



Interim report January–September 2017

Attendo AB (publ)

Interim report January-September 2017

Summary of the third quarter 2017

- Net sales increased by 7 percent to SEK 2,741m (2,568). Adjusted for currency effects net sales increased by 7 percent.
- Operating profit (EBITA) amounted to SEK 337m (340), representing an operating margin of 12.3 percent (13.2).
- Profit for the period was SEK 223m (224), corresponding to a profit margin of 8.1 percent (8.7) and earnings per share diluted of SEK 1.39 (1.39).
- Operating cash flow was SEK 73m (101).
- The total number of beds in operation in own homes amounted to 10,378 (9,012), an increase with 15 percent. Beds under construction in own operations were 2,757, distributed among 71 homes.
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Summary of the period January–September 2017

- Net sales increased by 8 percent to SEK 8,146m (7,565). Adjusted for currency effects net sales increased by 7 percent.
- Operating profit (EBITA) increased by 11 percent to SEK 844m (761), representing an operating margin of 10.4 percent (10.1).
- Profit for the period increased to SEK 545m (498), corresponding to a profit margin of 6.7 percent (6.6). Earnings per share diluted amounted to SEK 3.39 (3.10).
- Operating cash flow was SEK 511m (401).

SEKm	Q3 2017	Q3 2016	Change, %	Jan–Sep 2017	Jan–Sep 2016	Change, %
Net sales	2,741	2,568	7	8,146	7,565	8
Operating profit (EBITA)	337	340	-1	844	761	11
<i>Operating margin (EBITA), %</i>	12.3	13.2	-	10.4	10.1	-
Profit for the period	223	224	0	545	498	9
Earnings per share diluted, SEK	1.39	1.39	0	3.39	3.10	9
Operating cash flow	73	101	-28	511	401	27
Average number of employees	16,545	15,781	5	15,626	14,715	6

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

For the sixth consecutive quarter Attendo increased the number of beds under construction in own operations. This provides a foundation for continued stable growth. Attendo opened a record number of new homes and now has more than 10,000 beds in own operations. This has been made possible by Attendo improving its efforts to establish new units and through favourable market conditions.

Own operations showed continued stable growth in both nursing homes and homes for people with disabilities. Attendo opened 21 own care homes during the quarter, with 16 in Finland and 5 in Sweden. Construction started on 23 new homes in Finland, 4 in Sweden and 1 in Denmark. At the end of the third quarter, Attendo had 2,757 beds under construction.

Net sales in *Outsourcing* increased compared to the third quarter of 2016 as a result of the two combination contracts that started in Finland in early 2017. Net sales in *Staffing* were slightly lower in the quarter compared with the corresponding period 2016. The markets for Outsourcing and Staffing are expected to remain challenging but stable.

Profit for the third quarter was in line with the corresponding quarter of 2016, but the margin was lower. Improvements in planning and processes and acquisitions contributed positively to earnings. The profit was adversely affected by the sharply reduced demand for integration care services as well as by weakened profits in home care, mainly related to Denmark. The number of newly opened homes within our own operations was the highest ever in the third quarter, which initially hampers earnings. Attendo continues to plan for a high number of openings in the coming quarters, with cost impact. During the fourth quarter, earnings are expected to be negatively affected by the continued phasing out of integration operations, home care costs related to Denmark and to restructuring of acquisitions. The costs are estimated to be limited to the fourth quarter.

Attendo is constantly working to develop the care offering using new procedures and new technologies. To develop the care for people with dementia, Attendo's own homes in Sweden will be connected to the Swedish register for behavioural and psychological symptoms in dementia (BPSD). A number of Attendo's nursing homes in Finland have introduced new large-format computer tablets this quarter. Attendo's customers can now initiate video calls with relatives, as well as use the internet and easily play games, in a visually attractive way.

In summary, Attendo showed continued stable development. The result of the long-term strategy to focus on growth in own operations is now clearly visible and, at the end of the quarter, Attendo had over 10,000 beds. Finnish care company Mikeva will bring additionally approximately 2,800 new beds in care for older people, social psychiatry and care for people with disabilities. By establishing more units, Attendo is supporting society's need for care services, giving individuals access to personalised care in comfortable homes and creating long-term growth for the shareholders.

Third quarter in brief

Net sales and operating profit

Net sales increased by 6.7 percent to SEK 2,741m (2,568) in the third quarter. Adjusted for currency effects net sales increased by 6.6 percent. Adjusted for currency effects, net sales increased in all geographical markets.

