

Attendo +○○



Interim report  
January–March 2017

# Attendō AB (publ)

## Interim report January–March 2017

### Summary of the first quarter 2017

- Net sales increased by 8 percent to SEK 2,661m (2,472). Adjusted for currency effects net sales increased by 6 percent.
- Operating profit (EBITA) increased by 42 percent to SEK 279m (197), representing an operating margin of 10.5 percent (8.0).
- Profit for the period was SEK 181m (128), corresponding to a profit margin of 6.8 percent (5.2) and earnings per share diluted of SEK 1.13 (0.80).
- Operating cash flow was SEK 176m (143).

SEKm	Q1 2017	Q1 2016	Change, %	Jan–Dec 2016
Net sales	2,661	2,472	8	10,212
Operating profit (EBITA)	279	197	42	1,002
<i>Operating margin (EBITA), %</i>	10.5	8.0	-	9.8
Profit for the period	181	128	41	649
Earnings per share diluted, SEK	1.13	0.80	41	4.05
Operating cash flow	176	143	23	805
Average number of employees	15,130	14,061	8	14,824

Non-IFRS financial measures are reconciled to the most directly reconcilable line items in the financial statements at the end of this report.

## Comments by Henrik Borelius, CEO

*The first quarter of 2017 was characterised by a high rate of establishment of new nursing homes and a stable earnings trend. Attendo sees a substantial continued need to develop own operations in care for older people and has successfully managed to turn this into construction starts in Sweden and Finland. In addition, Attendo won a number of outsourcing contracts in the first quarter, mainly in care for older people.*

*Own operations* showed continued stable growth, both in terms of nursing homes and care homes. Attendo opened eight own homes during the quarter, seven in Finland and one in Sweden. In Finland, construction began on 14 new homes and in Sweden on two homes. At the end of the first quarter Attendo had 2,159 beds under construction. Attendo made a number of acquisitions in the quarter, in homes and day centres for people with disabilities, individuals and families, and in home care.

Net sales in *Outsourcing* increased compared to the first quarter of 2016, mainly as a result of two newly started combination contracts in Finland. Net, Attendo has won outsourcing contracts during the quarter of approximately SEK 40m. Net sales in *Staffing* operations were somewhat lower this quarter compared to the corresponding period in 2016. The markets for Outsourcing and Staffing are expected to remain challenging but stable.

The profit increased in the first quarter compared to the corresponding period 2016. The improvement in earnings was due to higher occupancy in nursing homes that were under start-up in the first quarter of 2016, continuous improvement work with processes and planning, and positive calendar effects. In 2017, Attendo will open more nursing homes than before. This is expected to affect profit negatively in the coming quarters.

The Swedish government has previously appointed a commission whose proposals would greatly restrict the opportunities for private providers in schools and in health and social care, if they were carried out. During the quarter, a round of consultation was concluded when the commission faced strong criticism from a majority of the consulted bodies, including authorities and municipalities as well as experts and organisations active in the field of welfare services. The proposals are not considered to address any real issue. They are deemed to be in violation of current legislation, and the impact assessment by the commission is deficient.

Recently, Attendo published its annual quality report, which documents the company's work on improving and developing its quality. As one of many projects over the past year it is worth mentioning "Symfoni" at the Attendo Rødtvet nursing home in Norway, where Attendo has created an excellent living environment, with music therapy, animal husbandry and a sensory garden, which together have helped promote happiness, wakefulness and reduced use of medication among the residents. Another successful project concerns the care of diabetic patients, where Attendo's Finnish medical centres have markedly increased the proportion of patients who reach their blood sugar level goals.

In summary, Attendo showed a stable performance in the first quarter in terms of profit, and a high rate of establishment of new nursing homes. By offering more customised high-quality homes for older people and people with disabilities, Attendo is able to contribute to shorter queues and create pleasant and dedicated living environments that respond to both customer needs and their personal wishes.

# First quarter in brief

## Net sales and operating profit

Net sales increased by 7.6 percent to SEK 2,661m (2,472) in the first quarter. Adjusted for currency effects, net sales increased by 6.4 percent. Adjusted for currency effects, net sales increased in all geographical markets, except Denmark.

The growth is explained by new units, acquisitions, higher occupancy in own homes which were under start-up during the comparable quarter, and contractual price increases.

Net sales increased by 9.1 percent in own operations and by 7.3 percent in outsourcing operations. In staffing operations, net sales decreased by 2.1 percent.

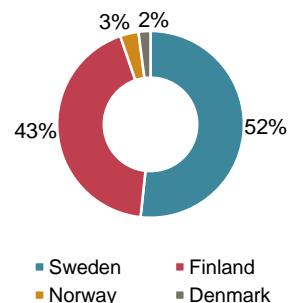
Operating profit (EBITA) increased by 41.6 percent to SEK 279m (197) and the operating margin increased to 10.5 percent (8.0). The profit increase is explained by higher occupancy in own homes which were under start-up during the comparable quarter and by better planning and improved processes, which led to higher profitability, particularly in existing units in own operations. Several new own homes have opened since the comparable quarter and the combined profit from these units was approximately zero. The loss of profit due to ended contracts in outsourcing and staffing operations was somewhat larger than profit from new units in these contract models.

Compared with the first quarter of 2016, calendar effects, particularly Easter, had a total positive effect of approximately SEK 20m on operating profit in the first quarter of 2017. Changes in currency exchange rates had a positive effect on operating profit of SEK 2m compared to the same quarter last year.

