



Quality through specialisation

Q1 REPORT

2015

Daniel Öhman, CEO

Tobias Linebäck, CFO and dep. CEO



Agenda



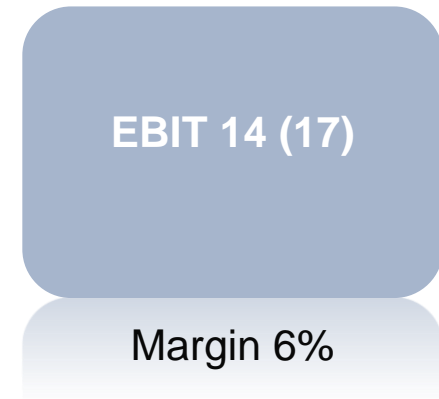
● **CEO reflections on Q1**

● **Financials – Q1**

● **Going forward**

Q1 growth despite fewer working days

SEK millions



- Good start of the year, in line with our expectations.
- Strong demand in most clinics and continued development enables growth.
- Fewer workdays affect operating profit negatively with 4-6 MSEK.



Factors behind the Q1 performance

General

- Good growth in Stockholm, Skåne and Denmark. Less so in VGR.
- Most Stockholm clinics deliver strong results despite fewer workdays.
- VGR affected negatively by doctor availability and less demand from the county council.

Specific

- Excellent quarter from our clinics at Sophiahemmet and Ortho Center Stockholm.
- Lower reimbursement from “Vårdval Ryggkirurgi” continues to be a struggle.
- We start to see improvements within dental and are optimistic about the development.
- Central costs under control.



