



Quality through specialisation

Q1 REPORT

April 22, 2020

Daniel Öhman, CEO

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Agenda



● **CEO reflections on Q1**

● **Financials – Q1**

● **Corona update**

Strong start of the year signals strong position once immediate crisis is over

MSEK

Revenues 383,1
(330,4)

Organic growth
12,3% (17,4%)

EBITDA 54,2
(42,2)

Margin 14,2%
(12,8%)

EBIT 30,0
(21,4)

Margin 7,8%
(6,5%)

- Strong bounce back from a temporary weak Q4 with GHP's best quarter so far
- Improvements in Nordics driven by continued growth and strong improvements in Stockholm
- Within International Kuwait hospital and changed revenue recognition drives improvements
- Vårdsamverkan continues to contribute, both as its own area and for Nordics
- Weak end of March due to corona cost 5-7 msek



Agenda



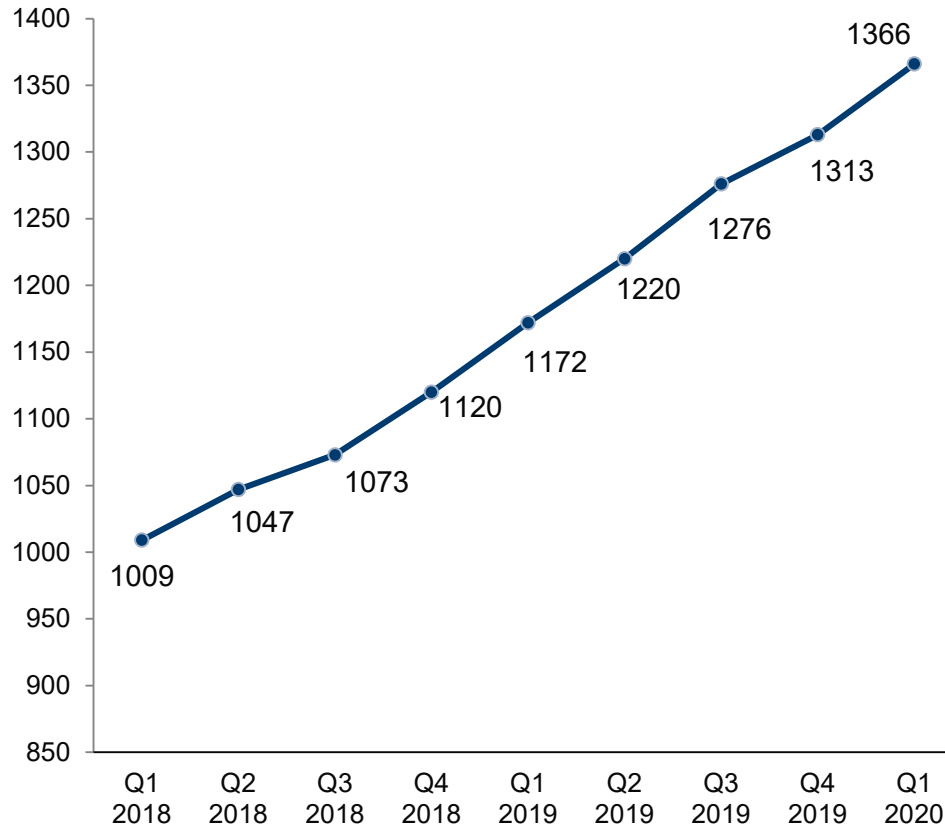
● CEO reflections on Q1

● **Financials – Q1**

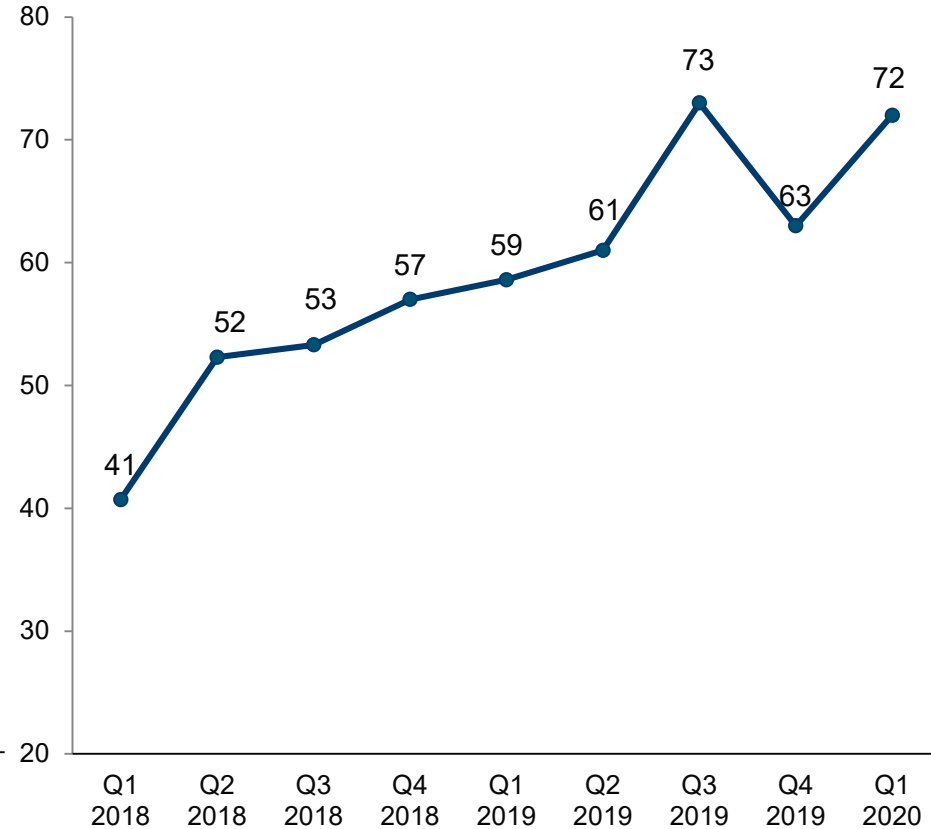
● Corona update

Continued growth and positive EBIT development

Revenue, rolling 12 months



EBIT, rolling 12 months



Segment Nordic

- Organic growth 9%.
- The result for the quarter is the segment's best quarter to date.
- During the second half of March, several of the clinics experienced a decline in the number of patients due to the coronavirus.
- In Denmark we have now, after a few weeks of downtime of the surgical operations, received permission to open our business again.

MSEK	Q1 2020	Q1 2019	Change %	Year 2019
Revenue	324,2	286,4	13,2	1 097,1
EBIT	33,1	29,6		81,2
EBIT margin, %	10,2	10,3		7,4



Segment International

- Strong growth, primarily linked to the Kuwait contract.
- The change in accounting of revenues between the quarters has an impact on Revenue and EBIT of +6 MSEK compared with Q1 the year before.
- During the quarter, the hospitals in the UAE worked on reorganizing the operations in order to manage corona patients.
- Restrictions in Kuwait due to the corona virus make it more challenging for us to lead the business, which will affect earnings coming quarters.

MSEK	Q1 2020	Q1 2019	Change %	Year 2019
Revenue	29,5	12,8	131,2	94,3
EBIT	10,1	2,2		27,2
EBIT margin, %	34,2	16,9		28,9



Segment Vårdsamverkan

- Revenues for the quarter decreased, which is mainly due to a decrease in purchased care.
- Positive result during the period and continued work to improve care chains.
- Vårdsamverkan's digital solutions are used to reduce the number of physical visits throughout GHP.

MSEK	Q1 2020	Q1 2019	Change %	Year 2019
Revenue	29,4	31,3	-6,0	121,9
EBIT	0,1	-0,3		-2,0
EBIT margin, %	0,3	-1,0		-1,6

Key figures

Comments

- Most of GHP's key figures improved during the quarter