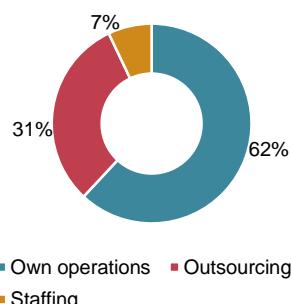
Operating profit (EBIT) increased to SEK 248m (184). Amortization on acquisition-related intangible assets was SEK 18m higher compared to the same quarter last year.

At the end of the first quarter, Attendo had 556 (506) units in operation, of which 409 own units. The number of beds in operation was 12,993 (12,510), of which 9,249 in own units. Own units and beds under construction were 55 and 2,159 respectively.

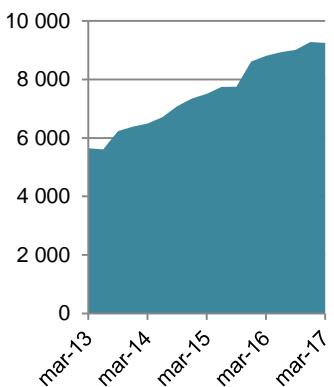
Sales per country, Q1 2017



Sales per contract model, Q1 2017



Number of beds in own units<sup>1</sup>



1. Care for older people, people with disabilities and individuals and families

## Net financial items

Net financial items amounted to SEK -17m (-21) in the quarter, of which net interest amounted to SEK -14m (-16). Net interest improved, mainly due to lower interest margin.

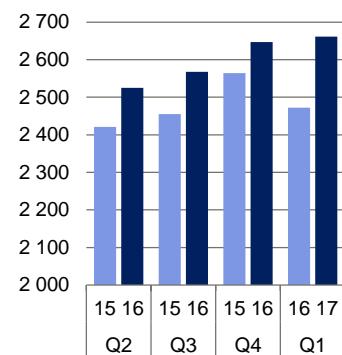
## Income tax

Income tax for the quarter was SEK -50m (-35), corresponding to a tax rate of 21.6 percent (21.5).

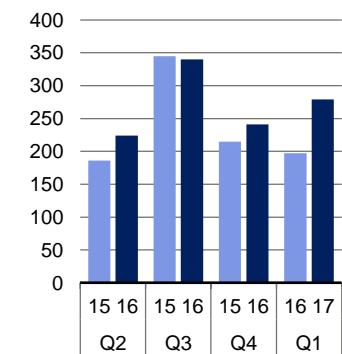
## Profit for the period

Profit for the period was SEK 181m (128), representing an EPS basic and diluted of SEK 1.13 (0.80).

Net sales  
SEKm



Operating profit (EBITA)  
SEKm



## Cash flow

Operating cash flow was SEK 176m (143) during the quarter, where of changes in working capital amounted to SEK -40m (-8). The positive increase in operating cash flow was mainly driven by improved operating profit.

Cash flow from net investments amounted to SEK -39m (-46) and net change in assets and liabilities held for sale amounted to SEK -42m (0). Cash flow from acquisitions was SEK -78m (-13) and cash flow from financing activities amounted to SEK -19m (-197).

Total cash flow for the quarter was SEK 20m (-79), explained by a reduced net change on revolving credit facilities compared to the same period previous year. This in favor of a higher M&A pace and increased investments.

## Financial position

Consolidated equity as of March 31, 2017 amounted to SEK 5,002m (4,357), which represents a diluted equity per share of SEK 31,17 (27,07).

Net debt amounted to SEK 2,682m (2,732), where of interest-bearing liabilities, excluding provisions for post-employment benefits, amounted to SEK 3,343m (3,401). A total amount of SEK 19m has been repaid during the quarter.

SEKm	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
Interest-bearing liabilities	3,343	3,401	3,364
Provisions for post-employment benefits	28	39	28
Liquid funds	-689	-708	-670
<b>Net debt</b>	<b>2,682</b>	<b>2,732</b>	<b>2,722</b>

Liquid funds as of 31 March 2017 amounted to SEK 689m (708) and unutilized committed credit facilities amounted to SEK 1,214m (642).

## Number of shares

As per 31 March 2017 the number of shares outstanding amounted to 159,800,115.

## Number of employees

The average number of employees amounted to 15,130 (14,061) in the first quarter.

## Own operations

Net sales in own operations amounted to SEK 1,648m (1,511) in the first quarter. The increase was 9.1 percent, of which acquired growth was 5.8 percentage points. The increase is mainly explained by new homes and higher occupancy in homes that were under start-up during the comparable quarter last year.

During the quarter, Attendo opened seven nursing and care homes with in total 240 beds in Finland, and one nursing home in Sweden with 54 beds. One home with 300 beds in the integration operations was closed.

During the quarter, Attendo acquired ten operations, where of the largest in care for people with disabilities and individuals and families.

varav de största inom omsorg till personer med funktionsnedsättning samt individ- och familjeomsorg.

Construction started of several new homes during the quarter; in Finland 14 homes with a total of approximately 460 beds and in Sweden two homes with a total of 60 beds.

## Units, beds and home care customers as of 31 March 2017

Own units	Total	Sweden	Finland	Norway	Denmark
Units in operation*	409	214	184	2	9
Beds in operation**	9,249	3,873	5,232	84	60
Beds under construction**	2,159	566	1,593	-	-
Home care customers	11,600	9,020	-	130	2,450

\* All own units - including nursing homes, care homes, home care units and other units.

