Quality through specialisation

Q3 REPORT

October 24, 2019

Daniel Öhman, CEO
Philip Delborn, CFO
Agenda

1. CEO reflections on Q3
2. Financials – Q3
3. Efforts on price development
Organic growth of 20%

MSEK

- Revenues 274,2 (218,2)
  Organic growth 20,4% (12,3%)

- EBITDA 28,9
  Exklusive IFRS 16: 14,9
  Margin 10,5%
  Exklusive IFRS 16: 5,4%

- EBIT 6,6
  Exklusive IFRS 16: 6,5
  Margin 2,4%
  Exklusive IFRS 16: 2,4%

- Strong organic growth driven by start-ups in Stockholm, expansion in Denmark, Vårdsamverkan and new contract in Kuwait
- Increase in profitability primarily driven by our Spine Centers, Arytmi Center, Denmark and Kuwait
- Good start on our Kuwait contract
General comments

Nordics

- Reassuring results from acquisitions
- Costly start-up in orthopedics

Vårdsamverkan

- Next gear in development of care chains
- The strong growth from Trygg Hansa will now go into steady state

International

- Increased focus on diabetes in Saudi
Agenda

- CEO reflections on Q3
- Financials – Q3
- Efforts on price development
Strong organic growth and EBIT improvement

Revenue, rolling 12 months:

- Q3 2017: 975
- Q4 2017: 991
- Q1 2018: 1009
- Q2 2018: 1047
- Q3 2018: 1073
- Q4 2018: 1120
- Q1 2019: 1172
- Q2 2019: 1220
- Q3 2019: 1276

EBIT, rolling 12 months:

- Q3 2017: 25
- Q4 2017: 33
- Q1 2018: 41
- Q2 2018: 52
- Q3 2018: 53
- Q4 2018: 57
- Q1 2019: 59
- Q2 2019: 61
- Q3 2019: 73
Split between revenue sources

Revenue Distribution %, quarter

- **County Councils**
- **Insurance Companies**
- **Private**
- **International**

<table>
<thead>
<tr>
<th>Year</th>
<th>County Councils</th>
<th>Insurance Companies</th>
<th>Private</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>44</td>
<td>36</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>2017</td>
<td>45</td>
<td>38</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>2018</td>
<td>47</td>
<td>37</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>2019</td>
<td>45</td>
<td>37</td>
<td>8</td>
<td>10</td>
</tr>
</tbody>
</table>
Segment Nordic

- Organic growth 14%
- Positive EBIT despite summer period
- Increased focus on planning in connection with holiday closure
- All sub-markets improve their results

<table>
<thead>
<tr>
<th>MSEK</th>
<th>Q3 2019</th>
<th>Q3 2018</th>
<th>Change %</th>
<th>Year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>221,9</td>
<td>185,8</td>
<td>19,4</td>
<td>977,0</td>
</tr>
<tr>
<td>EBIT</td>
<td>3,9</td>
<td>-1,3</td>
<td></td>
<td>73,7</td>
</tr>
<tr>
<td>EBIT margin, %</td>
<td>1,7</td>
<td>-0,7</td>
<td></td>
<td>7,5</td>
</tr>
</tbody>
</table>
Segment International

- New contract in Kuwait started July 1\textsuperscript{st}
- Positive development of the hospital in United Arab Emirates
- The business development projects in Kuwait, Saudi and the United Arab Emirates continue to proceed

<table>
<thead>
<tr>
<th>MSEK</th>
<th>Q3 2019</th>
<th>Q3 2018</th>
<th>Change %</th>
<th>Year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>28,1</td>
<td>15,1</td>
<td>86,6</td>
<td>72,7</td>
</tr>
<tr>
<td>EBIT</td>
<td>10,8</td>
<td>4,2</td>
<td>27,2</td>
<td></td>
</tr>
<tr>
<td>EBIT margin, %</td>
<td>38,5</td>
<td>27,7</td>
<td>37,4</td>
<td></td>
</tr>
</tbody>
</table>
Segment Vårdsamverkan

- Continued strong organic growth
- Positive result in the quarter partly driven by less purchased care
- GHP has established structures that are now used to identify concrete improvements for patients in the various steps of their care process.

<table>
<thead>
<tr>
<th>MSEK</th>
<th>Q3 2019</th>
<th>Q3 2018</th>
<th>Change</th>
<th>Year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>24,2</td>
<td>17,3</td>
<td>39,7</td>
<td>70,6</td>
</tr>
<tr>
<td>EBIT</td>
<td>1,3</td>
<td>0,3</td>
<td>-6,4</td>
<td></td>
</tr>
<tr>
<td>EBIT margin, %</td>
<td>5,4</td>
<td>1,8</td>
<td>-9,0</td>
<td></td>
</tr>
</tbody>
</table>
Key figures

Comments

- Our key figures are affected by the implementation of IFRS 16
- Improved EBITDA
- Positive EPS
- Higher Net Debt/EBITDA due to increased Net Debt
- Net Debt impacted by acquisitions and increased working capital

<table>
<thead>
<tr>
<th></th>
<th>MSEK</th>
<th>Q3 2019</th>
<th>Q3 2019, exkl. IFRS 16</th>
<th>Q3 2018</th>
<th>Year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>28,9</td>
<td>14,9</td>
<td>1,7</td>
<td>84,2</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>6,6</td>
<td>6,5</td>
<td>-5,4</td>
<td>56,4</td>
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</tr>
<tr>
<td>EPS</td>
<td>2 öre</td>
<td>2 öre</td>
<td>-8 öre</td>
<td>55 öre</td>
<td></td>
</tr>
<tr>
<td>Net Debt</td>
<td>291,2</td>
<td>169,0</td>
<td>124,9</td>
<td>107,4</td>
<td></td>
</tr>
<tr>
<td>Net Debt / EBITDA</td>
<td>2,01</td>
<td>1,63</td>
<td>1,57</td>
<td>1,27</td>
<td></td>
</tr>
<tr>
<td>Equity Ratio</td>
<td>40</td>
<td>46</td>
<td>51</td>
<td>51</td>
<td></td>
</tr>
</tbody>
</table>
Cash flow third quarter 2019

<table>
<thead>
<tr>
<th>Cash flow</th>
<th>Third quarter</th>
<th>Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Operating result *</td>
<td>6,5</td>
<td>-5,4</td>
</tr>
<tr>
<td>Depreciation/amortisation and write-downs *</td>
<td>8,3</td>
<td>7,1</td>
</tr>
<tr>
<td>Other investments</td>
<td>-9,9</td>
<td>-4,8</td>
</tr>
<tr>
<td>Other adjustments – net</td>
<td>0,0</td>
<td>0,1</td>
</tr>
<tr>
<td>Change in working capital – net</td>
<td>-41,5</td>
<td>-9,9</td>
</tr>
<tr>
<td>Operating Cashflow</td>
<td>-36,6</td>
<td>-12,9</td>
</tr>
<tr>
<td>Paid tax and financial net *</td>
<td>-3,9</td>
<td>-1,9</td>
</tr>
<tr>
<td>Free cash flow after financial items and tax</td>
<td>-40,5</td>
<td>-14,8</td>
</tr>
</tbody>
</table>

* Excl. IFRS 16 effect

Comments

- Negative change in working capital related to holiday pay accruals and growth in revenue
- Various investments in medical equipment
Agenda

- CEO reflections on Q3
- Financials – Q3
- Efforts on price development
Efforts on price development

Must have

• Leading clinics

Change focus to what matters

• Vårdsamverkan

• Show the value and quality of our care

Public procurement

• "Handslaget"
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