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

Net sales increased by 7.9 percent in own operations and by 7.1 percent in outsourcing operations. Net sales in staffing decreased by 4.3 percent.

Operating profit (EBITA) amounted to SEK 337m (340) and the operating margin to 12.3 percent (13.2).

Attendo's ongoing efforts to improve its planning and processes, including a reduction of administration, continued to have a positive impact on earnings. Acquired units also had a positive impact. Higher occupancy in own homes which were under start-up during the comparable quarter had a positive effect on profits.

Compared with the third quarter of 2016 operating profit was negatively impacted by a lower contribution from integration services. Demand for integration services decreased sharply, which has led to considerably lower occupancy and thus lower profits. The operations in home care demonstrated lower profit than in the comparable quarter.

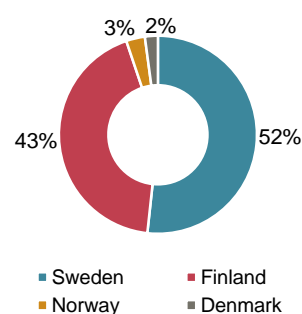
Attendo opened a record number of homes during the quarter, particularly in Finland. These units will impact profits in the coming quarters since occupancy is initially low.

Changes in currency exchange rates had a positive effect on operating profit of SEK 1m compared to 2016.

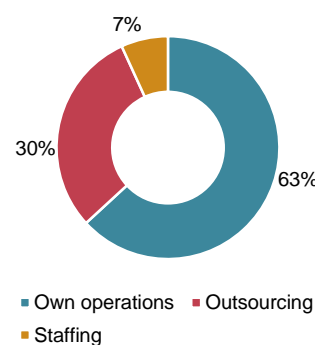
EBIT decreased to SEK 305m (310). Amortisation on acquisition-related intangible assets was SEK 2m higher than in the third quarter of 2016.

At the end of the third quarter, Attendo had a total of 613 (531) units in operation, of which 459 own units. The number of beds in operation was 14,155 (12,718), of which 10,378 in own units. Own units and beds under construction were 71 and 2,757 respectively at the end of the period.

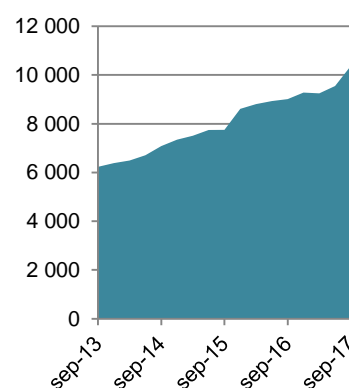
Net sales per country, Q3 2017



Net sales per contract model, Q3 2017



Number of beds in own units
Care for older people, people with disabilities and individuals and families



Net financial items

Net financial items amounted to SEK -21m (-25) in the quarter, of which net interest amounted to SEK -14m (-15). Net interest improved, mainly due to a lower interest margin.

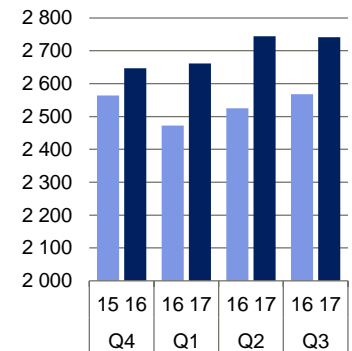
Income tax

Income tax for the quarter was SEK -61m (-61), corresponding to a tax rate of 21.5 percent (21.4).

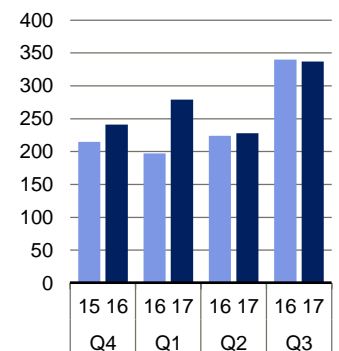
Profit for the period and earnings per share

Profit for the period was SEK 223m (224), representing an EPS basic of SEK 1.40 (1.40) and diluted of SEK 1.39 (1.39).

Net sales, SEKm



Operating profit (EBITA) SEKm



January–September in brief

Net sales and operating profit

Net sales for the first nine months increased by 7.7 percent to SEK 8,146m (7,565). Adjusted for currency effects net sales increased by 6.5 percent. Adjusted for currency effects, net sales increased in all geographical markets.

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 9.4 percent in own operations and by 6.9 percent in outsourcing operations. Net sales in staffing decreased by 3.1 percent.

Operating profit (EBITA) increased by 10.9 percent to SEK 844m (761) and the operating margin increased to 10.4 percent (10.1).