\*\* Own nursing homes (CoP) and own care homes (care for people with disabilities, social psychiatry and individuals and families).

\*\*\* Own nursing homes (CoP) and own care homes (care for people with disabilities and social psychiatry).

Own operations

**62%**

of Net sales

Operations in Sweden, Finland,  
Norway and Denmark

## Outsourcing operations

Net sales in outsourcing operations increased by 7.3 percent to SEK 825m (769) in the first quarter. The increase in net sales is explained by newly started operations, particularly two combination contracts in Finland.

During the quarter, Attendo won new, not yet started, contracts with estimated annual net sales of approximately SEK 80m, and lost on-going, not yet ended, contracts with annual net sales of approximately SEK 40m.

During the quarter, Attendo received continued confidence to operate one care home with nine beds in Sweden.

### Outsourcing operations

**31%**

of Net sales

Operations in Sweden, Finland, Norway and Denmark

## Units, beds and home care customers as of 31 March 2017

Outsourcing	Total	Sweden	Finland	Norway	Denmark
Units in operations*	126	88	32	5	1
Beds in operations**	3,744	2,883	523	310	28
Home care customers	1,140	470	670	-	-

\* All outsourced units including nursing homes, care homes and home care units and other units.

\*\* Nursing homes (CoP) and care homes (care for people with disabilities, social psychiatry and individuals and families).

## Staffing operations

Net sales in staffing operations decreased by 2.1 percent to SEK 188m (192).

The decrease in net sales is explained by ended contracts.

### Staffing operations

**7%**

of Net sales

Operations in Finland.

# Quality and employees

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## Quality

Attendo's Annual Quality Report for 2016 was published recently. This report documents the key outcomes of Attendo's quality work, as well as the changes made to systematically improve both perceived and measured quality. The overall quality thermometer in 2016 noted a continued stable level of 85 percent.

Attendo has also received good reviews in national user surveys. Attendo's lifestyle homes received better than average reviews in 17 of 18 key quality parameters. Among the parameters that stand out are satisfaction with outdoor environments, activities, and the ability to be outdoors. Attendo's home care received better reviews than the average for local authority providers for 12 of 14 selected quality parameters. Customers appreciate factors such as the way they are approached and informed by staff, and the ability to influence the content of their care.

Another example of an area in which Attendo has developed its quality position is Attendo's health care operations in Finland. Attendo contributed to shorter queues and achieved a high level of satisfaction in municipalities where Attendo has combination contracts. Other examples from the Annual Quality Report are projects to create good environments that promote happiness and wakefulness among customers in nursing homes, and an improved dialogue model with customers, relatives and payors in care for people with disabilities, to name but a few.

Attendo has in many ways been innovative in developing attractive residential environments in nursing homes. An example of this from the first quarter is the opening of the "Mind the Gap" restaurant at the Attendo Paulus nursing home in Oslo. The restaurant is open to the public and is a way for Attendo's residents, relatives and people in the neighbourhood to meet across the generations. The opening took place with pomp and ceremony and with the participation of leading Norwegian politicians, including Norway's Minister of Health and Care Services, Bent Høie.

## Employees

Attendo sees great value in identifying and rewarding good efforts, both by individual employees and by units or entire regions. During the first quarter, the LSS North region, under the leadership of Regional Director Christina Grell, was recognised at Region of the Year. The motivation for the award reads "satisfied customers and employees, high quality of care, combined with good growth and stable surpluses". The award helps to create internal pride and enables Attendo to spread best practices between different parts of the company.

Attendo Finland has named the auxiliary nurse, Marja Kekkonen, as Employee of the Year. Employee of the Year is conducted through a staff vote. Company physician Veli-Matti Häggman was one of the employees received an honorary mention in the contest. Veli-Matti works at the Attendo Vanda local medical centre outside Helsinki.

## Attendo's quality work

Attendo's quality model rests on three pillars: satisfied customers, systematic improvements and best available knowledge. On-going development and monitoring of the necessary procedures, processes and documentation are of great importance for the quality of all health and social care. The work is conducted by local quality coaches with the support of specialized quality functions. Recurring quality audits are conducted by Attendo, their customers and authorities.

## Attendo's employees

As one of the leading social and health care companies, Attendo is a stable employer with collective agreements, contract insurance and good opportunities for personal development. Attendo values education and encourages higher education. At the same time other experiences and that the candidate shares our core values plays a big role in recruitment. To capture how satisfied the employees are with their work and their manager, regular employee surveys are conducted. The results provide important information about what works well and what needs to be improved.

## Attendo's Quality reports are available on:

<http://www.attendo.com/about-attendo/focus-on-quality>

# Market review

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## Sweden – continued strong demand within own operations

The demand for Attendo's own operations offering was good during the quarter, with continued high interest from Swedish local authorities needing to expand the number of beds, mainly in care for older people. During the quarter, Attendo was the only private provider to begin construction of nursing homes. Contracted volumes in the outsourcing market for care for older people continued to increase in the first quarter, but from a low level. Contracted volumes in care decreased in relation to the previous quarter and last year, mainly as a consequence of the reduced need for beds within integration.

