel costs		-1 288	-1 312	-5 121	-5 145
Depreciation		-15	-14	-61	-60
Other operating costs		0	-1	-19	-19
<b>Operating costs</b>		<b>-1 566</b>	<b>-1 583</b>	<b>-6 224</b>	<b>-6 241</b>
<b>Operating profit</b>		<b>81</b>	<b>66</b>	<b>332</b>	<b>316</b>
Financial revenue		0	2	2	4
Financial costs		-24	-23	-80	-79
Unrealised changes in value of derivatives		0	7	2	9
<b>Profit before tax</b>		<b>58</b>	<b>52</b>	<b>257</b>	<b>250</b>
Income tax		-12	-11	-58	-57
<b>Net profit for the period</b>		<b>45</b>	<b>40</b>	<b>199</b>	<b>194</b>
<b>Of which, attributable to:</b>					
Owners of the Parent Company		45	40	199	194
<b>Net profit for the period</b>		<b>45</b>	<b>40</b>	<b>199</b>	<b>194</b>
Earnings per ordinary share, SEK, before dilution	5	0.85	0.76	3.74	3.64
Earnings per ordinary share, SEK, after dilution	5	0.85	0.76	3.74	3.64
Average number of ordinary share, thousands		53 140	53 140	53 140	53 140

## Consolidated statement of other comprehensive income

SEK M	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/18	Jan-Dec 2017
<b>Net profit</b>	<b>45</b>	<b>40</b>	<b>199</b>	<b>194</b>
<b>Other comprehensive income</b>				
<b>Items that have been/can be reclassified to profit/loss</b>				
Effect of currency hedge of net investment in foreign operations	-18	0	-18	0
Exchange rate differences on translation of foreign operation	47	-2	48	-4
<b>Net profit and other comprehensive income for the period</b>	<b>74</b>	<b>38</b>	<b>229</b>	<b>190</b>
<b>Of which, attributable to:</b>				
Owners of the Parent Company	74	38	229	190

## Consolidated balance sheet in summary

SEK M	Note	31 Mar 2018	31 Mar 2017	31 Dec 2017
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill	4	3 142	3 092	3 104
Other intangible assets		9	12	10
Property, plant and equipment		421	450	413
Financial assets		9	8	8
<b>Total non-current assets</b>		<b>3 581</b>	<b>3 563</b>	<b>3 535</b>
<b>Current assets</b>				
Trade receivables and other receivables		924	902	842
Other current receivables		134	149	99
Cash and cash equivalents		497	359	584
<b>Total current assets</b>		<b>1 555</b>	<b>1 411</b>	<b>1 525</b>
<b>TOTAL ASSETS</b>		<b>5 137</b>	<b>4 973</b>	<b>5 060</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		1	1	1
Additional paid-in capital		1 093	1 091	1 092
Retained earnings		872	672	797
<b>Equity attributable to owners of the parent company</b>		<b>1 966</b>	<b>1 764</b>	<b>1 891</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities		1 306	1 365	1 345
Deferred tax liabilities		72	82	73
<b>Total non-current liabilities</b>		<b>1 378</b>	<b>1 447</b>	<b>1 417</b>
<b>Current liabilities</b>				
Interest-bearing liabilities		687	680	680
Trade payables		75	72	93
Other current liabilities		1 031	1 010	979
<b>Total current liabilities</b>		<b>1 792</b>	<b>1 762</b>	<b>1 752</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5 137</b>	<b>4 973</b>	<b>5 060</b>



## Consolidated statement of changes in equity in summary

SEK M	Share Capital	Additional paid-in capital	Translation reserve	Retained earnings	Total equity
<b>Opening balance, 1 January 2017</b>	<b>1</b>	<b>1 091</b>	<b>8</b>	<b>626</b>	<b>1 726</b>
<b>Comprehensive income for the period</b>					
Profit for the period	-	-	-	40	40
Other comprehensive income for the period	-	-	-2	-	-2
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-2</b>	<b>40</b>	<b>38</b>
<b>Closing balance, 31 March 2017</b>	<b>1</b>	<b>1 091</b>	<b>6</b>	<b>666</b>	<b>1 764</b>
<b>Opening balance, 1 January 2018</b>	<b>1</b>	<b>1 092</b>	<b>4</b>	<b>793</b>	<b>1 891</b>
<b>Comprehensive income for the period</b>					
Profit for the period	-	-	-	45	45
Other comprehensive income for the period	-	-	29	-	29
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>45</b>	<b>74</b>
<b>Transactions with Company owners</b>					
Share-savings plan	-	0	-	-	0
<b>Total transactions with Company owners</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>
<b>Closing balance, 31 March 2018</b>	<b>1</b>	<b>1 093</b>	<b>33</b>	<b>839</b>	<b>1 966</b>

