



Quality through specialisation

Q3 REPORT

October 25, 2018

Daniel Öhman, CEO

Philip Delborn, CFO



Agenda



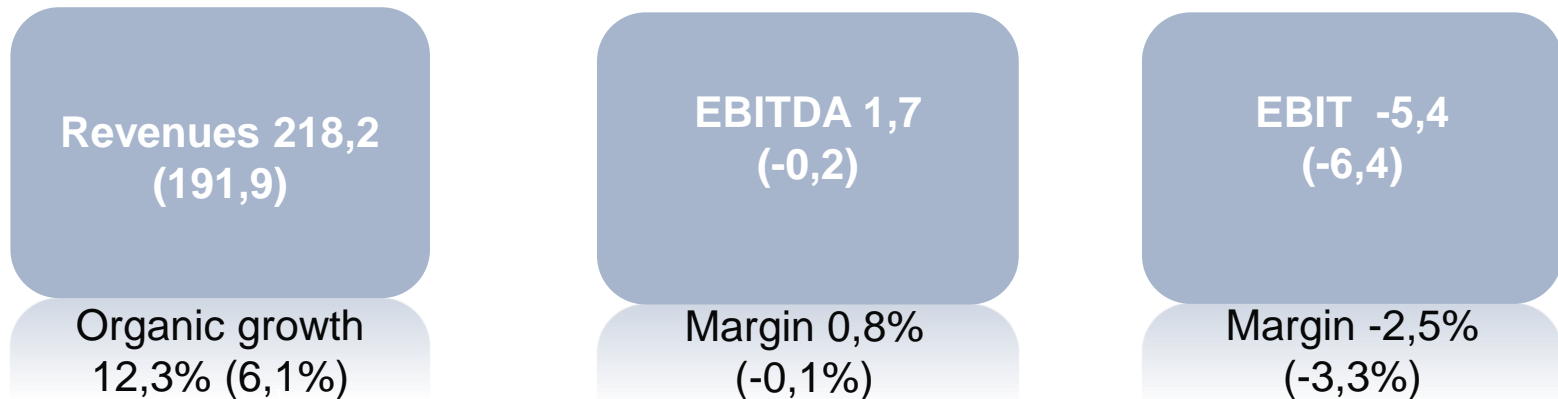
● **CEO reflections on Q3**

● **Financials – Q3**

● **Quality outcomes**

12,3% organic growth in the third quarter

MSEK



- Continued strong organic growth based on strong demand, more efficient processes and expanded facilities
- The Nordic business improves in the seasonally difficult quarter
- We continue to invest in business development and product development in International and Vårdsamverkan



Major drivers behind the Q3 results

General

- Strong growth in Denmark and Västra Götaland
- High salary pressure increase the need to focus on leadership, task shifting and efficiency

Specifics

- Started using dynamic questionnaires within Vårdsamverkan
- New facilities acquired for day surgery in Stockholm
- Strong improvements in Denmark