The Swedish government has previously appointed a commission whose proposals would greatly restrict the opportunities for private providers in schools and in health and social care, if they were to be introduced. During the quarter, a round of consultation was concluded when the commission faced strong criticism from a majority of the consulted bodies, including authorities and municipalities as well as experts and organisations active in the field of welfare. The proposals are not considered to address any real issue. They are deemed to be in violation of current legislation, and the impact assessment by the commission is deficient.

## Finland – continued strong demand within own operations

The own operations offering experienced continued high demand in Finland during the quarter. Activity remained very low in the outsourcing market in Finland during the first quarter.

Negotiations on the design of the Finnish SOTE reform continued in the first quarter of 2017. Health and social care will be organised into 18 regional counties, with private and public providers competing on equal terms, and with the introduction of freedom of choice for citizens. The regional counties will have a certain greater degree of freedom in primary care to decide when the freedom of choice systems will be fully deployed. In social care, the voucher system will be introduced from 2019, as previously communicated. Our assessment remains that the reform as a whole is positive for Attendo's opportunities to develop the operations in Finland, not least in the field of health care.

## Denmark – initiatives to improve freedom of choice

The government has launched initiatives to increase the freedom of choice of care services but there are few attractive opportunities in the outsourcing market.

## Norway – continued weak demand

The demand for private solutions on the Norwegian outsourcing market remains weak.

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### The Swedish social and health care market

The Swedish social and health care system is decentralized with local authorities (290 LAs) responsible for social care and regional authorities (20 RAs) providing primary and specialist health care. Attendo's payors in Sweden are LAs responsible for providing care for older people, disabled care and social care. LAs are also responsible for the financing.

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### The Finnish social and health care market

The Finnish health care system is decentralized with local authorities (311 LAs) providing primary health care and social care and hospital districts (20) providing specialist care to several municipalities. Attendo's payors in Finland are LAs providing primary health care and social care, and some additional private customers in dental care and occupational health care. LAs are largely responsible for public health care financing.

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# Other financial information

## Acquisition in the first quarter

On 1 February, Attendo acquired Unika Sverige AB that operates five daily activity centres and two short-term homes for people with disabilities. All units are located in Stockholm.

On 1 February, Attendo acquired Imatran Palvelukoti Oy. The company is active in social psychiatry and rehabilitation in Imatra, eastern Finland.

On 1 February, Attendo acquired AB Vårdproffsen i Stockholm's home care operations in Täby through an asset deal.

On 21 February, Attendo acquired Omsorgshuset i Stockholm's home care operations in Stockholm Stad through an asset deal.

On 1 March, KBT Beate & Daniel Aktiebolag was acquired. The company is based in Dalarna and offers family home care.

On 1 March, Tapiokoti Oy was acquired. The Company has a social psychiatry care home unit in Lappeenranta, eastern part of Finland.

On 1 March, Attendo acquired MICA Omsorg i Stockholm's home care operations in Solna Stad and Sundbyberg through an asset deal.

On 1 March, Attendo acquired AKTA Assistans AB's home care operations in Stockholm Stad through an asset deal.

On 1 March, Attendo acquired V.I.S.K.O.S AB conducting home care through an asset deal.

On 27 March, Attendo acquired 1:a Hemtjänstkompaniet AB:s home care operations in Sollentuna through an asset deal.

## Changes in Attendo's Executive Management

On March 31, Attendo communicated that Tomas Björksiöö has decided to leave his position as Chief Financial Officer (CFO) in Attendo after 16 years in the company. The process to appoint a new CFO has been initiated and Tomas Björksiöö will continue as CFO for the remainder of his employment at Attendo.

## Transactions with related parties

Attendo has transactions with two related parties, which in all material aspects consist of Attendo leasing properties from companies in which these parties are shareholders. The transactions amounted to SEK 2m during the first quarter.

All related party transactions took place on market terms.

For further details, please refer to page 67 of Attendo's annual report 2016.

## Assets and liabilities held for sale

Attendo has begun construction of real estate properties in own books in order to increase the rate of establishment of new homes. Investments amounted to SEK 107m at the end of the first quarter. Attendo's intention is to sell the properties to an external property owner after completion, and thus all assets and liabilities related to these projects are recognised as assets and liabilities held for sale in accordance with IFRS 5.

## **Parent Company, Attendo AB (publ)**

Attendo AB's main operation is to provide management services to subsidiaries within the group and to manage shares in subsidiaries. Parent company expenses are mainly holding costs including expenses for Attendo's executive management, board of directors and external consultancy fees.

Net sales for the first quarter were SEK 3m (4), all referring to management services to subsidiaries. Profit after financial items was SEK -6m (-6). At the end of the year, cash and cash equivalents amounted to SEK 0m (0), shares in subsidiaries was SEK 6,494m (6,494) and non-restricted equity amounted to SEK 6,417m (6 462) at the end of the year.

## **Seasonal and calendar effects**

Attendo's profitability is subject to seasonal variations, weekend and holiday effects. For Attendo, public holidays as well as weekends and other 'red' calendar days have negative effects on profitability mainly as an effect of wage compensation for inconvenient working hours. For example, profitability in the first and second quarters is affected by the Easter holiday, depending on in which quarter it occurs, and the fourth quarter is affected by Christmas holidays.

## **Events after the balance sheet date**

On 1 April, Attendo acquired Treklövern i Falköping AB. The company operates a social psychiatry care home in Falköping.

