



Interim report January–June 2017

Attendo AB (publ)

Interim report January-June 2017

Summary of the second quarter 2017

- Net sales increased by 9 percent to SEK 2,744 m (2,525). Adjusted for currency effects net sales increased by 7 percent.
- Operating profit (EBITA) increased by 2 percent to SEK 228m (224), representing an operating margin of 8.3 percent (8.9). Compared with the same quarter in the previous year, profit was negatively impacted by calendar effects of approximately SEK 25m.
- Profit for the period amounted to SEK 141m (146), which represents a profit margin of 5.1 percent (5.8) and earnings per share diluted of SEK 0.88 (0.91).
- Operating cash flow amounted to SEK 262m (157).
- A number of acquisitions were completed. The largest acquisition was Mikeva with net sales of EUR 101m (2016).

Summary of the period January–June 2017

- Net sales increased by 8 percent to SEK 5,405m (4,997). Adjusted for currency effects, growth was 6 percent.
- Operating profit (EBITA) increased by 20 percent to SEK 507m (421), representing an operating margin of 9.4 percent (8.4).
- Profit for the period increased to SEK 322m (274), which represents a profit margin of 6.0 percent (5.5) and earnings per share diluted of SEK 2.00 (1.70).
- Operating cash flow amounted to SEK 438m (300).

SEKm	Q2 2017	Q2 2016	Change, %	Jan–Jun 2017	Jan–Jun 2016	Change, %
Net sales	2,744	2,525	9	5,405	4,997	8
Operating profit (EBITA)	228	224	2	507	421	20
<i>Operating margin (EBITA), %</i>	8.3	8.9	-	9.4	8.4	-
Profit for the period	141	146	-3	322	274	18
Earnings per share diluted, SEK	0.88	0.91	-3	2.00	1.70	18
Operating cash flow	262	157	67	438	300	46
Average number of employees	15,204	14,304	6	15,167	14,183	7

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

Attendo continued to invest for future growth in the second quarter of 2017, partly by increasing the number of beds under construction and partly through a number of acquisitions. The acquisition of Mikeva strengthens Attendo's Finnish operations in care for older people while establishing a leading position in social psychiatry.

Own operations showed continued stable growth in both nursing homes and homes for people with disabilities. Attendo opened eleven own homes during the quarter, nine in Finland and two in Sweden. In Finland, construction started of 17 new homes and in Sweden of three, and at the end of the second quarter Attendo had 2,378 beds under construction.

During the second quarter, the leading Finnish care company Mikeva was acquired. The acquisition strengthens Attendo's activities in social psychiatry and care for people with disabilities, and geographically complements Attendo's offering in care for older people. In 2016, Mikeva had sales of over EUR 100m and has around 2,800 beds in operation, all under own operations. Attendo also acquired the Swedish home care operations of Humana, which strengthens Attendo's position in several regions. Attendo also established itself in the Norwegian social psychiatry market through the acquisition of Nøstret.

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

Profit for the second quarter increased somewhat compared with the corresponding quarter of 2016, despite negative calendar effects. The gain in profit was primarily due to continuous improvement efforts with processes and planning, as well as contributions from acquisitions. Attendo will be opening a significantly higher number of care homes in 2017 than in previous years, which is expected to have a negative impact on earnings in coming quarters.

As part of the quality work, Attendo offers a wide range of activities for its customers. During the quarter, the focus of Attendo's nursing homes has been on outdoor activities, with the recurring Attendo Fitness Walk taking place at several locations in Scandinavia. This widely appreciated exercise jog is intended to highlight the need for movement, social co-existence and being outdoors.

In summary, Attendo showed a stable quarter with continued high rate of establishment of new homes and a high level of acquisition activity, which is in line with Attendo's strategy. The expansion of care beds supports society's needs for welfare services and gives individuals access to personalised care in comfortable care homes.

Second quarter in brief

Net sales and operating profit

Net sales increased by 8.7 percent to SEK 2,744m (2,525) in the second quarter. 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 11.3 percent in own operations and by 6.3 percent in outsourcing operations. In staffing operations, net sales decreased by 3.1 percent.

Operating profit (EBITA) increased by 1.8 percent to SEK 228m (224) and the operating margin amounted to 8.3 percent (8.9). The profit increase is explained by better planning and improved processes, including reduced administration, acquired units, and higher occupancy in own homes which were under start-up during the comparable quarter 2016.