The profit increase is explained by better planning and improved processes, including reduced administration, higher occupancy in own homes which were under start-up during the comparable quarter, and acquisitions.

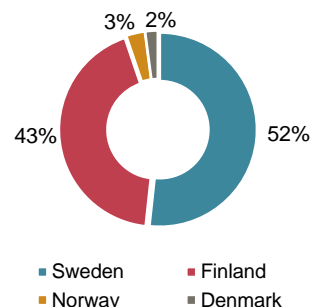
Negative performance in the integration services and weak performance by some home care units had a negative impact on profits compared to the same period in 2016. The total result from own units opened since the comparison period has had a negative impact on profits.

The loss of profit due to ended contracts in outsourcing and staffing operations was larger than profit from new units in these contract models.

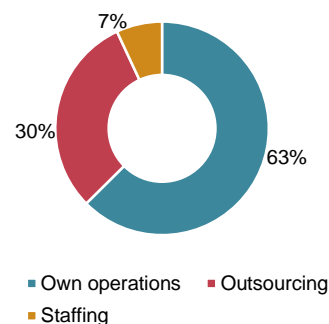
Changes in currency exchange rates had an overall positive effect on operating profit of SEK 9m compared to 2016.

EBIT increased to SEK 748m (701). Amortisation on acquisition-related intangible assets was SEK 36m higher than in the comparison period 2016.

Net sales per country, January–September 2017



Net sales per contract model, January–September 2017



Net financial items

Net financial items amounted to SEK -54m (-67) in the period, of which net interest amounted to SEK -42m (-46).

Income tax

Income tax for the period was SEK -149m (-136), corresponding to a tax rate of 21.5 percent (21.5).

Profit for the period and earnings per share

Profit for the period was SEK 545m (498), representing a basic Earnings per share of SEK 3.41 (3.11) and an EPS diluted of SEK 3.39 (3.10).

Cash flow

Operating cash flow was SEK 73m (101) in the third quarter, whereof changes in working capital amounted to SEK -190m (-202). The negative change in working capital is explained mainly by a decrease in personnel-related liabilities in the quarter.

Cash flow from net investments amounted to SEK -65m (-25) and the cash flow from assets and liabilities held for sale amounted to SEK -300m (-). Acquisitions of operations were charged to cash flow at SEK -95m (-307).

Cash flow from financing activities was SEK -14m (213) and total cash flow in the third quarter was SEK -344m (-7).

For the period January – September operating cash flow amounted to SEK 511m (401) and total cash flow to SEK -364m (-299).

Financial position

Consolidated equity as of September 30, 2017 amounted to SEK 5,113m (4,718), which represents diluted equity per share of SEK 31.83 (29.38).

Net debt amounted to SEK 3,322m (3,035).

SEKm	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
Interest-bearing liabilities	3,562	3,504	3,364
Provisions for post-employment benefits	64	39	28
Cash and cash equivalents	-304	-508	-670
Net debt	3,322	3,035	2,722

Interest-bearing liabilities, excluding provisions for post-employment benefits, amounted to SEK 3,562m (3,504) on September 30, 2017. Liquid funds as of September 30, 2017 amounted to SEK 304m (508) and Attendo had SEK 970m (891) in unutilised committed credit facilities.

Number of shares

The total number of shares outstanding amounts to 160,000,000. Attendo's holding of treasury shares amounts to 521,647, which means the number of shares outstanding at September 30, 2017 amounted to 159,478,353.

Number of employees

The average number of employees was 16,545 (15,781) in the third quarter.

Own operations

Net sales in own operations during the third quarter amounted to SEK 1,729m (1,603). The increase was 7.9 percent, of which acquired growth was 5.7 percentage points. The increase is mainly explained by acquisitions, new homes and higher occupancy in own homes that were under start-up during the same quarter last year.

A record number of homes were opened during the quarter. A total of 21 homes with approximately 720 beds were opened: 16 homes in Finland with approximately 610 beds and 5 homes in Sweden with approximately 110 beds. Attendo now has 10,378 own beds in operation an increase with 15 percent in relation to the corresponding quarter 2016.

Demand for integration care services decreased considerably, which led to much lower occupancy and therefore lower net sales compared with 2016. Attendo is working to close the units where there is no longer any need and to convert certain units from integration into other operations.

In September, Attendo took over Humana's home care operations and the integration work began, which initially had a negative impact on profits. Attendo is working to review its structure in home care operations, which includes closure of units that lack long-term prospects. By focusing on home care with higher customer density and where there are healthy conditions, profitability is expected to improve over time.