Agenda



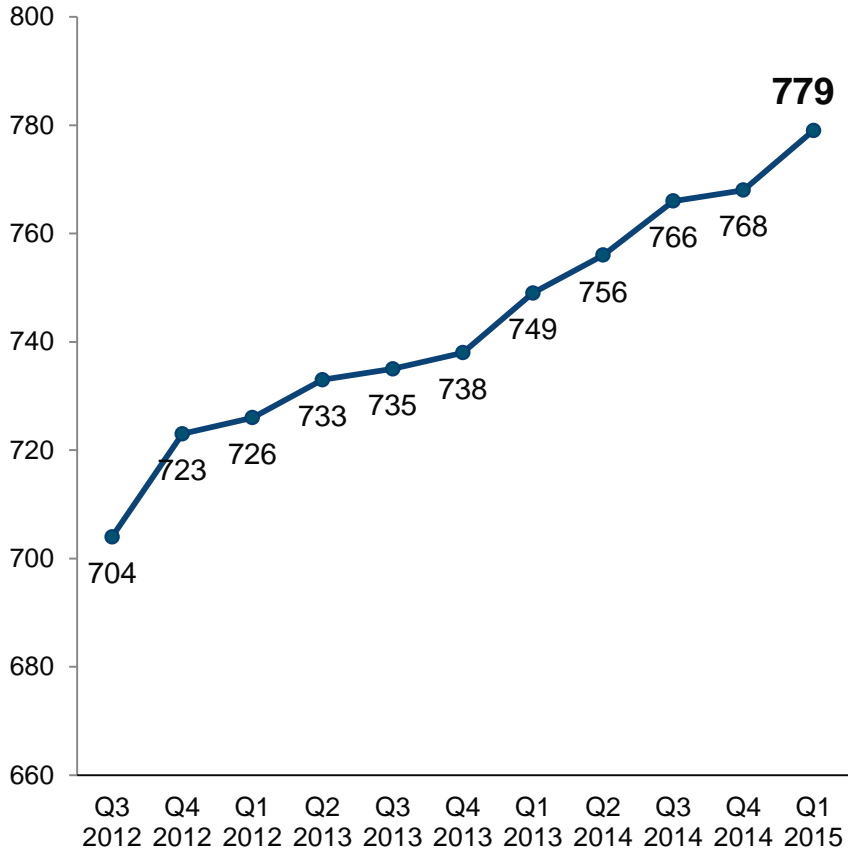
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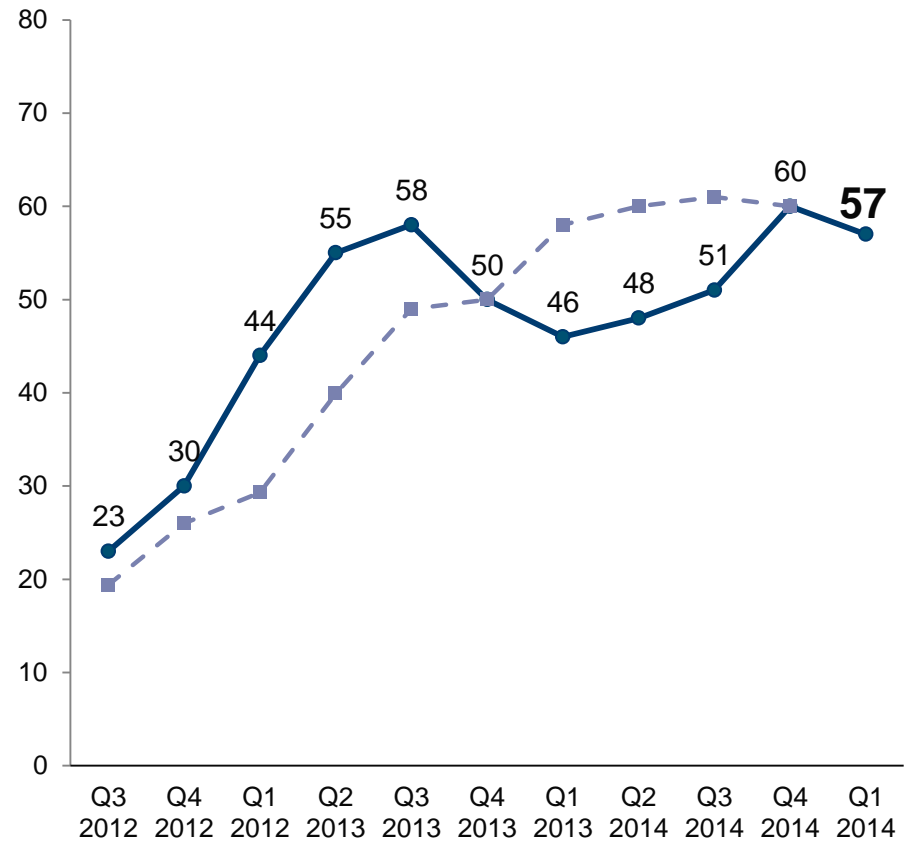
● Going forward