On 1 April, Attendo acquired Ab Tandklinik BG Dahlbacka Hammasklinikka Oy and Tandklinik Hammasklinikka Anders Virtanen Ab Oy through an asset deal.

On April 6, Attendo held its Annual General Meeting (AGM) in Danderyd. In accordance with the Board of Directors' proposal, the AGM resolved that dividend of SEK 1.22 shall be paid to the shareholders. The AGM elected Ulf Lundahl as Chairman of the Board and resolved, amongst other, to adopt a long-term incentive program (Attendo+ 2017) directed to a number of key employees.

## Risk management

Attendo conducts care and health care operations in the Nordics and are exposed to a number of different risks. Attendo divides risks in external risks, operational risks and financial risks. External risks comprise risks regarding competition, political risk, legal risk and reputational risk. Operational risks refer to risks directly linked to Attendo's operations e.g. pricing and acquisitions. Financial risks are, amongst others, related to currency, interest rates and liquidity.

Risk management, i.e. the work with identifying, managing and monitoring risks is an important part of Attendo's operations and well integrated in the daily work. The risks and a description of Attendo's risk management are presented in Attendo's annual report for 2016, page 21. Attendo's assessment is that no further risks have been added.

## Accounting policies

The group applies International Financial Reporting Standards (IFRS) as adopted by the European Union, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups.

This interim report has been prepared according to IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act and shall be read together with the annual report for 2016. As of the first quarter of 2017, assets and liabilities attributable to certain property holdings are recognized as held for sale in accordance with IFRS 5. See further information on page 11. Otherwise the accounting policies adopted are consistent with those in the annual report for 2016. The interim information on page 1-13 is an integrated part of this financial report.

The parent company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The accounting policies adopted are consistent with those in the annual report for 2016.

## Outlook

Attendo does not report any forecast.

Attendo's Annual reports are available on [www.attendo.com](http://www.attendo.com)

Danderyd, 5 May 2017

This report has not been reviewed by Attendo's auditor.

Henrik Borelius  
CEO

This is a translation of the Swedish interim report. In the event of differences the Swedish interim report shall prevail.

# Consolidated Income Statement

SEKm	Q1 2017	Q1 2016	Jan-Dec 2016
Net sales	2,661	2,472	10,212
Other operating income	3	4	20
<b>Total revenue</b>	<b>2,664</b>	<b>2,476</b>	<b>10,232</b>
Personnel costs	-1,670	-1,631	-6,533
Other external costs	-680	-617	-2,564
Amortization and depreciation of tangible and intangible assets	-35	-31	-133
<b>Operating profit (EBITA)</b>	<b>279</b>	<b>197</b>	<b>1,002</b>
<i>Operating margin (EBITA) %</i>	<i>10.5</i>	<i>8.0</i>	<i>9.8</i>
Amortization of acquisition related intangible assets	-31	-13	-91
<b>Operating profit (EBIT)</b>	<b>248</b>	<b>184</b>	<b>911</b>
<i>Operating margin (EBIT), %</i>	<i>9.3</i>	<i>7.4</i>	<i>8.9</i>
Net financial items	-17	-21	-83
<b>Profit before tax</b>	<b>231</b>	<b>163</b>	<b>828</b>
Income tax	-50	-35	-179
<b>Profit for the period</b>	<b>181</b>	<b>128</b>	<b>649</b>
<i>Profit margin %</i>	<i>6.8</i>	<i>5.2</i>	<i>6.4</i>
<b>Profit for the period attributable to the parent company shareholders</b>	<b>181</b>	<b>128</b>	<b>649</b>
Basic earnings per share, SEK	1.13	0.80	4.06
Diluted earnings per share, SEK	1.13	0.80	4.05
Basic average number of shares, thousands	159,800	160,000	159,956
Diluted average number of shares, thousands	160,466	160,934	160,405

# Consolidated Statement of Comprehensive Income

SEKm	Q1 2017	Q1 2016	Jan-Dec 2016
Profit for the period	181	128	649
<b>Other comprehensive income for the period</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of defined benefit pension plans, net of tax	-	-5	-1
<b>Items that may be reclassified to profit or loss</b>			
Exchange rate differences on translating foreign operations	-5	15	83
<b>Total other comprehensive income for the period</b>	<b>-5</b>	<b>10</b>	<b>82</b>
<b>Total comprehensive income for the period</b>	<b>176</b>	<b>138</b>	<b>731</b>
<b>Total comprehensive income attributable to the parent company shareholders</b>	<b>176</b>	<b>138</b>	<b>731</b>

# Consolidated Balance Sheet

SEKm	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	6,928	6,502	6,872
Other intangible assets	563	309	591
Equipment	418	400	438
Other non-current assets	75	95	78
<b>Total non-current assets</b>	<b>7,984</b>	<b>7,306</b>	<b>7,979</b>
<b>Current assets</b>			
Trade receivables	885	851	955
Other current assets	435	439	324
Cash and cash equivalents	689	708	670
	<b>2,009</b>	<b>1,998</b>	<b>1,949</b>
Assets held for sale	107	-	-
<b>Total current assets</b>	<b>2,116</b>	<b>1,998</b>	<b>1,949</b>
<b>Total assets</b>	<b>10,100</b>	<b>9,304</b>	<b>9,928</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Non-current liabilities</b>			
Liabilities to credit institutions	3,273	3,367	3,302
Provisions for post-employment benefits	28	39	28
Other provisions	16	8	11
Other non-current liabilities	109	62	112
<b>Total non-current liabilities</b>	<b>3,426</b>	<b>3,476</b>	<b>3,453</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	70	34	62
Trade payables	134	205	186
Other current liabilities	1,438	1,232	1,402
	<b>1,642</b>	<b>1,471</b>	<b>1,650</b>
Liabilities held for sale	30	-	-
<b>Total current liabilities</b>	<b>1,672</b>	<b>1,471</b>	<b>1,650</b>
<b>Total equity and liabilities</b>	<b>10,100</b>	<b>9,304</b>	<b>9,928</b>