The number of beds under construction continued to increase during this quarter and amounted to 2,757 at the end of the quarter. Construction started on several homes, mainly nursing homes, during the quarter: 23 homes in Finland with approximately 840 beds, four homes in Sweden with approximately 280 beds and one home in Denmark with 72 beds.

Units, beds and home care customers as of September 30, 2017

Own units	Total	Sweden	Finland	Norway	Denmark
Units in operation*	459	235	212	3	9
Beds in operation**	10,378	3,990	6,165	163	60
Beds under construction***	2,757	638	2,047	-	72
Home care customers	13,370	10,800	-	130	2,440

* 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).

Finnish care company Mikeva will be consolidated from November 1 and will add approximately 2,800 new beds in operation within care for older people, social psychiatry and care for people with disabilities.

Own operations

63%

of Net sales

Operations in Sweden, Finland,
Norway and Denmark

Outsourcing operations

Net sales in outsourcing operations increased by 7.1 percent to SEK 832m (777) in the third quarter. The increase in net sales is explained mainly 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 15m, and lost on-going, not yet ended, contracts with annual net sales of approximately SEK 25m.

Outsourcing operations

30%

of Net sales

Operations in Sweden, Finland,
Norway and Denmark

Units, beds and home care customers as of September 30, 2017

Outsourcing	Total	Sweden	Finland	Norway	Denmark
Units in operations*	133	92	35	5	1
Beds in operations**	3,777	2,886	553	310	28
Home care customers	1,330	690	640	-	-

* 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 in the third quarter amounted to SEK 180m (188). The decrease in net sales is explained by lower volumes in some existing contracts as well as ended contracts.

Staffing operations

7%

of Net sales

Operations in Finland.

Quality and employees

Attendo strives to ensure that its customers should always feel safe, involved and independent. Achieving this requires systematic quality improvement as well as co-workers who are competent with strong values.

One component of the quality efforts is to continuously develop the care using new procedures, new technologies, and new and better activities for customers.

As part of our efforts to improve care for people with dementia, all Attendo's own homes in Sweden will be connected to the Swedish register for Behavioural and Psychological Symptoms in Dementia (BPSD). In addition, dedicated BPSD administrators will be trained. The aim of the BPSD register is to reduce the occurrence and impact of BPSD and the suffering these entail. A central dementia team is being established to be able to provide coordinated support for the work of the individual operations, with dementia conditions in general and BPSD in particular. Overall these measures are intended to improve the quality of life for people with dementia.

Another measure intended to improve the quality of life is the introduction of new digital aids. A number of nursing homes in Finland have started to use new large-format (65 inch) computer tablets. Using software like Skype and Messenger, older people are able to initiate video calls with relatives, and can also use the internet, play games or use other communication in an easy and visually attractive way.

Outdoor activities are an important part of day to day life at Attendo. Many operations have arranged the Attendo Fitness Walk this quarter, for residents and their relatives. During the quarter, Attendo and the Norwegian Outdoor Council arranged a sleep-out activity in which several older people at Attendo Romsås and Attendo Rødvet Sykehjem camped out in tents. Norway's official travel guide, Visit Norway, highlighted the senior campers in a video viewed by nearly 70,000 people on social media.

During the quarter Attendo Örkelljunga LSS expanded its Bed & Breakfast operations with a hostelry. The aim is to provide people participating in daytime operations with a meaningful activity that provides social contact and also satisfied restaurant guests.

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 coordinators with the support of specialized quality functions. Recurring quality audits are conducted by Attendo, payors 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 at:

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

Market review

Sweden – strong demand within own operations

The demand for Attendo's own operations offering was good, with continued high interest from Swedish local authorities needing to expand the number of beds, mainly in care for older people. Contracted volumes in the outsourcing market for care for older people were lower than in the second quarter and the corresponding period of the previous year. Demand might be negatively impacted by the new licensing requirements for contractors. Contracted volumes in care continued to decrease in relation to the previous quarter and last year. Demand for integration care services decreased significantly.

The Swedish government has announced that it will put forward proposals that, if implemented, would have negative consequences for the choice and diversity of care. This is despite sharp criticism from both authorities and experts. A proposal will be presented in November, which will be submitted to parliament in March 2018. Attendo believes there is no parliamentary majority behind the proposal.

Finland – strong demand within own operations

The own operations offering experienced continued high demand in Finland during the quarter. Private companies have established far more nursing homes than the local authorities in Finland during the year. Demand in the Finnish outsourcing market is deemed to have increased due to postponement of the SOTE reform.

