



Quality through specialisation

Q4 REPORT

February 21, 2018

Daniel Öhman, CEO

Philip Delborn, CFO



Agenda



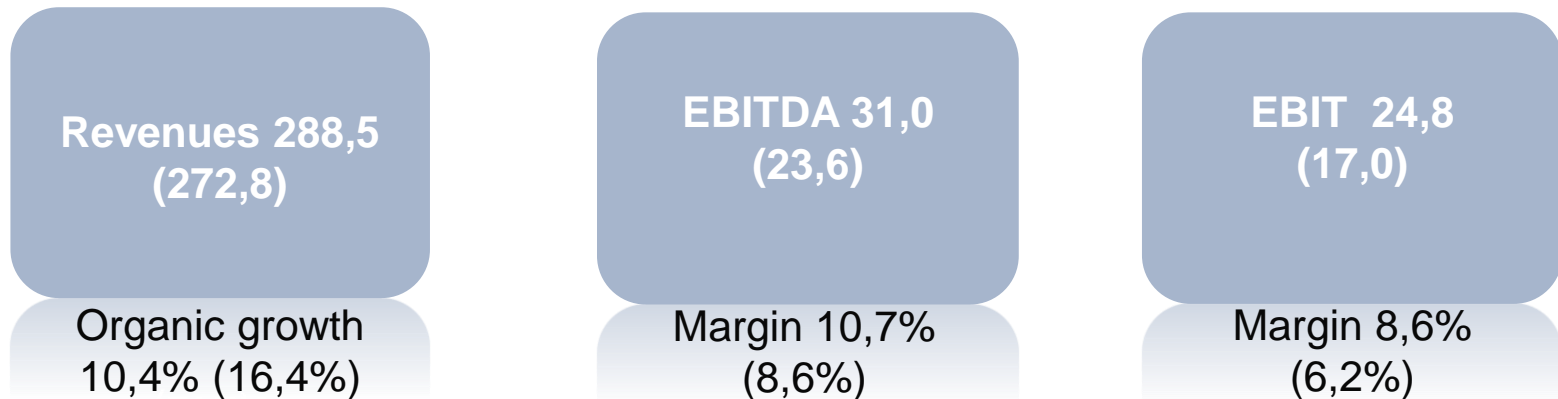
● **CEO reflections on Q4**

● **Financials – Q4**

● **General update**

Strong development across all parts of GHP

MSEK



- Almost all clinics improve significantly resulting in GHP's best fourth quarter so far
- Organic growth of more than 10%
- The profitability program has a part in the improvements even though it is not fully implemented yet
- We have not compromised our important strategic initiatives



Major drivers behind the Q4 results

General

- We are through with the leadership succession in the clinics and the new leaders are now quickly getting up to speed
- New activity planning system
- Sale of OPA Privathospital and Gastro Clinic Helsinki
- Cost reductions at HQ

Specifics

- International continues to improve profitability despite increased costs for business development
- Denmark, Skåne and Västra Götaland improve significantly in the quarter