## Consolidated statement of cash flows in summary

SEK M	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/18	Jan-Dec 2017
<b>Profit before tax</b>	<b>58</b>	<b>52</b>	<b>257</b>	<b>250</b>
<b>Adjustment for:</b>				
Depreciation	15	14	61	60
Financial items, net	24	14	75	66
<b>Cash flow from operating activities before changes in working capital</b>	<b>97</b>	<b>80</b>	<b>393</b>	<b>376</b>
Changes in working capital	-114	-57	-98	-41
<b>Cash flow from operating activities</b>	<b>-17</b>	<b>23</b>	<b>294</b>	<b>335</b>
Financial items, net	-5	-18	-51	-64
Income tax paid	-8	-10	-28	-30
<b>Cash flow from operating activities, net</b>	<b>-30</b>	<b>-5</b>	<b>216</b>	<b>241</b>
Acquisition of subsidiaries, net cash impact	0	-16	-26	-42
Sales of subsidiaries, net cash impact	0	0	133	133
Investments in other non-current assets, net	-14	-39	-126	-151
<b>Cash flow from investing activities</b>	<b>-14</b>	<b>-55</b>	<b>-20</b>	<b>-60</b>
Proceeds from new borrowings	0	7	0	7
Repayment of borrowings	-51	-56	-51	-56
Dividend	0	0	-27	-27
<b>Cash flow from financing activities</b>	<b>-51</b>	<b>-49</b>	<b>-77</b>	<b>-75</b>
<b>Cash flow for the period</b>	<b>-95</b>	<b>-108</b>	<b>119</b>	<b>106</b>
<b>Cash and cash equivalents at start of period</b>	<b>584</b>	<b>465</b>	<b>359</b>	<b>465</b>
Exchange rate difference in cash/cash equivalents	8	3	18	13
<b>Cash and cash equivalents at end of period</b>	<b>497</b>	<b>359</b>	<b>497</b>	<b>584</b>



## Key ratios

	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/18	Jan-Dec 2017
Operating revenue	1 648	1 649	6 556	6 557
EBIT, %	4.9%	4.0%	5.1%	4.8%
Interest-bearing net debt, SEK M	1 496	1 685	1 496	1 440
Return on capital employed, %	2.1%	1.8%	8.4%	8.2%
Equity/assets ratio, %	38.3%	35.5%	38.3%	37.4%
Operating cash flow	-32	-16	168	184
Interest-bearing net debt/Adjusted EBITDA 12 months, times	3.8x	4.1x	3.8x	3.8x
Average number full-time employees Individual & Family	2 372	2 526	2 444	2 483
Average number full-time employees Personal Assistance	4 920	4 957	5 088	5 097
Average number full-time employees Elderly Care	731	1 234	902	1 028
Average number full-time employees Other Nordic	1 435	1 306	1 404	1 372
Average number full-time employees Central functions	23	23	23	23
Total average number full-time employees	9 481	10 046	9 862	10 003
Number of full-time employees on the closing date	9 207	9 708	9 207	9 503
Average number of customers Individual & Family	2 010	2 153	2 028	2 064
Average number of customers Personal Assistance	1 835	1 876	1 855	1 866
Average number of customers Elderly Care	674	2 719	1 435	1 946
Average number of customers Other Nordic	2 895	2 135	2 631	2 441
Total average number of customers	7 414	8 884	7 949	8 316
Average number of ordinary shares on the closing date, 000s	53 140	53 140	53 140	53 140
Equity per ordinary share, SEK	37	33	37	36



## Parent company

### Income statement in summary

SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/18	Jan-Dec 2017
Operating revenue	1	0	1	0	7	5
Operating costs	-4	-4	-4	-4	-18	-19
<b>Operating profit</b>	<b>-2</b>	<b>-4</b>	<b>-2</b>	<b>-4</b>	<b>-11</b>	<b>-13</b>
Group contribution	0	0	0	0	150	150
Interest revenue from group companies	1	0	1	0	1	0
Interest cost	-15	-11	-15	-11	-50	-46
<b>Profit after financial items</b>	<b>-16</b>	<b>-15</b>	<b>-16</b>	<b>-15</b>	<b>89</b>	<b>90</b>
Change untaxed reserves	0	0	0	0	-8	-8
Tax	4	3	4	3	-18	-18
<b>Net profit for the period</b>	<b>-13</b>	<b>-12</b>	<b>-13</b>	<b>-12</b>	<b>63</b>	<b>64</b>