The Finnish government announced in early October that the reforms to choice included in the major health and social care reform package, known as SOTE, will go ahead. The government has decided that the first active care choices in primary care will be made in 2021. In other respects the structure will remain the same – citizens will be able to choose their social and health care centre, there will be customer vouchers and personal budgets based on need. Details of the reform will be presented regularly throughout the autumn, and will be submitted to the parliament for debate and a decision in the spring. Attendo remains optimistic about the opportunities offered by the reform for private providers.

Denmark – new terms for home care with limited impact

A political settlement has been presented, intended to reduce bankruptcies in the home care market. Attendo assessment is that the proposals will have limited impact. The home care market in Denmark continues to be challenging.

Norway – activity remains low

The activity in the Norwegian market remained low. During the quarter, elections were held to the Norwegian Parliament, Stortinget. The result was that the Government under the leadership of Erna Solberg continued in power, which means a government still positive to private companies in social care.

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

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.

Significant events in the quarter

Acquisitions during the third quarter

Ikihyvä Oy, which operates nursing homes in Mikkeli, Finland, was acquired on 1 September 2017.

Liisankoti Oysom, which operates nursing homes in Kauhava, Finland, was acquired on 1 September 2017.

Hoitokoti Piritta Oy, which operates nursing homes in Joensuu, Finland, was acquired on 1 September 2017.

Changes in Attendo's Executive Management

As previously announced, CFO Tomas Björksiö left Attendo on 27 September 2017. Fredrik Lagercrantz has been appointed as the new CFO. From September 27 and until Fredrik Lagercrantz takes over, Rebecca Ericsson Birck, Head of Corporate Control, will be Acting CFO.

Other financial information

Related-party transactions

Attendo has transactions with two related parties, which in all material respects consist of Attendo leasing properties from companies in which these parties are shareholders. The transactions had a value of SEK 8m (7) during the first nine months of the year. All related-party transactions take place on market terms.

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

Parent company, Attendo AB (publ)

The activities of the parent company are to provide services to the subsidiaries and to manage shares in subsidiaries. Parent company expenses relate mainly to salaries for the executive management, fees to the board of directors and costs for external consultants.

Net sales for the period were SEK 9m (9), and were entirely related to services provided to subsidiaries. Profit after financial items was SEK -21m (-26). At the end of the quarter, cash and cash equivalents amounted to SEK 0m (0), shares in subsidiaries SEK 6,494m (6,494), and non-restricted equity amounted to SEK 6,175m (6,356).

Seasonal variations

Attendo's profitability is subject to seasonal variations, weekend and holiday effects. For Attendo, public holidays and weekends 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 and New Year holidays.

Events after the balance sheet date

Approval of Mikeva acquisition

As previously announced, Attendo has acquired Mikeva, a leading provider of care in Finland. The acquisition has been approved by the Finnish competition authority (KKV). There were no particular conditions on the approval or concessions by Attendo. Mikeva will be consolidated in Attendo's financial reporting from 1 November 2017.

Mikeva was founded in 1987 and has around 2,300 employees at more than 120 units throughout Finland. The company is active in social psychiatry, care for people with disabilities and care for older people. In 2016 Mikeva had sales of EUR 101 million and EBITDA. Mikeva has approximately 2,800 beds in operation.

Other acquisitions after the balance sheet date

Ann Stahlns hemtjänst AB conducting home care in Täby, Sweden was acquired on November 1, 2017.

Sisu home care AB conducting home care in Stockholm, Sweden was acquired on November 1, 2017.

Kårlandagården AB operating one home for people with disabilities in Lessebo, Sweden was acquired on October 1, 2017.

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 Attendos 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. Otherwise the accounting policies adopted are consistent with those applied in the annual report for 2016. The interim information on page 1-15 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.

Outlook

Attendo does not report any forecast.

Danderyd, November 10, 2017

Henrik Borelius

CEO

Attendo's Annual reports are available on www.attendo.com

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

Report of Review (Translation of Swedish Original)

Review report over Interim Financial Statements (Interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act.

Introduction

We have reviewed this report for the period 1 January 2016 to 30 September 2017 for Attendo AB (publ) (Corporate Id Number 559026-7885). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act.