Agenda

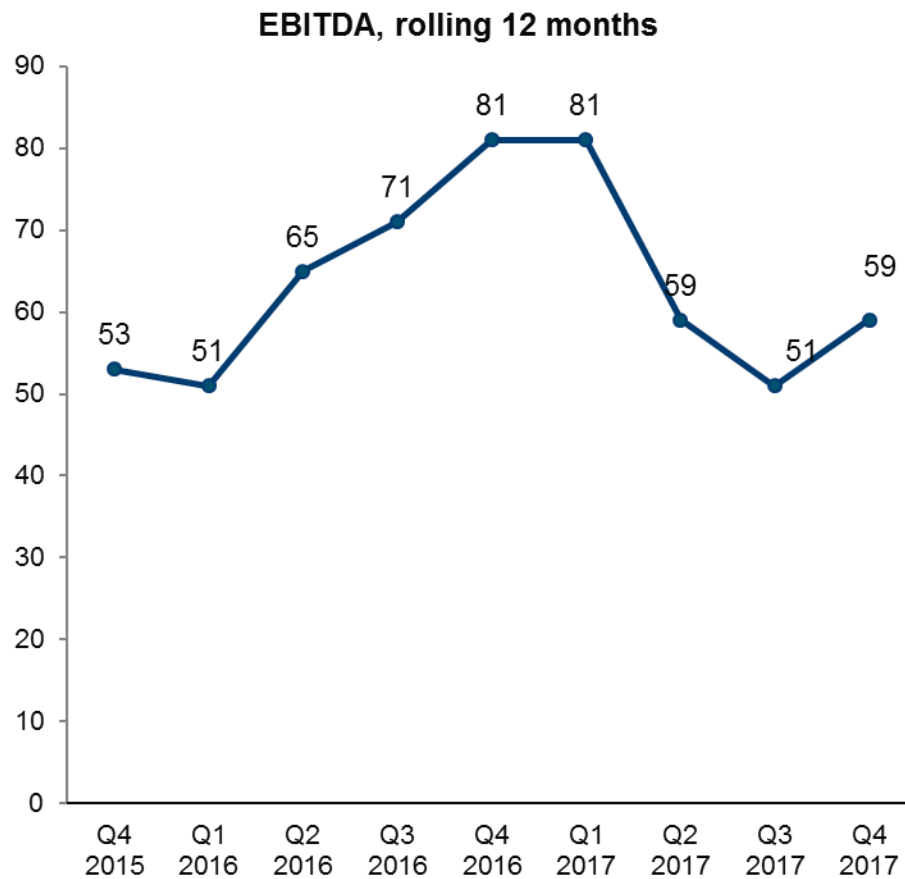
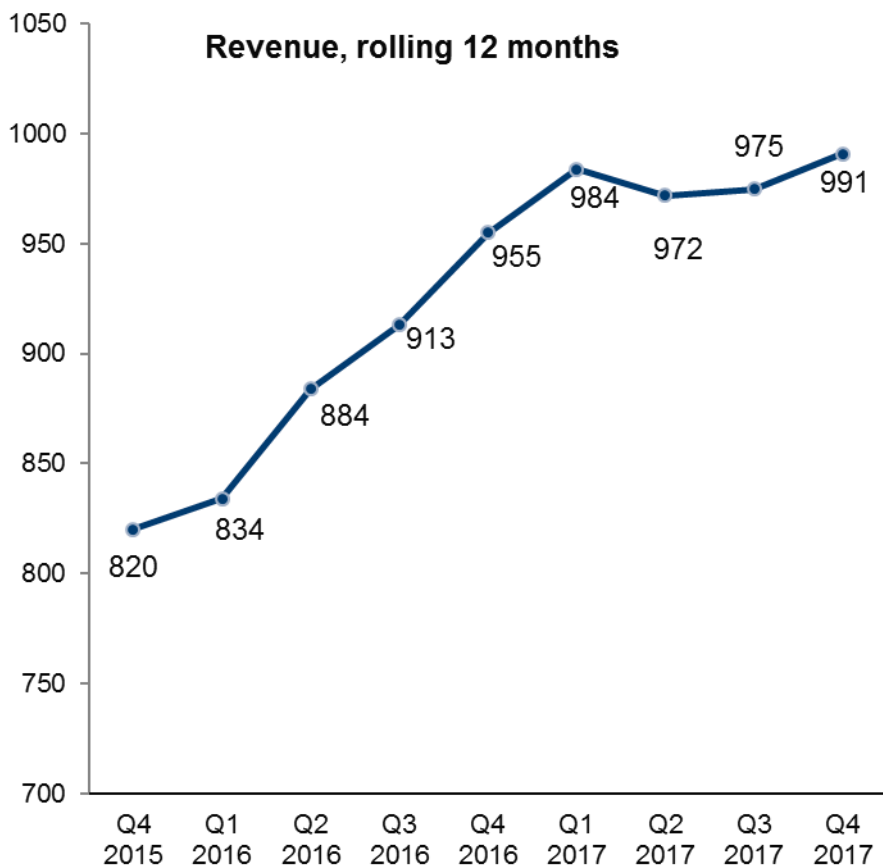