### Balance sheet in summary

SEK M	31 Mar 2018	31 Mar 2017	31 Dec 2017
Non-current assets	1 626	1 623	1 625
Current assets	1 863	1 830	1 905
<b>TOTAL ASSETS</b>	<b>3 489</b>	<b>3 453</b>	<b>3 530</b>
Equity	1 559	1 520	1 571
Untaxed reserves	179	171	179
Non-current Interest-bearing liabilities	1 261	1 304	1 296
Other current liabilities	490	458	485
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3 489</b>	<b>3 453</b>	<b>3 530</b>

## 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, in general the same accounting policies and bases of calculation have been used as in the annual report for 2017, which was prepared in accordance with International Financial Reporting Standards as ratified by the EU, and interpretations of these. The changes made to the Group's accounting policies are set out below.

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.

All amounts in this report are stated in millions of Swedish kronor (SEK M) unless otherwise stated. Rounding differences may occur.

#### *Classification of assistance allowance*

From 1 January 2018, Humana has reclassified receivables from Försäkringskassan related to assistance allowances from Other current receivables to Trade and other receivables. The change was made retroactively.

#### *Hedge accounting*

As of 1 January 2018, the Group applies hedge accounting to hedging of net investments in foreign operations. The Group thus applies hedge accounting in accordance with IFRS 9.

Humana hedges net investments in EUR and NOK through loans in these currencies. Exchange differences for the period on currency loans less tax effects are recognised, insofar as hedging is effective, in other comprehensive income with accumulated exchange differences and fair value changes in a specific component of equity (translation reserve). This partially neutralises the translation differences that arise from foreign operations.

#### **New accounting standards applied from 1 January 2018**

Humana applies IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers from 1 January 2018. The transition has not had any effect on the income statement or balance sheet.

*IFRS 9 Financial Instruments* replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 deals with the classification, valuation and dissolution of recognised financial assets and financial liabilities and introduces new rules for hedge accounting and a new model for impairment of trade receivables. The new standard entails increased disclosure requirements and changes in presentation (Notes 6a, 6c).

*IFRS 15 Revenue from Contracts with Customers* replaces IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. According to IFRS 15, revenue is recognised when control over the service is transferred to the customer. Humana's obligation to its care users is to provide personal care at scheduled times. Performance of the care obligation is then invoiced monthly. Humana's assessment is that the period allocation of revenue is not affected by the new standard.

#### **New accounting standards not yet applicable**

IFRS 16 *Leasing* will replace IAS 17 Leasing and apply as of 1 January 2019. Early adoption is permitted if IFRS 15 Revenue from Contracts with Customers is also adopted. The standard requires that the lessee recognise all leases except for those shorter than 12 months or where the lease item is of low value in the balance sheet. It also means that lease payments that are now recognised as other external expenses are replaced by a cost of depreciation on leased assets and an interest expense attributable to lease costs in the income statement.

### Note 2 Estimations and assessments

Preparation of financial statements 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. The critical assessments and sources of uncertainty in estimates are the same as in the most recent annual report.



## Note 3a Operating segments

	Individual & Family		Personal Assistance		Elderly Care		Other Nordic		Other 1)		Total	
SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Mar 2018	Jan-Mar 2017	Jan-Mar 2018	Jan-Mar 2017	Jan-Mar 2018	Jan-Mar 2017	Jan-Mar 2018	Jan-Mar 2017	Jan-Mar 2018	Jan-Mar 2017
Net revenue –												
External revenue	551	553	653	648	108	154	336	293	0	0	1 648	1 649
Other operating revenue	0	0	0	0	0	0	0	0	0	0	0	0
<b>Operating revenue</b>	<b>551</b>	<b>553</b>	<b>653</b>	<b>648</b>	<b>108</b>	<b>154</b>	<b>336</b>	<b>293</b>	<b>0</b>	<b>0</b>	<b>1 648</b>	<b>1 649</b>
<b>Profit before depreciation, amortisation and other operating costs</b>	<b>55</b>	<b>44</b>	<b>35</b>	<b>37</b>	<b>0</b>	<b>-1</b>	<b>24</b>	<b>17</b>	<b>-17</b>	<b>-17</b>	<b>97</b>	<b>80</b>
Depreciation	-7	-7	-1	-1	-2	-2	-5	-5	0	0	-15	-14
Other operating costs	0	0	0	0	0	0	-1	0	0	-1	0	-1
<b>Operating profit</b>	<b>48</b>	<b>37</b>	<b>35</b>	<b>36</b>	<b>-1</b>	<b>-2</b>	<b>18</b>	<b>13</b>	<b>-18</b>	<b>-18</b>	<b>81</b>	<b>66</b>