Fewer work days affect EBITDA in Q1

Revenue

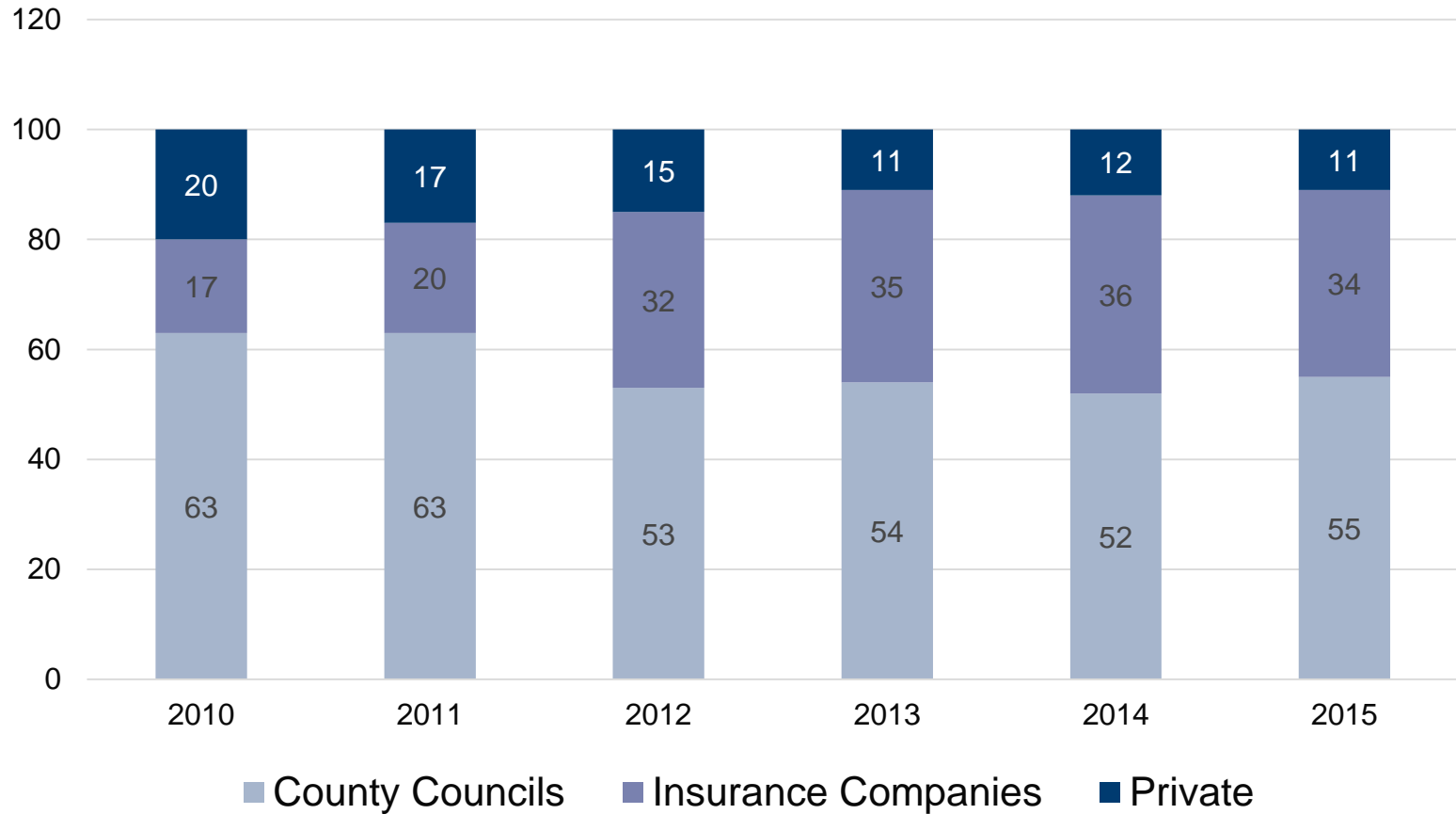


EBITDA



Strong split between revenue sources

Revenue Distribution



Business Area Nordic

- Strong growth despite fewer working days.
- Strong patient pressure in Stockholm. Projects ongoing to increase capacity.
- Lower profitability due to that majority of costs remain when clinics are closed.

| MSEK | Q1 2015 | Q1 2014 | Change % | Full year 2014 |
|-----------------|--------------------|--------------------|---------------------|-------------------------------|
| Revenue | 214 | 203 | 6 | 752 |
| EBITA* | 13 | 16 | | 33 |
| EBITA margin, % | 6 | 8 | | 4 |