Stockholm, 10 November 2017

PricewaterhouseCoopers AB

Patrik Adolfson
Authorized public accountant
Auditor in charge

Eva Medbrant
Authorized public accountant

Consolidated Income Statement

SEKm	Q3 2017	Q3 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Net sales	2,741	2,568	8,146	7,565	10,212
Other operating income	2	4	11	14	20
Total revenue	2,743	2,572	8,157	7,579	10,232
Personnel costs	-1,667	-1,573	-5,096	-4,833	-6,533
Other external costs	-702	-626	-2,108	-1,888	-2,564
Amortization and depreciation of tangible and intangible assets	-37	-33	-109	-97	-133
Operating profit (EBITA)	337	340	844	761	1,002
<i>Operating margin (EBITA) %</i>	<i>12.3</i>	<i>13.2</i>	<i>10.4</i>	<i>10.1</i>	<i>9.8</i>
Amortization of acquisition related intangible assets	-32	-30	-96	-60	-91
Operating profit (EBIT)	305	310	748	701	911
<i>Operating margin (EBIT), %</i>	<i>11.1</i>	<i>12.1</i>	<i>9.2</i>	<i>9.3</i>	<i>8.9</i>
Net financial items	-21	-25	-54	-67	-83
Profit before tax	284	285	694	634	828
Income tax	-61	-61	-149	-136	-179
Profit for the period	223	224	545	498	649
<i>Profit margin %</i>	<i>8.1</i>	<i>8.7</i>	<i>6.7</i>	<i>6.6</i>	<i>6.4</i>
Profit for the period attributable to the parent company shareholders	223	224	545	498	649
Basic earnings per share, SEK	1.40	1.40	3.41	3.11	4.06
Diluted earnings per share, SEK	1.39	1.39	3.39	3.10	4.05
Average number of shares outstanding, basic, thousands	159,719	160,000	159,773	160,000	159,956
Average number of shares outstanding, diluted, thousands	160,629	160,842	160,566	160,609	160,405

Consolidated Statement of Comprehensive Income

SEKm	Q3 2017	Q3 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Profit for the period	223	224	545	498	649
Other comprehensive income for the period					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit pension plans, net of tax	-6	1	-6	-7	-1
Items that may be reclassified to profit or loss					
Exchange rate differences on translating foreign operations	-21	47	-5	98	83
Other comprehensive income for the period	-27	48	-11	91	82
Total comprehensive income for the period	196	272	534	589	731
Total comprehensive income attributable to the Parent company shareholders	196	272	534	589	731

Consolidated Balance Sheet

SEKm	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
ASSETS			
Non-current assets			
Goodwill	7,076	6,883	6,872
Other intangible assets	546	589	591
Equipment	464	418	438
Other non-current assets	78	107	78
Total non-current assets	8,164	7,997	7,979
Current assets			
Trade receivables	1,028	834	955
Other current assets	504	587	324
Cash and cash equivalents	304	508	670
	1,836	1,929	1,949
Assets held for Sale	600	-	-
Total current assets	2,436	1,929	1,949
Total assets	10,600	9,926	9,928
EQUITY AND LIABILITIES			
Equity	5,113	4,718	4,825
Non-current liabilities			
Liabilities to credit institutions	3,450	3,438	3,302
Provisions for post-employment benefits	64	39	28
Other provisions	10	10	11
Other non-current liabilities	107	124	112
Total non-current liabilities	3,631	3,611	3,453
Current liabilities			
Liabilities to credit institutions	112	66	62
Trade payables	226	130	186
Other current liabilities	1,473	1,401	1,402
	1,811	1,597	1,650
Liabilities for sale	45	-	-
Total current liabilities	1,856	1,597	1,650
Total equity and liabilities	10,600	9,926	9,928

Consolidated Cash Flow Statement

	Q3 2017	Q3 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Operational cash flow, SEKm					
Operating profit (EBITA)	337	340	844	761	1,002
Depreciation and amortization of tangible and intangible assets	37	33	109	97	133
Changes in working capital	-190	-202	-137	-192	-18
Paid income tax	-55	-46	-152	-148	-140
Other non-cash items	9	1	5	-2	-3
Cash flow after changes in working capital	138	126	669	516	974
Investments in tangible and intangible assets	-71	-33	-187	-132	-197
Divestment of tangible and intangible assets	6	8	29	17	28
Operating cash flow	73	101	511	401	805
Interest received/paid	-8	-14	-41	-44	-60
Free cash flow	65	87	470	357	745
Net change in assets and liabilities held for sale	-300	-	-513	-	-
Acquisition of operations	-95	-307	-262	-398	-477
Warrants	-12	-4	-25	-4	-4
Dividends paid	-	-	-195	-86	-86
Repurchase of own shares	-33	-	-33	-	-16
Change in bank overdraft facilities	42	-	42	-	-
Repayment of loans	-11	-73	-23	-458	-590
New borrowings	-	290	175	290	290
Total cash flow	-344	-7	-364	-299	-138
Cash and cash equivalents at the beginning of the period	653	504	670	782	782
Effect of exchange rate changes on cash	-5	11	-2	25	26
Cash and cash equivalents at the end of the period	304	508	304	508	670