- 67% increase in EPS
- The Group's cash amounted to 69.8 MSEK on March 31, 2020. In addition, the Group has granted, unutilized credit at the bank of 70 MSEK

MSEK	Q1 2020	Q1 2019	Year 2019
EBITDA	54,2	42,2	150,4
EBIT	30,0	21,4	63,0
EPS	30 öre	18 öre	53 öre
Net Debt	231,4	220,2	279,5
Net Debt / EBITDA	1,42	2,19	1,86
Equity Ratio	42	43	41



Cash flow first quarter 2020

Cash flow			
	First quarter		Full Year
Sek millions	2020	2019	2019
Operating result	30.0	21.4	63.0
Depreciation/amortisation and write-downs	24.3	20.8	87.6
Other investments	-4.9	-10.5	-50.0
Other adjustments – net	0.0	0.0	1.1
Change in working capital – net	-0.1	-1.8	-7.5
Operating Cashflow	49.3	29.9	94.2

Comments

- Improved cash flow linked to increased earnings and lower investment rate



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How GHP is affected

- Many patients postpone their medical visits, GHP has about 35% fewer new visit. Especially affected are dental and sports medicine.
- GHP has chosen not to treat risk groups. Difficult for dental and hip/knee replacements.
- GHP rents staff within anesthetics to the regions, which lowers our possibilities to perform surgery and creates imbalance in staff composition.
- In Denmark, all elective care was halted for a couple of weeks
- In UAE we are almost only treating corona patients and in Kuwait the start up of Kuwait hospital is very difficult, hurting revenues.



What we do

- It is important to continuously and quickly adapt to the changing environment
- As demand has lowered for some of our normal care we have had to find other assignments where we better support the public system with more immediate needs. We therefore have new agreements to provide cancer treatments, urgent orthopedics and geriatrics.
- We have also used the new rules on short term work, especially within dental and physiotherapy. In all, about 130 employed are now working part time with this solution.
- Many consultants have been put on hold, some employees on probation has been let go and many doctors and management has voluntarily lowered their salaries.
- Limited business development. Most efforts put into our Saudi project.





What's next?

- All in all, we are now pretty much in balance but quick changes and no time to trim processes means profits are hurting.
- We will continuously look out for new opportunities which might open up, for example within acquisitions.
- It is difficult to predict the coming months. We know that we can adopt but we will not be able to have our normal efficiency. Once the immediate crisis is over we expect high demand and a quick return.

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