● CEO reflections on Q4

● **Financials – Q4**

● General update

Volume increase drives the revenue growth

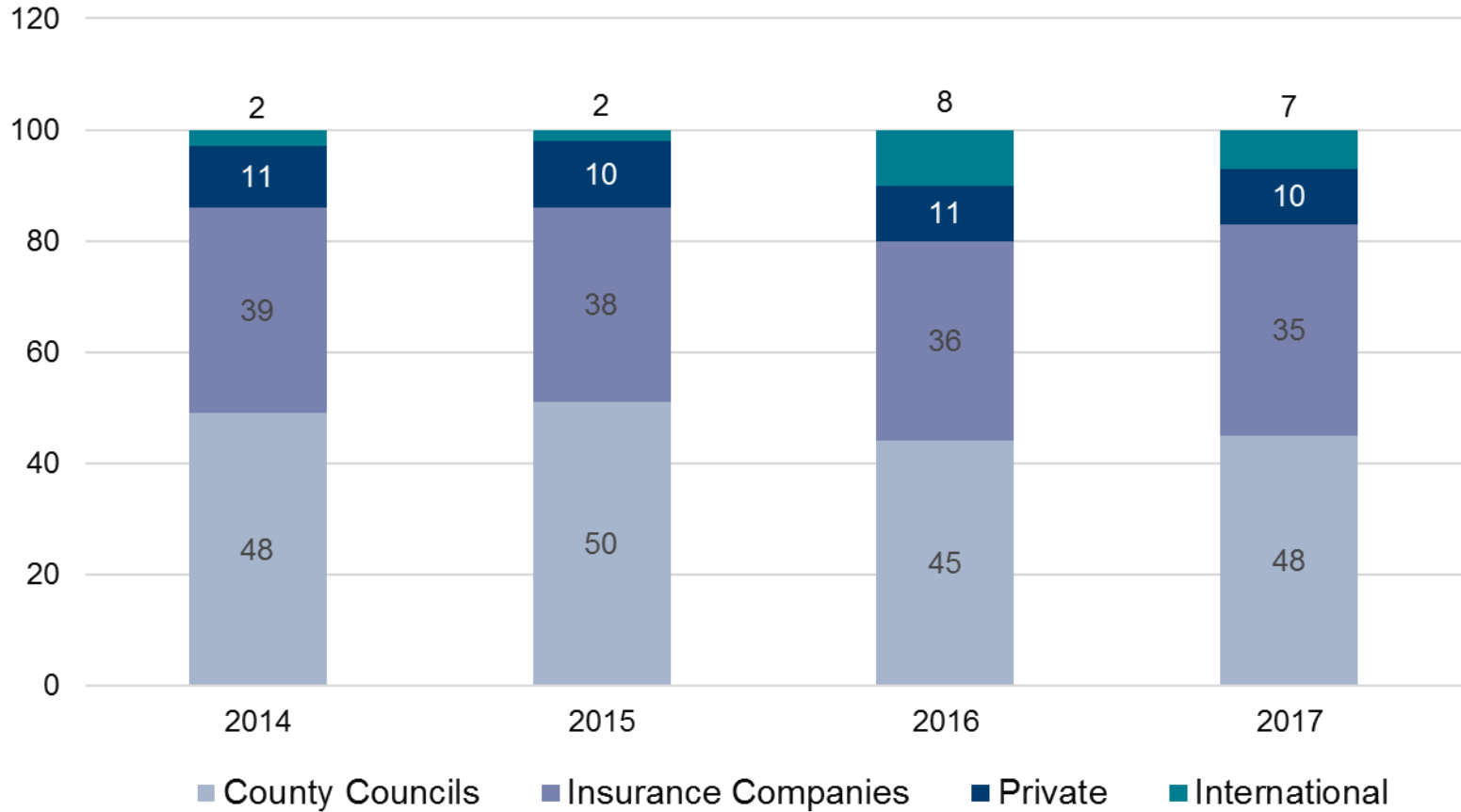


EBITDA is adjusted for capital loss from divestments of -16,3 Msek



Strong split between revenue sources

Revenue Distribution, quarter



Segment Nordic

- High demand and production in most clinics
- Several clinics have changed their way of working with focus on operating longer days and optimizing the production weeks
- The cost saving initiative has started to give a positive effect
- Strong development in the clinics at Sophiahemmet, Skåne, Gothenburg and Denmark
- A couple of clinics are still in a start-up phase

MSEK	Q4 2017	Q4 2016	Change %	Year 2017	Year 2016
Revenue	256,5	242,9	5,6	883,7	846,6
EBIT	21,0	14,5		7,0	37,5
EBIT margin, %	8,2	6,0		0,8	4,4



Segment International

- Solid development of the KPI's and the performance of the hospitals
- Extensive Performance and Quality audits performed by GHP in the quarter
- High activity in the fourth quarter is also reflected in our reimbursement
- Business development opportunities in pipeline, but at an early stage

MSEK	Q4 2017	Q4 2016	Change %	Year 2017	Year 2016
Revenue	20,3	21,6	-5,8	66,3	75,6
EBIT	6,6	4,5		16,6	22,7
EBIT margin, %	32,4	21,0		25,1	30,1