	Q3 2017	Q3 2016	Jan-Jun 2017	Jan-Sep 2016	Jan-Dec 2016
Cash flow, SEKm					
Cash flow from operations	130	112	628	472	914
Cash flow from investing activities	-460	-332	-933	-513	-646
Cash flow from financing activities	-14	213	-59	-258	-406
Total cash flow	-344	-7	-364	-299	-138

Consolidated Statement of Changes in Equity

SEKm	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Opening balance	4,825	4,219	4,219
Total comprehensive income	534	589	731
Transactions with owners			
Warrants	-20	-4	-24
Repurchase of own shares	-33	-	-16
Share-savings plan	2	0	1
Dividend	-195	-86	-86
Total transactions with owners	-246	-90	-125
Closing balance	5,113	4,718	4,825

Investments

SEKm	Q3 2017	Q3 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Investments					
Investments in intangible assets	11	4	30	18	27
Investments in tangible assets	60	29	157	114	170
Divestments of tangible and intangible assets	-6	-8	-29	-17	-28
Total net investments	65	25	158	115	169
Intangible assets acquired through business combination					
Goodwill	97	224	208	280	285
Customer relations	28	68	58	327	356
Other	-	2	-	2	9
Total intangible assets acquired through business combination	125	294	266	609	650

For further information regarding acquisitions, see page 13.

Financial assets and liabilities

SEKm	Level	Sep 30, 2017	Sep 30, 2016
ASSETS			
Loans and receivables			
Trade receivables		1,028	834
Cash and cash equivalents		304	508
Total financial assets		1,332	1,342
LIABILITIES			
Financial liabilities at fair value through profit or loss			
Contingent considerations	3	93	26
Other financial liabilities			
Borrowings/financial leasing		3,562	3,504
Trade payables		226	130
Total financial liabilities		3,881	3,660

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, note 23.

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	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
Assets pledged as collateral	149	201	159
Contingent liabilities	-	-	-

Key Data

		Q3 2017	Q3 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Net sales	SEKm	2,741	2,568	8,146	7,565	10,212
Organic growth	%	3.0	1.8	2.7	2.8	1.7
Acquired growth	%	3.6	2.4	3.8	1.5	1.7
Changes in currencies	%	0.1	0.4	1.2	-0.2	0.5
Operating profit (EBITA)	SEKm	337	340	844	761	1,002
Operating margin (EBITA)	%	12.3	13.2	10.4	10.1	9.8
Profit for the period	SEKm	223	224	545	498	649
Profit margin	%	8.1	8.7	6.7	6.6	6.4
Working capital	SEKm	-167	-110	-167	-110	-309
Return on capital employed	%	11.3	11.2	11.3	11.2	11.4
Net debt to equity ratio	times	0.6	0.6	0.6	0.6	0.6
Equity to asset ratio	%	48	48	48	48	49
Operating cash flow	SEKm	73	101	511	401	805
Net investments	SEKm	-65	-25	-158	-115	-169
Average number of employees		16,545	15,781	15,626	14,715	14,824
Key data per share						
Earnings per share, basic	SEK	1.40	1.40	3.41	3.11	4.06
Earnings per share, diluted	SEK	1.39	1.39	3.39	3.10	4.05
Equity per share, basic	SEK	-	-	32.00	29.49	30.19
Equity per share, diluted	SEK	-	-	31.84	29.38	30.10
Average number of shares outstanding, basic	thousands	159,719	160,000	159,773	160,000	159,956
Average number of shares outstanding, diluted	thousands	160,629	160,842	160,566	161,609	160,405
Number of shares, end of period	thousands	160,000	160,000	160,000	160,000	160,000
Number of treasury shares, end of period	thousands	522	-	522	-	200
Number of shares outstanding, end of period	thousands	159,478	160,000	159,478	160,000	159,800

Quarterly Data

SEKm	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Total net sales	2,564	2,472	2,525	2,568	2,647	2,661	2,744	2,741
- Net sales, own operations	1,498	1,511	1,557	1,603	1,656	1,648	1,733	1,729
- Net sales, outsourcing	805	769	775	777	787	825	824	832
- Net sales, staffing	261	192	193	188	204	188	187	180