## Note 3b Revenue per country

SEK M	Jan-Mar 2018	Jan-Mar 2017
Sweden	1 312	1 356
Finland	160	111
Norway	176	182
<b>Total operating revenue</b>	<b>1 648</b>	<b>1 649</b>

## Note 4 Acquisition of operations

### Goodwill

SEK M	31 Mar 2018	Mar 31 2017	31 Dec 2017
<b>Opening balance, 1 January</b>	<b>3 104</b>	<b>3 089</b>	<b>3 089</b>
Acquisitions of subsidiaries	0	9	31
Adjustment of acquisition analysis	0	-	-3
Exchange rate differences	39	-6	42
<b>Closing balance, end of period</b>	<b>3 142</b>	<b>3 092</b>	<b>3 104</b>

### Acquisitions in 2018

No acquisitions were made in the first quarter of 2018.

### Acquisitions in 2017

Humana completed three acquisitions in 2017. The acquisitions helped strengthen Humana's operations in Finland and expanded its activities in individual and family care in northern Sweden.

- Skellefteå Stöd & Behandling AB (Individual & Family) January 2017
- Nordic Senior Services Oy (Finland) August 2017
- Ryhmäkoti Raide Oy (Finland) October 2017

For more information regarding these acquisitions, refer to the Annual Report for 2017.

## Note 5 Earnings per share

SEK M	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/18	Jan-Dec 2017
<b>Net profit for the period attributable to owners of the parent company</b>	45	40	199	194
Average number of ordinary shares, thousands	53 140	53 140	53 140	53 140
Earnings per ordinary share, SEK, before dilution	0.85	0.76	3.74	3.64
Earnings per ordinary share, SEK, after dilution	0.85	0.76	3.74	3.64

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

31 March 2018	SEK M	Financial liabilities measured at fair value through profit and loss	Total	Fair value	Level 1	Level 2	Level 3
<b>Financial liabilities</b>							
Interest-rate swaps for hedging*	1	1	1	1	-	1	-
Earn-out payments	27	27	27	27	-	-	27

31 March 2017	SEK M	Financial liabilities measured at fair value through profit and loss	Total	Fair value	Level 1	Level 2	Level 3
<b>Financial liabilities</b>							
Interest-rate swaps for hedging*	3	3	3	3	-	3	-
Earn-out payments	22	22	22	22	-	-	22

\* Fair value is based on the brokers' quotations at Nordea AB (publ). 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	31 Mar 2018	31 Dec 2017
<b>Opening balance, 1 January</b>	27	27
Total recognised gains and losses:		
Recognised in adjustment of earn-out payments in profit for the year	0	0
Cost of acquisitions	0	0
Settled during the period	0	0
<b>Closing balance, end of period</b>	27	27

## Note 6c Hedge accounting

The group is hedging parts of the foreign exchange risk related to net investments in foreign operations. As of March 31, 2018, the group had exposure in EUR and NOK, which is hedged with loans in foreign currencies. Starting from January 1, 2018, hedge accounting is applied and thus the effective part of the translation differences is recognized in the consolidated statement of comprehensive income. In the comparison period translation differences are recognized as financial revenue and costs.

During the period January 1, 2018 to March 31, the group had loans of EUR 25 M and loans of NOK 200 M for which hedge accounting is applied. The related translation difference of negative SEK 23.4 M before tax is consequently recognized in the consolidated statement of comprehensive income.

## Note 7 Incentive programmes

As of 31 March 2018, Humana has two long-term incentive programmes that have been approved by the AGMs in 2016 and 2017. The warrant programme is directed at the Company's eight senior executives and the share savings programme is directed at key employees at Humana. The purpose of the programmes are to encourage a broad ownership among Humana employees, facilitate recruitment, retain competent employees and increase the motivation to achieve or exceed Humana's financial targets.