Segment Vårdsamverkan

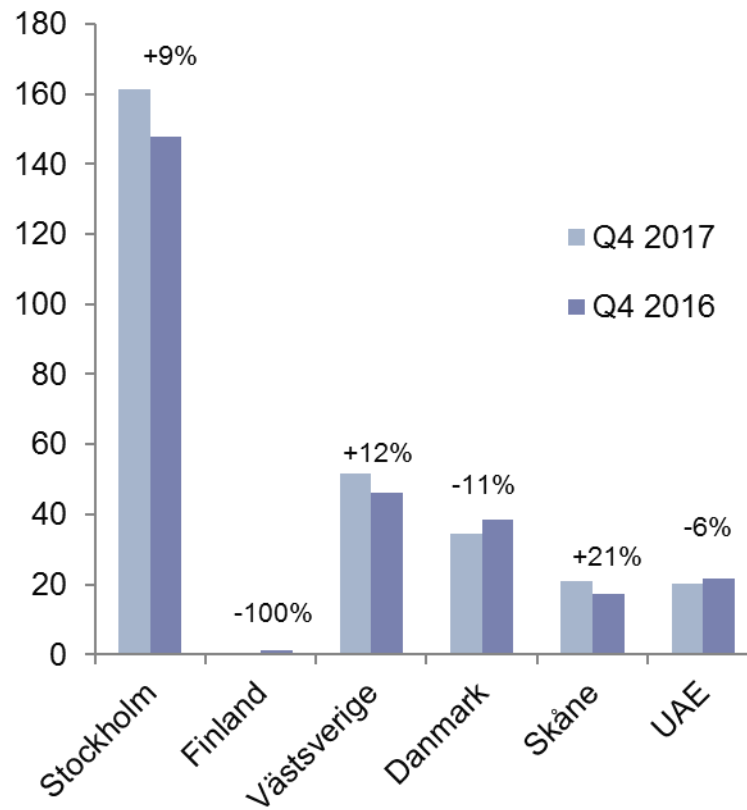
- The contract with Trygg Hansa, which started during the summer, drives growth in combination with continued growth in the Skandia collaboration
- Development and implementation of new e-health solutions in the fourth quarter
- We have strengthen our management team in the quarter to focus on business development

MSEK	Q4 2017	Q4 2016	Change %	Year 2017	Year 2016
Revenue	11,7	8,3	40,4	40,8	33,2
EBIT	-2,8	-2,0		-7,4	-3,8
EBIT margin, %	-23,8	-24,1		-18,2	-11,5



Revenue development – sub-markets fourth quarter

Sub-markets



Key figures

Comments

- Improved earnings in the fourth quarter
- The weak start of 2017 impact the full-year figures

MSEK	Q4 2017	Q4 2016
EBITDA	31,0	23,6
EBT	23,9	16,5
EPS	22 öre	21 öre
Net Debt	126,8	82,4
Net Debt / EBITDA	2,16*	1,02
Equity Ratio	51	51

* Adjusted for capital loss



Cash flow fourth quarter 2017

Cash flow				
Sek millions	Fourth quarter		Full Year	
	2017	2016	2017	2016
Operating result *	25,1	17,0	32,8	56,4
Depreciation/amortisation and write-downs	6,2	6,6	26,0	24,5
Other investments	-3,9	-9,5	-23,5	-31,2
Other adjustments – net *	-0,3	0,1	-2,8	-1,6
Change in working capital – net	8,8	23,8	-19,4	-35,3
Operating Cashflow	35,9	38,0	13,1	12,8
Paid tax and financial net	2,3	1,5	-7,6	-9,1
Free cash flow after financial items and tax	38,2	39,5	5,5	3,7

* Adjusted for capital loss

Comments

- Positive cash flow in the period.
- The timing of the payments in International varies between the quarters and had a significant positive effect in the fourth quarter previous year.
- The full year cash flow is positive and improving compared to 2016.



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Continued focus on profitability

Already implemented:

- New activity planning system
- Sale of OPA Privathospital and Gastro Clinic Helsinki
- Halfway through the realization of the cost savings program

Next steps:

- Continued focus on every day
- Leaner and more efficient internal processes
- Working to improve public reimbursement systems
- Vårdsamverkan



Development projects

- Expansion of Gildhög
- Urologcentrum Odenplan
- Neuro Center moving into new facilities
- New collaboration with Skandia
- Digital projects
- Education of leaders



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