SEKm	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Total net sales	2,564	2,472	2,525	2,568	2,647	2,661	2,744	2,741
- Net sales Sweden	1,339	1,332	1,369	1,392	1,388	1,376	1,419	1,432
- Net sales Finland	1,088	1,009	1,024	1,038	1,114	1,145	1,183	1,167
- Net sales Norway	78	77	78	82	86	85	84	85
- Net sales Denmark	59	54	54	56	59	55	58	57
Operating profit (EBITA)	215	197	224	340	241	279	228	337
Operating margin (EBITA), %	8.4	8.0	8.9	13.2	9.1	10.5	8.3	12.3
Profit for the period	-9	128	146	224	151	181	141	223
Profit margin, %	-0.4	5.2	5.8	8.7	5.7	6.8	5.1	8.1
Earnings per share basic, SEK	-0.06	0.80	0.91	1.40	0.94	1.13	0.88	1.40
Earnings per share diluted, SEK	-0.06	0.80	0.91	1.39	0.94	1.13	0.88	1.39
Average number of employees	14,285	14,061	14,304	15,781	14,602	15,130	15,204	16,545

Parent Company Income Statement

SEKm	Q3 2017	Q3 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
Net sales	3	2	9	9	12
Personnel costs	-6	-5	-19	-15	-21
Other external costs	-2	-4	-8	-19	-26
Operating profit	-5	-7	-18	-25	-35
Finance net	-2	0	-3	-1	-2
Profit after financial items	-7	-7	-21	-26	-37
Group contributions	0	-	0	0	110
Profit before tax	-7	-7	-21	-26	73
Income tax	0	0	0	0	-16
Profit for the period	-7	-7	-21	-26	57

Parent Company Balance Sheet

SEKm	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
ASSETS			
Non-current assets			
Shares in subsidiaries	6,494	6,494	6,494
Deferred tax asset	-	16	-
Total non-current assets	6,494	6,510	6,494
Current assets			
Receivables on group companies	4	5	114
Other receivables	2	2	2
Cash and cash equivalents	0	0	0
Total current assets	6	7	116
Total assets	6,500	6,517	6,610
EQUITY AND LIABILITIES			
Equity	6,176	6,357	6,424
Current liabilities			
Liabilities to group companies	306	144	165
Other liabilities	18	16	21
Total current liabilities	324	160	186
Total equity and liability	6,500	6,517	6,610

Information to shareholders and analysts

Calendar 2018

Year-end report January-December	15 February 2018
AGM 2018	12 April 2018
Interim report January-March	4 May 2018
Interim report January-June	26 July 2018
Interim report January-September	9 November 2018

Telephone conference

A telephone conference will be held today, 10 November 2017 at 10.00 (CET) with Attendo's CEO Henrik Borelius and Acting CFO Rebecca Ericsson Birck. For participation please dial in on the following number:

SE: +46 8 566 425 09
FI: +358 9 817 104 94
UK: +44 20 30 08 98 04

[Link to webinar:](#)

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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 current expectations 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.

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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

Acquired growth	Increase in net sales related to companies or operations acquired the last 12 months.
Capital employed	Total assets less non-interest bearing liabilities.
Earnings per share	Profit for the period in relation to the average number of shares.
Equity/asset ratio	Equity as a percentage of total assets.
Equity per share	Equity in relation to the average number of shares.
Liquid funds	Cash/cash equivalents, short term investments and derivatives with a positive fair value.
Net debt	Interest bearing liabilities and provisions for post-employment benefits less liquid funds.
Net debt to equity ratio	Net debt as a percentage of total equity.
Net investments	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.
Number of shares	In order to facilitate comparisons, all key measures in the comparable periods have been calculated based on the number of shares after the listing.
Operating cash flow	Cash flow from operations adjusted for investments and divestments of intangible and tangible assets and paid and received interest.
Operating margin (EBIT)	Operating profit (EBIT) as a percentage of net sales.
Operating margin (EBITA)	Operating profit (EBITA) as a percentage of net sales.
Operating profit (EBIT)	Profit before net financial items and income tax.
Operating profit (EBITA)	Profit before amortization of acquisition related intangible assets, net financial items and income tax.
Organic growth	Increase of net sales excluding acquisitions and currency effects.
Profit for the period	Profit/loss for the period attributable to parent company shareholders.
Profit margin	Profit for the period as a percentage of net sales.
Return on equity	Profit for the period (LTM) in relation to average equity.
Return on capital employed	Operating profit (EBIT) as a percentage of average capital employed.
Working capital	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

New unit	Unit in operation <12 months.
Existing unit	Unit in operation >12 months.
LA	Local Authority
CoP	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 15 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. Attendo's 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 21.