The warrants were acquired at market price and were issued in three separate series that can be redeemed at different times. The first date for redeeming the warrants was during the period 1-31 March 2018 at the subscription price of SEK 74.40. The subscription price for Series 2 is SEK 77.50 and for Series 3 is SEK 80.60.

For the share savings program, participants could invest in saving shares (at market price) and then, based on the terms of the programme, can receive matching shares and potentially even performance-based shares at the end of the programme. The number of registered saving shares at 31 March 2018 amounts to 64,000, which corresponds to a maximum allocation of 89,000 shares.

Number of warrants	2018	Number share-based programme	2018
<b>Outstanding January 1</b>	<b>1 440 420</b>	<b>Outstanding January 1</b>	<b>89 000</b>
Acquired	-	Acquired	-
Forfeited	-	Forfeited	-
Exercised	-	Exercised	-
Expired	-480 140	Expired	-
<b>Outstanding March 31</b>	<b>960 280</b>	<b>Outstanding March 31</b>	<b>89 000</b>



## Note 8a 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 in the reporting 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 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.

### Items affecting comparability

Non-recurring items that are not expected to return, which complicate the comparability between two given periods.

### 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 8b 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.

	Jan-Mar 2018	Jan-Mar 2017	Apr-Mar 2017/18	Jan-Dec 2017
<b>Adjusted operating profit</b>				
Operating profit	81	66	332	316
Loss on disposal of Home Care	-	-	14	14
Capital gains on sale of properties	-	-	-14	-14
<b>Adjusted operating profit</b>	<b>81</b>	<b>66</b>	<b>332</b>	<b>316</b>
<b>Adjusted EBITDA</b>				
Operating profit	81	66	332	316
Depreciation	15	14	61	60
Loss on disposal of Home Care	-	-	14	14
Capital gains on sale of properties	-	-	-14	-14
<b>Adjusted EBITDA</b>	<b>97</b>	<b>80</b>	<b>393</b>	<b>376</b>
<b>Organic revenue growth</b>				
Revenue, base	1 582	1 471	5 650	5 647
Revenue, organic growth	36	-28	-50	-76
<b>Total organic growth, constant currency rate</b>	<b>2.3%</b>	<b>-1.9%</b>	<b>-0.9%</b>	<b>-1.3%</b>
<b>Operating cash flow</b>				
Operating profit	81	66	332	316
Depreciation	15	14	61	60
Changes in working capital	-114	-57	-98	-41
Investments in other non-current assets, net	-14	-39	-126	-151
<b>Operating cash flow</b>	<b>-32</b>	<b>-16</b>	<b>168</b>	<b>184</b>
	<b>31 Mar 2018</b>	<b>31 Mar 2017</b>		<b>31 Dec 2017</b>
<b>Interest-bearing net debt, SEK M</b>				
Non-current interest-bearing liabilities	1 306	1 365		1 345
Current interest-bearing liabilities	687	680		680
Cash and cash equivalents	-497	-359		-584
<b>Interest-bearing net debt</b>	<b>1 496</b>	<b>1 685</b>		<b>1 440</b>
<b>Adjusted EBITDA 12 month</b>	<b>393</b>	<b>410</b>		<b>376</b>
<b>Interest-bearing net debt/Adjusted EBITDA 12 months, times</b>	<b>3.8x</b>	<b>4.1x</b>		<b>3.8x</b>
<b>Return on capital employed, %</b>				
TOTAL ASSETS	5 137	4 973		5 060
Deferred tax liabilities	-72	-82		-73
Trade payables	-75	-72		-93
Other current liabilities	-1 031	-1 010		-979
<b>Capital employed</b>	<b>3 959</b>	<b>3 809</b>		<b>3 915</b>
Operating profit	81	66		316
Financial revenue	0	2		4
<b>Total</b>	<b>81</b>	<b>67</b>		<b>320</b>
<b>Return on capital employed, %</b>	<b>2.1%</b>	<b>1.8%</b>		<b>8.2%</b>
<b>Equity/assets ratio, %</b>				
Equity attributable to owners of the parent company	1 966	1 764		1 891
TOTAL ASSETS	5 137	4 973		5 060
<b>Equity/assets ratio, %</b>	<b>38.3%</b>	<b>35.5%</b>		<b>37.4%</b>

## Note 8c 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.