Business Area Rest of the World

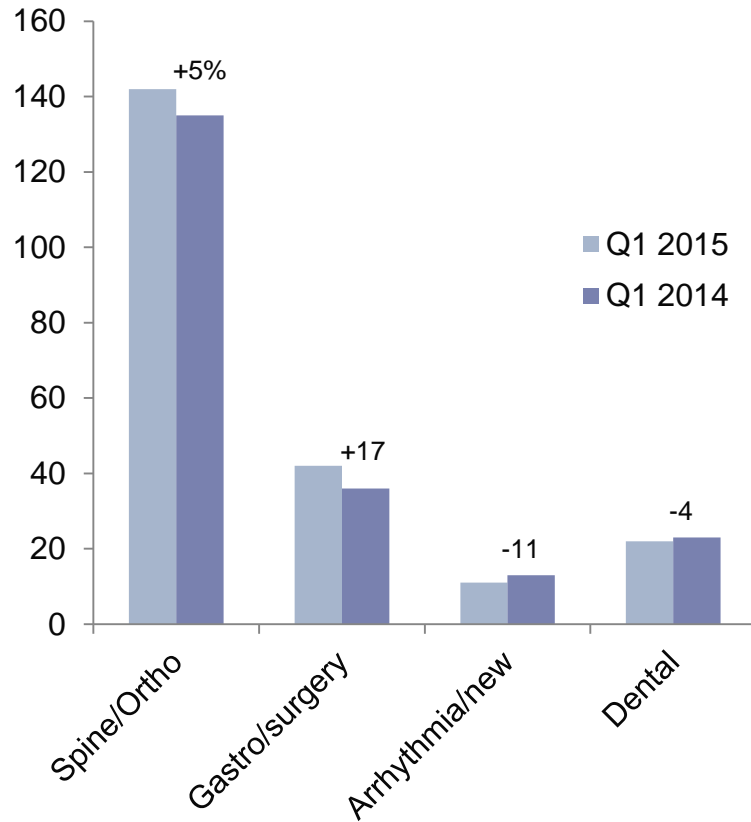
- Contract renewal in UAE provided for somewhat lower income.
- Somewhat reduced scope of services provides for maintained profit level.

| MSEK | Q1 2015 | Q1 2014 | Change % | Full year 2014 |
|-----------------|--------------------|--------------------|---------------------|-------------------------------|
| Revenue | 4 | 4 | -5 | 16 |
| EBITA | 1 | 1 | | 3 |
| EBITA margin, % | 29 | 25 | | 20 |