# Consolidated Cash Flow Statement

Operational cash flow, SEKm	Q1 2017	Q1 2016	Jan-Dec 2016
Operating profit (EBITA)	279	197	1,002
Depreciation and amortization of tangible and intangible assets	35	31	133
Changes in working capital	-40	-8	-18
Paid income tax	-62	-28	-140
Other non-cash items	3	-3	-3
<b>Cash flow after changes in working capital</b>	<b>215</b>	<b>189</b>	<b>974</b>
Investments in tangible and intangible assets	-50	-53	-197
Divestment of tangible and intangible assets	11	7	28
<b>Operating cash flow</b>	<b>176</b>	<b>143</b>	<b>805</b>
Interest received/paid	-17	-12	-60
<b>Free cash flow</b>	<b>159</b>	<b>131</b>	<b>745</b>
Net change in assets and liabilities held for sale	-42	-	-
Acquisition of operations	-78	-13	-477
Warrants	-	-	-4
Repurchase of own shares	-	-	-16
Dividends paid	-	-	-86
Borrowings repaid	-19	-200	-590
New borrowings	-	3	290
<b>Total cash flow</b>	<b>20</b>	<b>-79</b>	<b>-138</b>
Cash and cash equivalents at the beginning of the period	670	782	782
Effect of exchange rate changes on cash	-1	5	26
<b>Cash and cash equivalents at the end of the period</b>	<b>689</b>	<b>708</b>	<b>670</b>
Cash flow, SEKm	Q1 2017	Q1 2016	Jan-Dec 2016
Cash flow from operations	198	177	914
Cash flow from investing activities	-159	-59	-646
Cash flow from financing activities	-19	-197	-406
<b>Total cash flow</b>	<b>20</b>	<b>-79</b>	<b>-138</b>

# Consolidated Statement of Changes in Equity

SEKm	Q1 2017	Q1 2016	Jan-Dec 2016
<b>Opening balance</b>	<b>4,825</b>	<b>4,219</b>	<b>4,219</b>
<b>Total comprehensive income</b>	<b>176</b>	<b>138</b>	<b>731</b>
<b>Transactions with owners</b>			
Warrants	-	-	-24
Repurchase of own shares	-	-	-16
Share-savings plan	1	-	1
Dividend	-	-	-86
<b>Total transactions with owners</b>	<b>1</b>	<b>-</b>	<b>-125</b>
<b>Closing balance</b>	<b>5,002</b>	<b>4,357</b>	<b>4,825</b>

# Investments

SEKm	Q1 2017	Q1 2016	Jan-Dec 2016
<b>Investments</b>			
Investments in intangible assets	6	7	27
Investments in tangible assets	44	46	170
Divestments of tangible and intangible assets	-11	-7	-28
<b>Total net investments</b>	<b>39</b>	<b>46</b>	<b>169</b>
<b>Intangible assets acquired through business combination</b>			
Goodwill	64	5	285
Customer relationships	15	14	356
Other	-	-	9
<b>Total intangible assets acquired through business combination</b>	<b>79</b>	<b>19</b>	<b>650</b>

For further information regarding acquisitions, see page 11.

# Financial assets and liabilities

SEKm	Level	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
<b>ASSETS</b>				
<b>Loans and receivables</b>				
Trade receivables		885	851	955
Cash and cash equivalents		689	708	670
<b>Total financial assets</b>		<b>1 574</b>	<b>1 559</b>	<b>1 625</b>
<b>LIABILITIES</b>				
<b>Financial liabilities at fair value through profit or loss</b>				
Contingent considerations	3	120	42	122
<b>Other financial liabilities</b>				
Borrowings/leasing liabilities		3 343	3 401	3 364
Trade payables		134	205	186
<b>Total financial liabilities</b>		<b>3 597</b>	<b>3 648</b>	<b>3 672</b>

The table shows the Group's significant financial assets and liabilities. Assets and liabilities recognized as loans and receivables, and other financial liabilities are valued at amortized cost. Fair value for all financial assets and liabilities are equal to the carrying value. For complete table and further information see Attendo's Annual report 2016, note K23.

## Valuation technique

Level 3: The fair value of contingent considerations is based on estimated outcome from the contractual clauses in the share purchase agreements.