Agenda



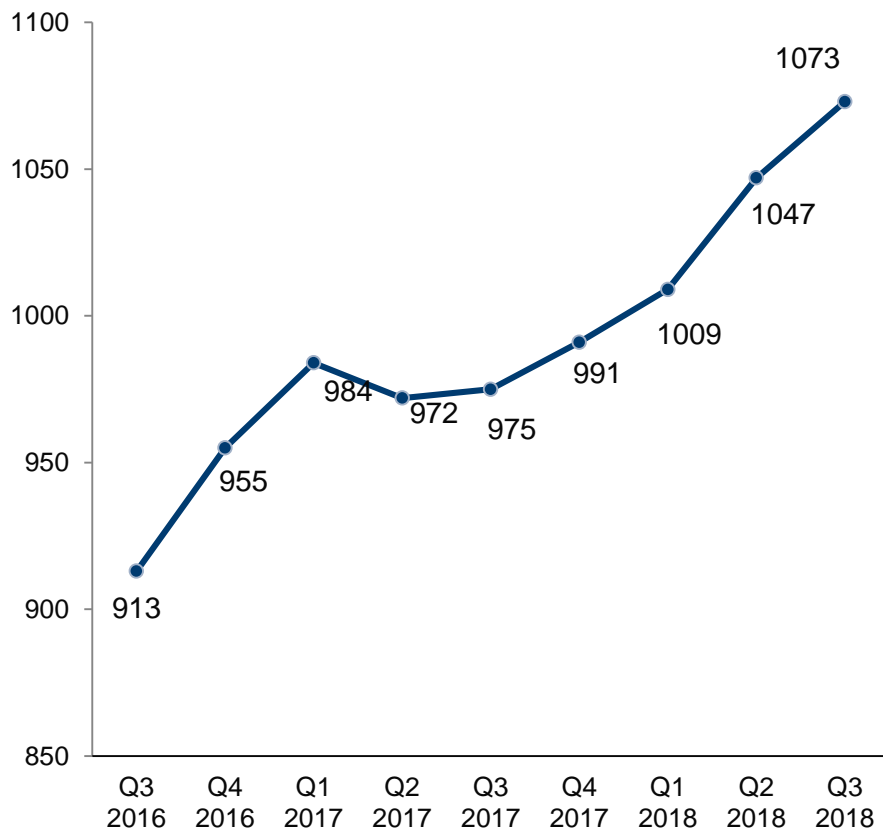
● CEO reflections on Q3

● **Financials – Q3**

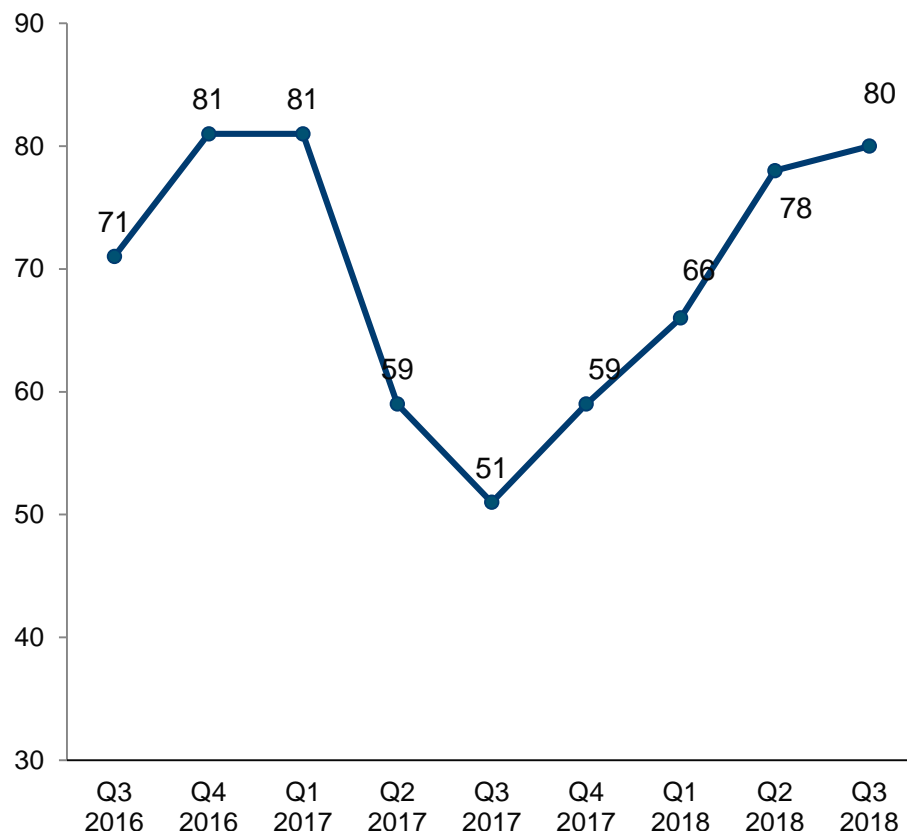
● Quality outcomes

Strong organic growth and a solid result

Revenue, rolling 12 months



EBITDA, rolling 12 months

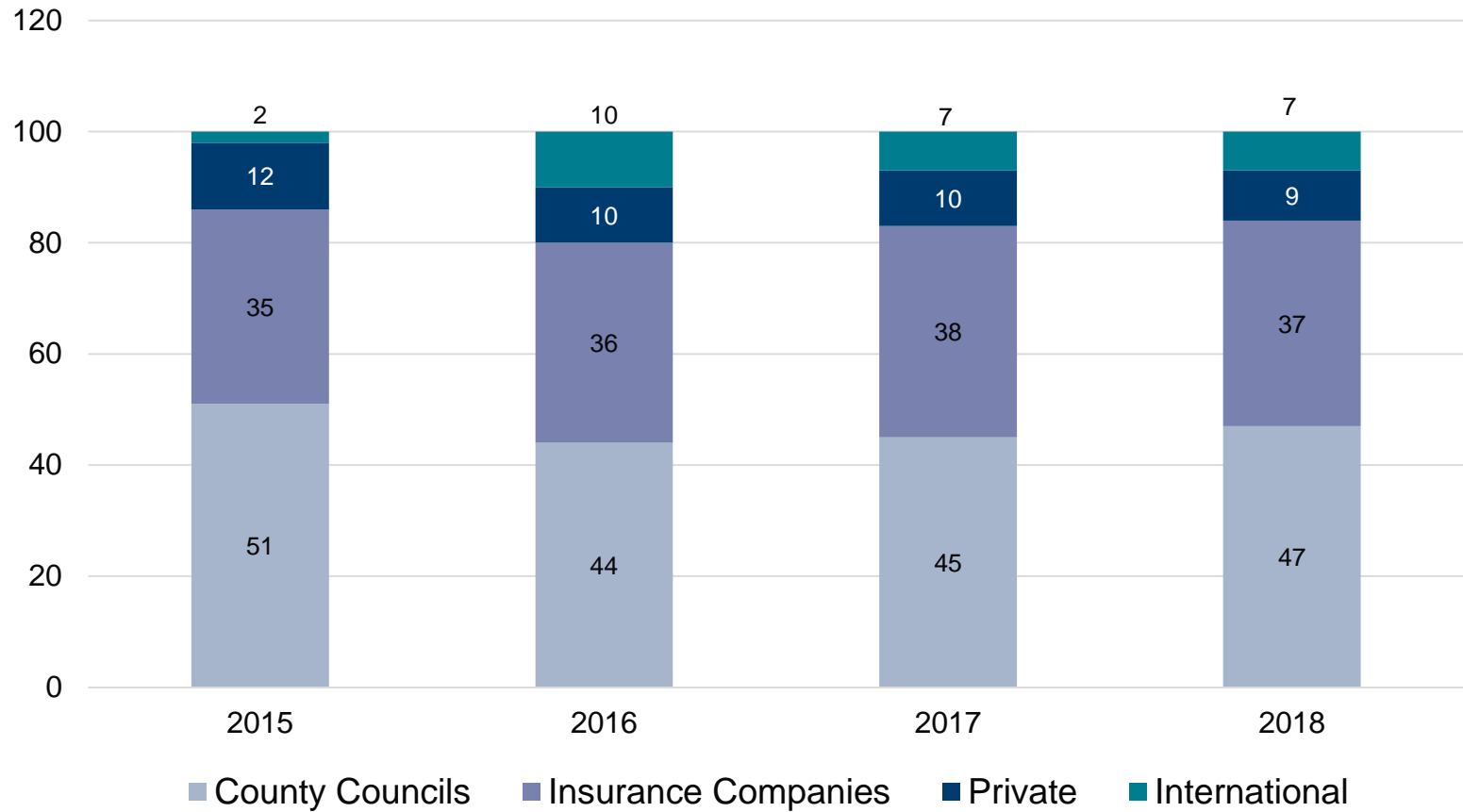


EBITDA is adjusted for capital loss from divestments of -16,3 Msek



Split between revenue sources

Revenue Distribution %, quarter



Segment Nordic

- Strong growth in all sub-markets
- Similar to previous years, our specialty care clinics have low activity during the summer
- EBIT improvement driven by efficiency and volume increase in all sub-markets
- Expansion of orthopedics in Stockholm in pipeline

MSEK	Q3 2018	Q3 2017	Change %	Year 2017
Revenue	185,8	165,6	12,2	883,7
EBIT	-7,7	-11,2		7,1
EBIT margin, %	-4,1	-6,8		0,8



Segment International

- The positive development of the hospitals continues and the KPI's in the quarter have developed well
- Revenues are impacted by fewer specific activities carried out in Q3. These activities will be carried out in Q4 instead
- Changes in currencies has had a positive impact on revenues of 1,4 MSEK and 0,4 MSEK on EBIT
- We have several promising business development opportunities in the pipeline

MSEK	Q3 2018	Q3 2017	Change %	Year 2017
Revenue	15,1	14,3	5,6	66,3
EBIT	3,3	5,1		16,6
EBIT margin, %	21,9	35,5		25,0



