Quality through specialisation

Q3 REPORT
2016

Daniel Öhman, CEO
Susanna Laursen, tf CFO
Agenda

- CEO reflections on Q3
- Financials – Q3
- General update
Strong Q3 growth
SEK millions

- Continued good organic growth and first third quarter (vacation quarter) with positive result
- New UAE contract contributes strongly to revenue increase as well as profit. Together with Vårdsamverkan it helps us to even out the cycles somewhat
Other factors behind the Q3 performance

General

• Continued strong development within almost all business areas as well as in all regions
• Good quarter despite vacation period in the Nordic region

Specific

• Full effect from our business in Ajman this quarter with good scorings of our KPI’s in the contract
• GHP Vårdsamverkan is developing according to plan and is growing
• We have not been able to increase orthopedic volumes in Stockholm as needed to combat the negative price development
Agenda

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Continued strong organic growth

Revenue

EBITDA
Strong split between revenue sources

Revenue Distribution

- County Councils
- Insurance Companies
- Private
- International
Business Area Nordic

- Continued growth in the Nordic area with better margin despite vacation period for the Nordic region
- Our Dental area and Vårdsamverkan have developed good during the quarter
- The planned production increase within Ortho Center Stockholm has not given effect yet and that is necessary to cover for the price pressure of some public patient groups
- We are still struggling with the profitability in our clinic Opa in Denmark, the other clinic Gildhøj is performing well
- The work with our efficiency programs is still important

<table>
<thead>
<tr>
<th>MSEK</th>
<th>Q3 2016</th>
<th>Q3 2015</th>
<th>Change</th>
<th>12 m 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>167,2</td>
<td>156,8</td>
<td>7</td>
<td>805,6</td>
</tr>
<tr>
<td>EBITA</td>
<td>-8,1</td>
<td>-9,9</td>
<td></td>
<td>24,7</td>
</tr>
<tr>
<td>EBITA margin, %</td>
<td>-4,8</td>
<td>-6,3</td>
<td></td>
<td>3,1</td>
</tr>
</tbody>
</table>
Business Area Rest of the World

- The new management contract in UAE that started March 1st is developing according to plan and we now see strong growth and positive result from our good grades in the pre study project

- Our management is now on board

- Q3 2015 a positive release of UK reserve of 4 MSEK

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<tr>
<th>MSEK</th>
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<th>Q3 2015</th>
<th>Change %</th>
<th>12 m 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>21,9</td>
<td>3,6</td>
<td>508</td>
<td>14,4</td>
</tr>
<tr>
<td>EBITA</td>
<td>9,5</td>
<td>5,1</td>
<td></td>
<td>4,7</td>
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<tr>
<td>EBITA margin, %</td>
<td>43,4</td>
<td>141,7</td>
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<td>32,6</td>
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</table>
Revenue development – secondary segments
Q3

**Diagnosis areas**

- Spine/Ortho: +4%
- Gastro/surgery: +6%
- Arrhythmia/new: +34%
- Dental: +5%
- International/…: +508%

**Sub-markets**

- Stockholm: +9%
- Finland: +67%
- Västsverige: -1%
- Danmark: +6%
- Skåne: +9%
- UAE: +508%
## Revenue development – secondary segments

### Diagnosis areas

<table>
<thead>
<tr>
<th>Diagnosis areas</th>
<th>MSEK 2016</th>
<th>MSEK 2015</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spine/Ortho</td>
<td>107,6</td>
<td>103,0</td>
<td>4</td>
</tr>
<tr>
<td>Gastro/Surgery</td>
<td>29,1</td>
<td>27,5</td>
<td>6</td>
</tr>
<tr>
<td>Arrhythmia/ new specialties</td>
<td>13,3</td>
<td>9,9</td>
<td>34</td>
</tr>
<tr>
<td>Dental</td>
<td>17,2</td>
<td>16,4</td>
<td>5</td>
</tr>
<tr>
<td>Int./management contract</td>
<td>21,9</td>
<td>3,6</td>
<td>508</td>
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</table>

### Sub-markets

<table>
<thead>
<tr>
<th>Sub-markets</th>
<th>MSEK 2016</th>
<th>MSEK 2015</th>
<th>Change %</th>
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</thead>
<tbody>
<tr>
<td>Stockholm</td>
<td>97,8</td>
<td>89,6</td>
<td>9</td>
</tr>
<tr>
<td>Finland</td>
<td>0,5</td>
<td>0,3</td>
<td>67</td>
</tr>
<tr>
<td>Västsverige</td>
<td>28,7</td>
<td>29,1</td>
<td>-1</td>
</tr>
<tr>
<td>Danmark</td>
<td>30,0</td>
<td>28,4</td>
<td>6</td>
</tr>
<tr>
<td>Skåne</td>
<td>10,2</td>
<td>9,4</td>
<td>9</td>
</tr>
<tr>
<td>UAE</td>
<td>21,9</td>
<td>3,6</td>
<td>508</td>
</tr>
</tbody>
</table>
Solid key figures

Comments

- Still solid key figures
- Significant business development capacity
- UAE is tying up capital

<table>
<thead>
<tr>
<th></th>
<th>SEK millions</th>
<th>Q3 2016</th>
<th>Q3 2015</th>
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<tbody>
<tr>
<td>EBITDA</td>
<td>7,4</td>
<td>1,1</td>
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</tr>
<tr>
<td>EBT</td>
<td>0,8</td>
<td>-5,8</td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>1 öre</td>
<td>-7 öre</td>
<td></td>
</tr>
<tr>
<td>Return on equity</td>
<td>12,6%</td>
<td>9,5%</td>
<td></td>
</tr>
<tr>
<td>Net Debt</td>
<td>111,7</td>
<td>81,1</td>
<td></td>
</tr>
<tr>
<td>Net Debt / EBITDA</td>
<td>1,57</td>
<td>1,43</td>
<td></td>
</tr>
<tr>
<td>Equity Ratio</td>
<td>55</td>
<td>51</td>
<td></td>
</tr>
</tbody>
</table>
Cash flow Q3 2016

Comments

- UAE is tying up capital
- Investments in new premises at Sophiahemmet

<table>
<thead>
<tr>
<th></th>
<th>Q3 2016</th>
<th>Q3 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Op cash flow before</td>
<td>4,6</td>
<td>-2,1</td>
</tr>
<tr>
<td>changes in w/c</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

![Chart showing cash flow components for Q3 2016 and Q3 2015]
Agenda

- CEO reflections on Q3
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Development of SKMCA

Medical content and steering principles
• Quality through specialization

Centers of excellence
• Lifestyle, including e.g. diabetes, stroke,
• From fertility, to delivery and neo-natal, including e.g. children surgery and orthopedics
• Elective orthopedics
• Rehab/hab

Scope limitations
• High energy trauma
• Burns damages
• Neonatal pre 30 weeks
• Thorax
• Cancer
• High contagious deceases

Training, education and research
SKMCA shall be a center for and known for its training, education and research
Targets:
competent staff, continuous improvement, secure value based healthcare, attract staff, attract patients, improved results, improved branding
Other developments

GHP Idrottscentrum

Our healthcare system is not set up to treat professional athletes

GHP Idrottscentrum is an insurance and private pay based center focused at those who want to aim higher

Price development

When Vårdval Urologi in Stockholm first was announced it was with an approximate 25% price reduction

We have been working with politicians, media, our industry association and patient organizations to show the impossibility of this

SLL has now agreed that the Vårdval needs a new pricelist
www.ghp.se

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