# Pledged assets and contingent liabilities

SEKm	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
Assets pledged as collateral	133	141	159
Contingent liabilities	-	-	-

# Key Data

		Q1 2017	Q1 2016	Jan-Dec 2016
Net sales	SEKm	2,661	2,472	10,212
Organic growth	%	2.9	3.1	1.7
Acquired growth	%	3.5	0.9	1.7
Changes in currencies	%	1.2	-0.6	0.5
Operating profit (EBITA)	SEKm	279	197	1,002
Operating margin (EBITA)	%	10.5	8.0	9.8
Profit for the period	SEKm	181	128	649
Profit margin	%	6.8	5.2	6.4
Working capital	SEKm	-252	-147	-309
Return on capital employed <sup>2</sup>	%	12.1	11.4	11.4
Net debt to equity ratio	times	0.5	0.6	0.6
Equity to asset ratio	%	50	47	49
Operating cash flow	SEKm	176	143	805
Net investments	SEKm	-39	-46	-169
Average number of employees		15,130	14,061	14,824
<b>Key data per share</b>				
Earnings per share, basic	SEK	1.13	0.80	4.06
Earnings per share, diluted	SEK	1.13	0.80	4.05
Equity per share, basic	SEK	31.30	27.23	30.19
Equity per share, diluted	SEK	31.17	27.07	30.10
Average number of shares outstanding, basic	thousands	159,800	160,000	159,956
Average number of shares outstanding, diluted	thousands	160,466	160,934	160,405
Number registered shares, end of period	thousands	160,000	160,000	160,000
Number of treasury shares, end of period	thousands	200	-	200
Number of shares outstanding, end of period	thousands	159,800	160,000	159,800

# Quarterly Data

SEKm	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Total net sales	2,421	2,455	2,564	2,472	2,525	2,568	2,647	2,661
- Net sales, own operations	1,354	1,415	1,498	1,511	1,557	1,603	1,656	1,648
- Net sales, outsourcing	803	810	805	769	775	777	787	825
- Net sales, staffing	264	230	261	192	193	188	204	188

SEKm	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Total net sales	2,421	2,455	2,564	2,472	2,525	2,568	2,647	2,661
- Net sales Sweden	1,257	1,282	1,339	1,332	1,369	1,392	1,388	1,376
- Net sales Finland	1,049	1,051	1,088	1,009	1,024	1,038	1,114	1,145
- Net sales Norway	61	65	78	77	78	82	86	85
- Net sales Denmark	54	57	59	54	54	56	59	55
Operating profit (EBITA)	186	345	215	197	224	340	241	279
Operating margin (EBITA). %	7.7	14.1	8.4	8.0	8.9	13.2	9.1	10.5
Profit for the period	56	182	-9	128	146	224	151	181
Profit margin, %	2.3	7.4	-0.4	5.2	5.8	8.7	5.7	6.8
Earnings per share <sup>1</sup> basic, SEK	0.35	1.14	-0.06	0.80	0.91	1.40	0.94	1.13
Earnings per share <sup>1</sup> diluted, SEK	0.35	1.14	-0.06	0.80	0.91	1.39	0.94	1.13
Average number of employees	14,378	15,294	14,285	14,061	14,304	15,781	14,602	15,130

<sup>1</sup> Earnings per share for some of the comparable periods have been calculated based on the number of shares after the listing. See definitions page 22.

# Parent Company Income Statement

SEKm	Q1 2017	Q1 2016	Jan-Dec 2016
Net sales	3	4	12
Personnel costs	-7	-6	-21
Other external costs	-1	-4	-26
<b>Operating profit</b>	<b>-5</b>	<b>-6</b>	<b>-35</b>
Finance net	-1	0	-2
<b>Profit after financial items</b>	<b>-6</b>	<b>-6</b>	<b>-37</b>
Group contributions	-	-	110
<b>Profit before tax</b>	<b>-6</b>	<b>-6</b>	<b>73</b>
Income tax	-	0	-16
<b>Profit for the period</b>	<b>-6</b>	<b>-6</b>	<b>57</b>

Profit for the period corresponds to Total comprehensive income.

# Parent Company Balance Sheet

SEKm	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Shares in subsidiaries	6,494	6,494	6,494
Deferred tax asset	-	16	-
<b>Total non-current assets</b>	<b>6,494</b>	<b>6,510</b>	<b>6,494</b>
<b>Current assets</b>			
Receivables to group companies	4	0	114
Other receivables	3	10	2
Cash and cash equivalents	0	0	0
<b>Total current assets</b>	<b>7</b>	<b>10</b>	<b>116</b>
<b>Total assets</b>	<b>6,501</b>	<b>6,520</b>	<b>6,610</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
	<b>6,418</b>	<b>6,463</b>	<b>6,424</b>
<b>Current liabilities</b>			
Liabilities to group companies	66	44	165
Other liabilities	17	13	21
<b>Total current liabilities</b>	<b>83</b>	<b>57</b>	<b>186</b>
<b>Total equity and liabilities</b>	<b>6,501</b>	<b>6,520</b>	<b>6,610</b>

# Information to shareholders and analysts

## Calendar 2017

Interim report January-June  
Interim report January-September

27 July  
10 November

## Telephone conference

A telephone conference will be held today, May 5 2017 at 10.00 (CET) with Attendo's CEO Henrik Borelius and CFO Tomas Björksiöö. For participation please dial in on the following number:

SE: +46 8 566 426 65  
FI: +358 9 817 104 94  
UK: +44 20 30 08 98 04

Link to webcast: <https://tv.streamfabriken.com/attendo-q1-2017>

## For further information please contact

Henrik Borelius  
CEO  
Tel. +46 8 586 252 00

Tomas Björksiöö  
CFO  
Tel. +46 8 586 252 00

Andreas Koch  
Communication and IR director  
Tel. +46 70 509 77 61

## Disclosure on publication

The information in this report is what Attendo is required to disclose under Sweden's Securities Market Act and/or the Financial Instruments Trading Act.