Segment Vårdsamverkan

- The growth in the quarter is linked to the new contract with Trygg-Hansa, which started July 1, 2018
- The revenues from the new Trygg-Hansa are somewhat negatively impacted by the summer period
- The result has been impacted by investments in our digital offer and the start-up of the new contract

MSEK	Q3 2018	Q3 2017	Change %	Year 2017
Revenue	17,3	12,0	44,2	40,8
EBIT	-1,0	-0,3		-7,4
EBIT margin, %	-5,8	-2,3		-18,2



Key figures

Comments

- The result in Q3 is impacted by the summer period but the majority of the key figures improve compared to last year
- The EPS in Q3 2017 was positively impacted by an adjustment of taxes in Denmark

MSEK	Q3 2018	Q3 2017	Year 2017
EBITDA	1,7	-0,2	58,8*
EBT	-6,2	-7,3	12,8
EPS	-8 öre	-5 öre	8 öre
Net Debt	124,9	152,1	126,8
Net Debt / EBITDA	1,60*	2,97*	2,15*
Equity Ratio	51	49	51

* Adjusted for capital loss



Cash flow third quarter 2018

Cash flow			
Sek millions	Third quarter		Full Year
	2018	2017	2017
Operating result *	-5,4	-6,4	32,8
Depreciation/amortisation and write-downs	7,1	6,2	26,0
Other investments	-4,8	-4,3	-23,5
Other adjustments – net *	0,1	-2,0	0,1
Change in working capital – net	-9,9	-23,3	-19,4
Operating Cashflow	-12,8	-29,8	16,0
Paid tax and financial net	-1,8	-2,8	-8,3
Free cash flow after financial items and tax	-14,6	-32,6	7,7

*Adjusted for Capital loss full year 2017

Comments

- The cash flow is negatively impacted by the summer period
- Improved cash flow compared to last year driven by changes in working capital and slightly higher EBITDA



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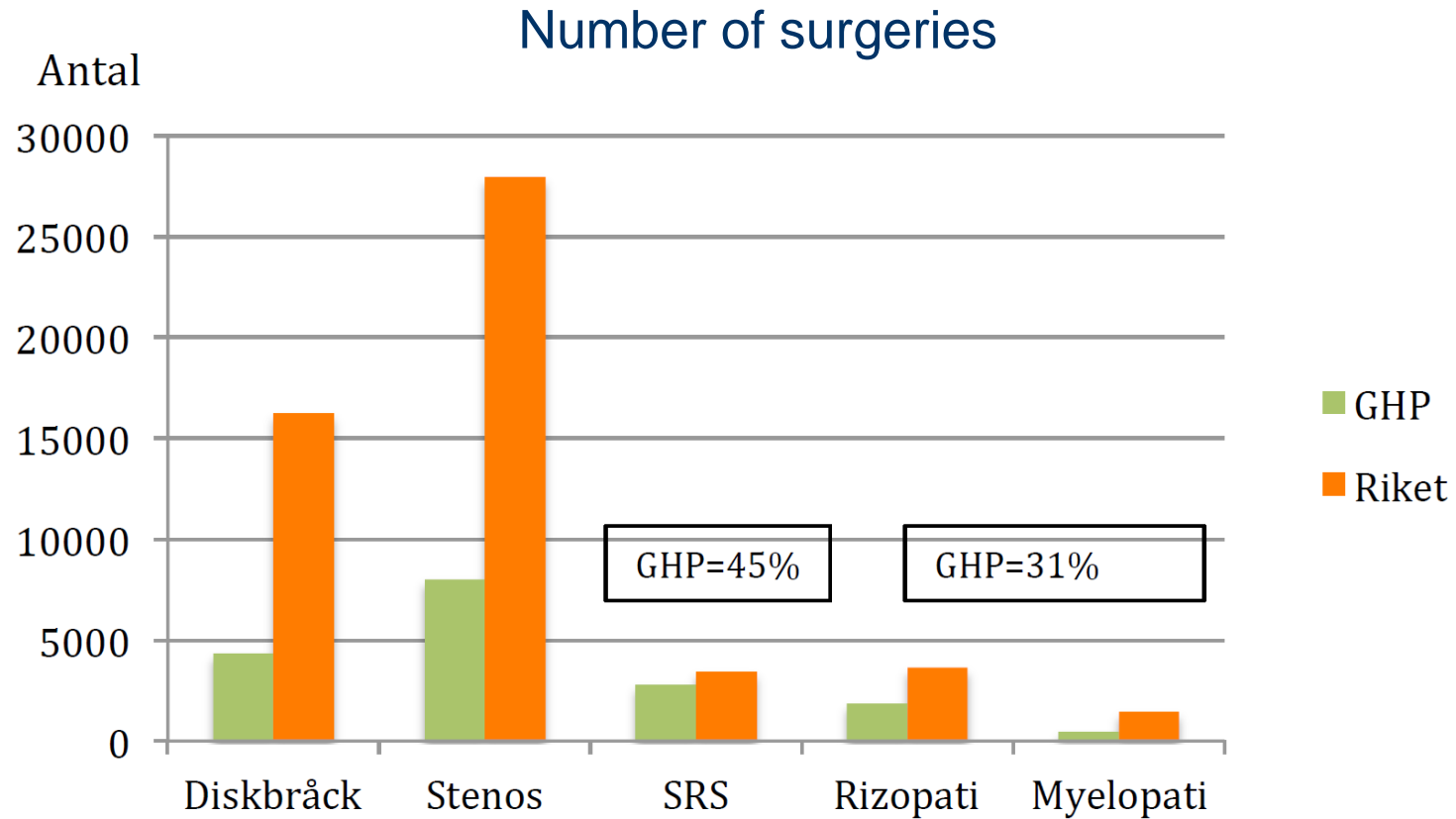