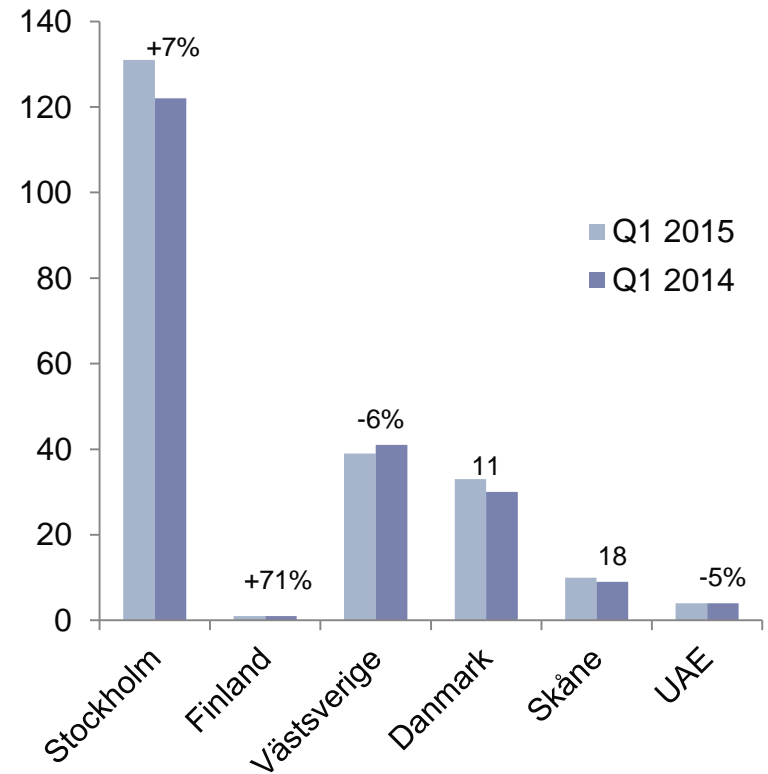


Revenue development – secondary segments

Diagnosis areas



Sub-markets



Solid key figures

Comments

- Strong key figures
- Business development capacity

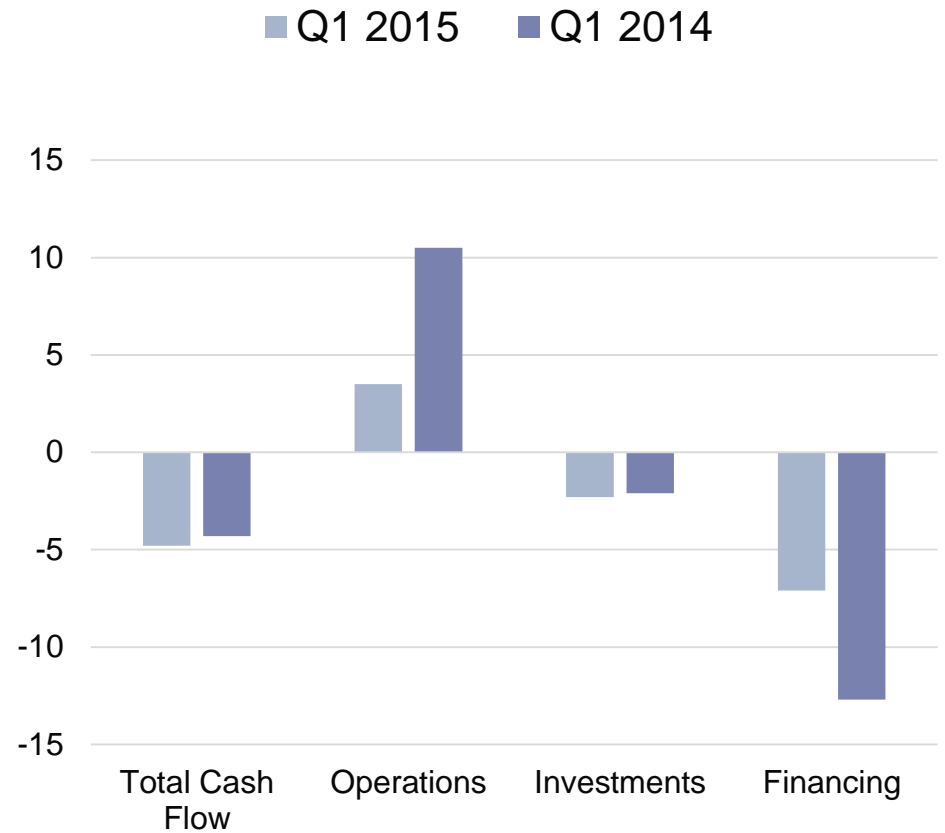
| SEK millions | Q1 2015 | Q1 2014 |
|-------------------|------------|------------|
| EBITDA | 20 | 23 |
| EBT | 13 | 15 |
| EPS | 11 öre | 15 öre |
| Return on equity | 8,9% | neg |
| Net Debt | 38 | 49 |
| Net Debt / EBITDA | 0,67 | 1,06 |
| Equity Ratio | 50 | 49 |



Cash flow – Q1 2015

Comments

- Weaker cash flow from operations in Q1 following a strong positive change in Q4.
- Included in Financing is e.g. payment for minority shares and decrease of utilisation of credit facilities.



Agenda



● CEO reflections on Q1

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Value based healthcare

Value based healthcare

- Trend to focus on outcomes in relation to costs in contrast to the cost of each separate action.
- Has been part of GHP since the start – QTS delivers excellent healthcare value.

Examples

- Patient free choice (vårdval) in general and patient free choice (vårdval) spine surgery in particular.
- Paying for complications, improved patient rights and transparency.

GHP's actions

- Improving ability to show value.
- New and innovative ways of working with our customers – some new models already in place and more coming.

Profitability

- We believe that most of our clinic has a large potential to improve – this is also necessary to meet salary and price development.

Actions taken can be put in the following categories:

- Increase volumes to reach advantages of scale
- Improve customer mix
- Process development
- Improve day-to-day management
- Customer collaboration
- Purchasing



Growth

Organic growth

- We continue to grow by stepwise expansion through expanded facilities, expanded offerings and attracting more customers.

Acquisitions

- We have been and are working on a number of acquisitions. It is an important part of our growth strategy.

Start-ups

- Excellent way to create value but does create short term negative effects.
- Expansion through start-ups in Stockholm and UAE.
- We are close to being able to announce 1-2 initiatives in Stockholm.



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