## Forward-looking information

This report contains forward-looking information based on the current expectation of the Attendo's management. Although management deems that the expectations presented by such forward-looking information are reasonable, no guarantee can be given that these expectations will prove correct. Accordingly, the actual future outcome could vary considerably compared to what is stated in the forward-looking information, due to such factors as changed market conditions for Attendo's services and more general conditions regarding business cycles, market and competition, changes in legal requirements and other political measures, and fluctuation in exchange rates.

**Attendo AB (publ)**  
Vendevägen 85A  
182 91 Danderyd

Tel +46 8 586 251 00  
Fax +46 8 586 250 01  
[www.attendo.com](http://www.attendo.com)

Company number:  
559026-7885

## Introduction to Attendo

Attendo is the leading private provider of care services in the Nordics. The company has operations in Sweden, Finland, Norway and Denmark. Attendo is the largest private provider of care for older people in Sweden and Finland, and outsourced health care in Finland. Attendo is a locally based company and has more than 500 units in operation, in more than 200 municipalities. The company has more than 20,000 employees. With the vision of empowering the individual Attendo provides services within care for older people, care for people with disabilities, individual and families and health care.

Attendo provides care and health care through three contract models:

- Own operations, where Attendo provides services in own controlled units/premises or provides services in customer choice models. Attendo has own units within care for older people, people with disabilities, individuals and families, as well as dental care and occupational health care.
- Outsourcing operations, where Attendo provides services in publicly controlled units/premises or provides home care services based on outsourcing contracts. Attendo has outsourced units for care for older people, people with disabilities, individuals and families and health care.
- Staffing, where Attendo provides medical personnel such as general practitioners, specialists, dentists and nurses for health care.

Local authorities (mainly municipalities) are Attendo's payors for a large majority of the service offerings, but contract types and duration of contracts vary depending on service model and service offering. Own operations are based on framework agreements and outsourcing operations are based on outsourcing contracts, following a tender process. The contract period is typically 2-5 years. Staffing operations are normally based on framework agreements or direct contracts with durations of up to 4 years.

# Definitions

## Explanations to financial measures

<b>Acquired growth</b>	Increase in net sales related to companies or operations acquired the last 12 months.
<b>Capital employed</b>	Total assets less non-interest bearing liabilities.
<b>Earnings per share</b>	Profit for the period in relation to the average number of shares.
<b>Equity/asset ratio</b>	Equity as a percentage of total assets.
<b>Equity per share</b>	Equity in relation to the average number of shares.
<b>Liquid funds</b>	Cash/cash equivalents, short term investments and derivatives with a positive fair value.
<b>Net debt</b>	Interest bearing liabilities and provisions for post-employment benefits less liquid funds.
<b>Net debt to equity ratio</b>	Net debt as a percentage of total equity.
<b>Net investments</b>	Net of investments and disposals of intangible and tangible assets excluding acquisition related assets. Investments and disposals of assets held for sale are not included in Net investments.
<b>Number of shares</b>	In order to facilitate comparisons, all key measures in the comparable periods have been calculated based on the number of shares after the listing.
<b>Operating cash flow</b>	Cash flow from operating activities with adjustment from investments and divestments of intangible and tangible assets and paid and received interest.
<b>Operating margin (EBIT)</b>	Operating profit (EBIT) as a percentage of net sales.
<b>Operating margin (EBITA)</b>	Operating profit (EBITA) as a percentage of net sales.
<b>Operating profit (EBIT)</b>	Profit before net financial items and income tax.
<b>Operating profit (EBITA)</b>	Profit before amortization of acquisition related intangible assets, net financial items and income tax.
<b>Organic growth</b>	Increase of net sales excluding acquisitions and currency effects.
<b>Profit for the period</b>	Profit/loss for the period attributable to parent company shareholders.
<b>Profit margin</b>	Profit for the period as a percentage of net sales.
<b>Return on equity</b>	Profit for the period (LTM) in relation to average equity.
<b>Return on capital employed</b>	Operating profit (EBIT) as a percentage of average capital employed.
<b>Working capital</b>	Current assets excluding liquid funds and interest bearing assets, less non- interest bearing current liabilities and provisions. Assets and liabilities held for sale are excluded from the working capital.

## Explanations to operational measures

<b>New unit</b>	Unit in operation <12 months.
<b>Existing unit</b>	Unit in operation >12 months.
<b>LA</b>	Local Authority
<b>CoP</b>	Care for Older People

## **Financial measures not defined in IFRS**

The financial reports of the Attendo Group are prepared according to IFRS. See further information regarding accounting policies on page 13 in this interim report. According to IFRS there are only a few financial measures that are defined. As from the second quarter 2016, Attendo has applied ESMA's (European Securities and Markets Authority) new guidelines for Alternative Performance Measures.

An Alternative Performance Measure is, in short, a financial measure of historical or future profit development, financial position or cash flow that are not defined or specified in IFRS. To support the Executive Managements' and other stakeholders analysis of the Groups development, Attendo presents some financial measures not defined in IFRS. This information is complementary information to IFRS and does not replace financial measures defined in IFRS. Attendos definitions of financial measures not defined in IFRS can differ from other companies' definitions. All Attendo's definitions are included above. Calculation of all financial measures can be reconciled to items in the income statement and balance sheet, and information on page 18.