● CEO reflections on Q3

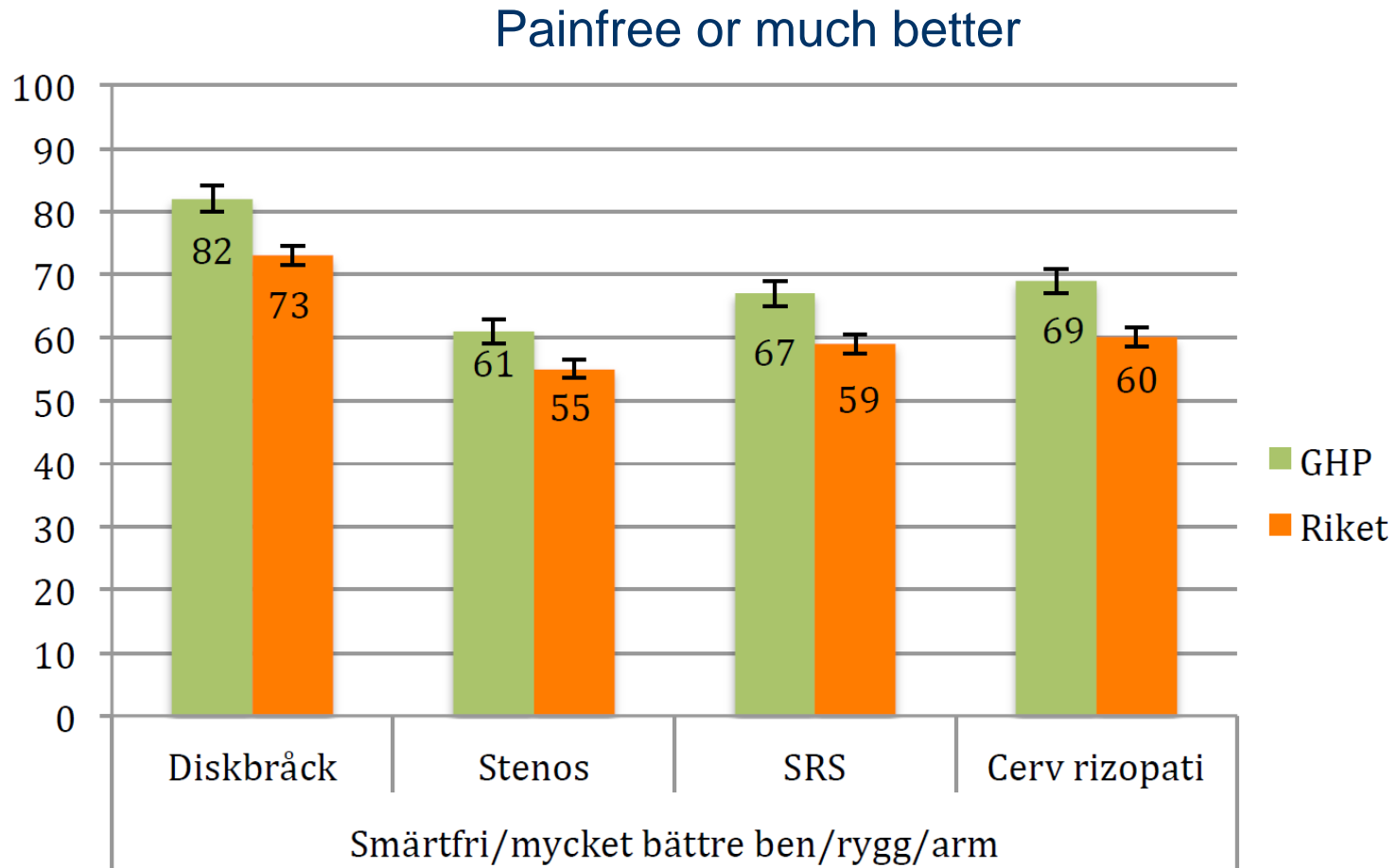
● Financials – Q3

● **Quality outcomes**

10 years of spine surgery

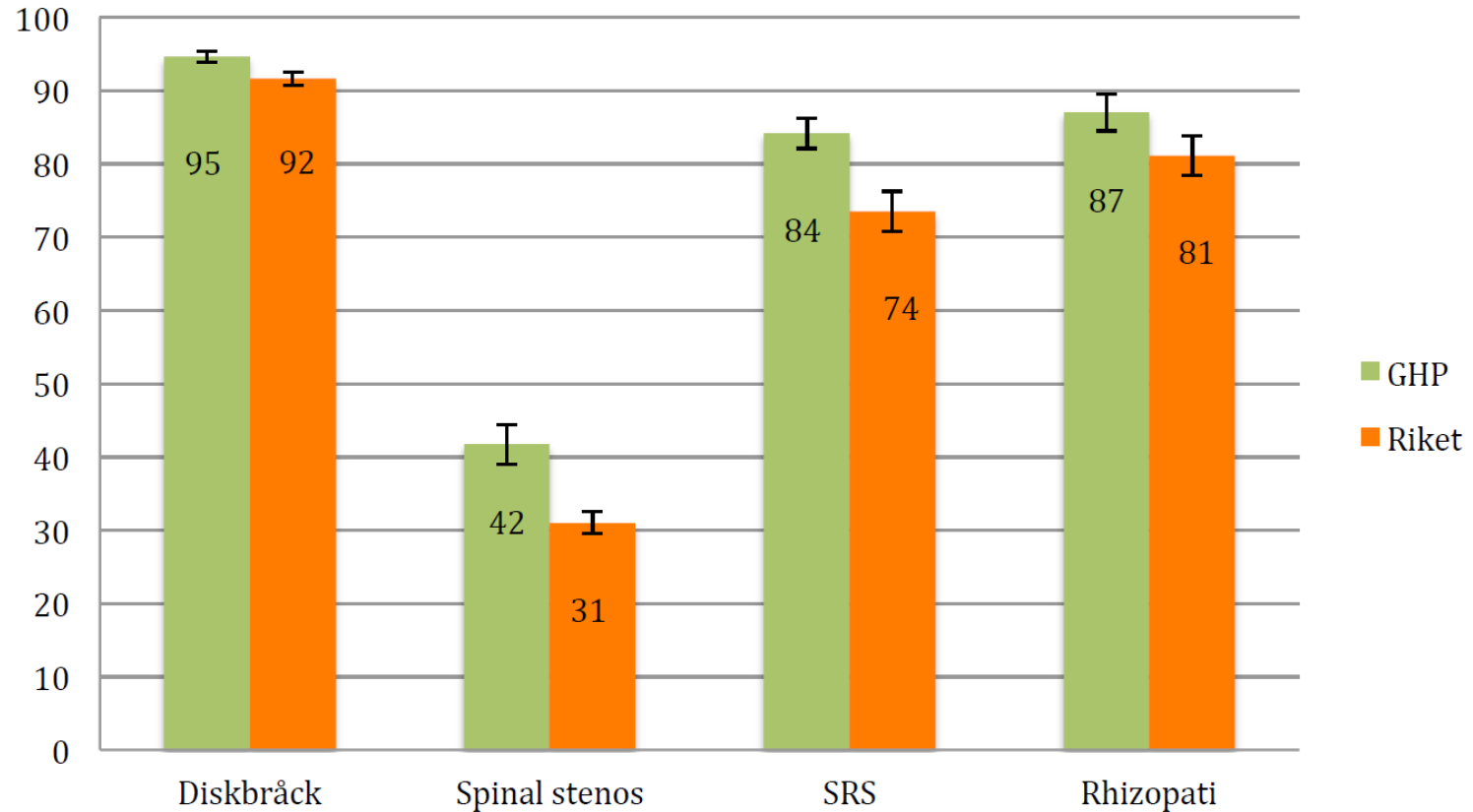


10 years of spine surgery

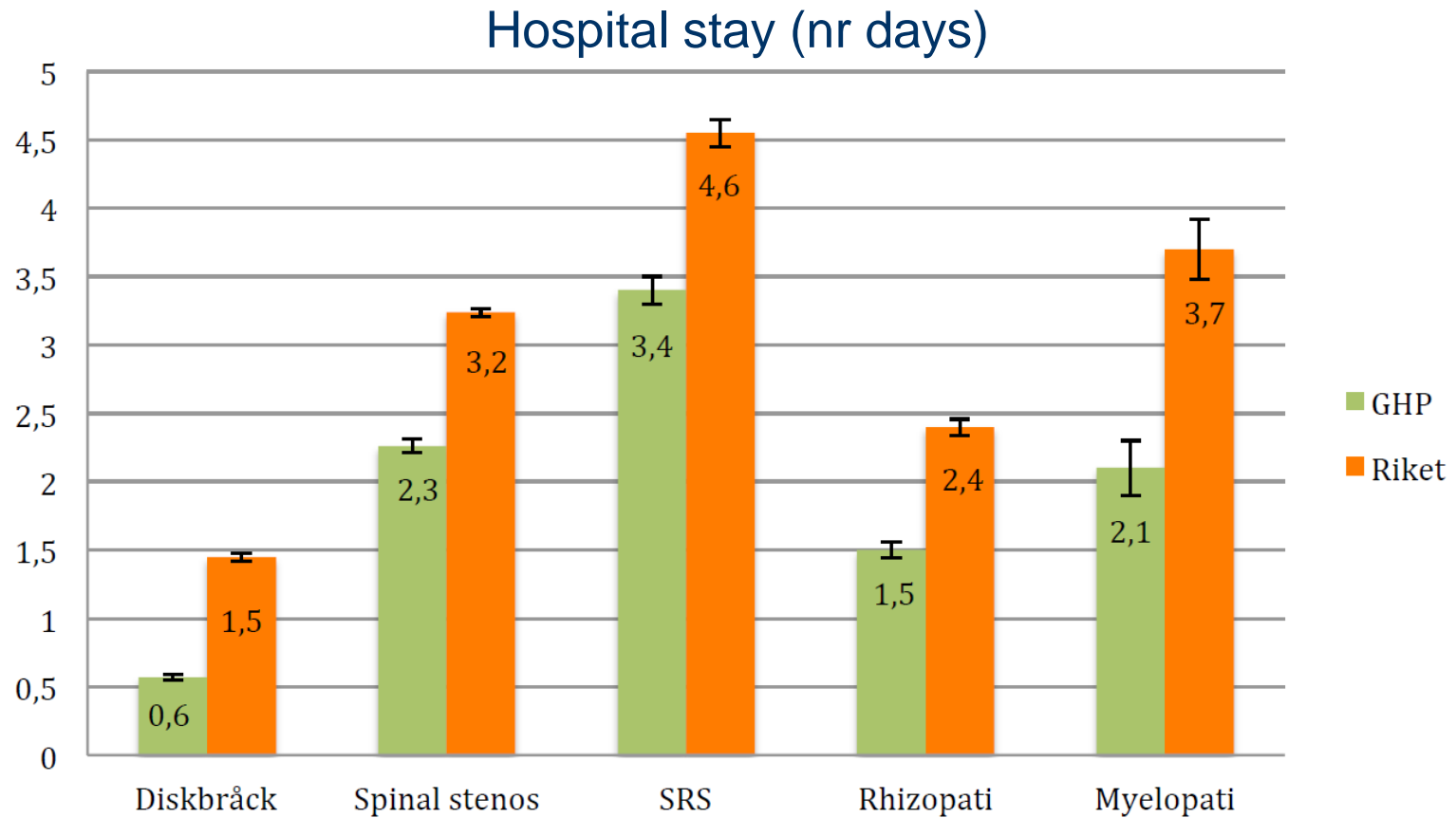


10 years of spine surgery

Back in work after 1 year



10 years of spine surgery



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