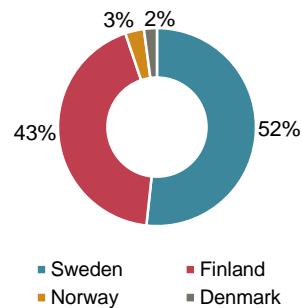
Several new own homes have opened since the comparable quarter and the combined result from these was negative since the operations are under start-up. The loss of profit due to ended contracts in outsourcing and staffing operations was larger than profit from new units in these contract models. The operations in integration and home care had lower profit than in the comparable quarter.

Compared with the second quarter of 2016, calendar effects, particularly Easter, had a total negative effect of approximately SEK 25m on operating profit in the second quarter. Changes in currency exchange rates had a positive effect on operating profit of SEK 6m compared to 2016.

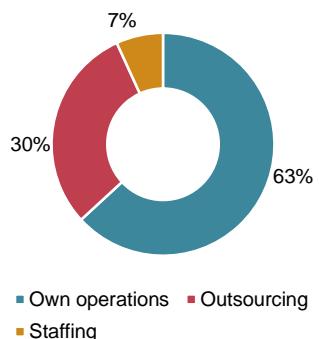
EBIT decreased to SEK 195m (207). Amortization on acquisition-related intangible assets was SEK 16m higher than in the second quarter of 2016.

At the end of the second quarter, Attendo had a total of 574 (512) units in operation, of which 425 own units. The number of beds in operation was 13,289 (12,649), of which 9,550 in own units. Own units and beds under construction were 64 and 2,378 respectively.

Net sales per country, Q2 2017

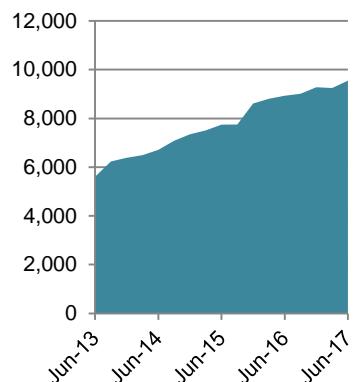


Net sales per contract model, Q2 2017



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 -16m (-21) in the quarter, of which net interest amounted to SEK -14m (-15). Net interest improved, mainly due to a lower interest margin.

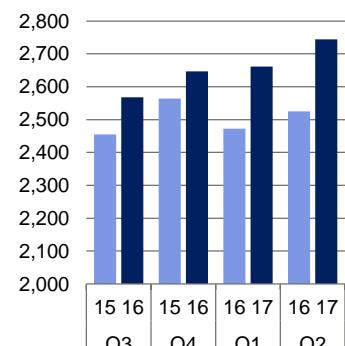
Income tax

Income tax for the quarter was SEK -38m (-40), corresponding to a tax rate of 21.2 percent (21.5).

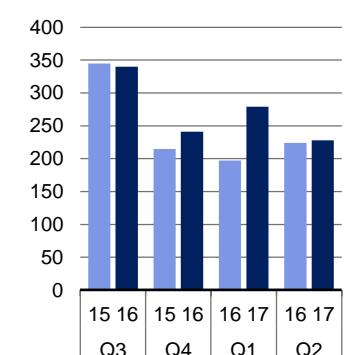
Profit for the quarter and EPS

Profit for the quarter was SEK 141m (146), representing an EPS basic and diluted of SEK 0.88 (0.91).

Net sales, SEKm



Operating profit (EBITA) SEKm



January–June in brief

Net sales and operating profit

Net sales for the half-year increased by 8.2 percent to SEK 5,405m (4,997). 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 period, and contractual price increases.

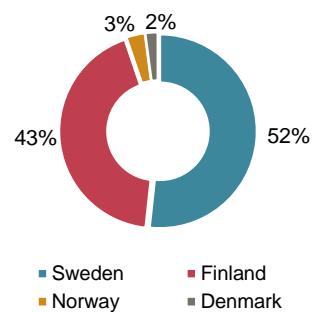
Net sales increased by 10.2 percent in own operations and by 6.8 percent in outsourcing operations. In staffing operations, net sales decreased by 2.6 percent.

Operating profit (EBITA) increased by 20.4 percent to SEK 507m (421) and the operating margin increased to 9.4 percent (8.4). The profit increase is explained mainly by the same factors as during the second quarter.

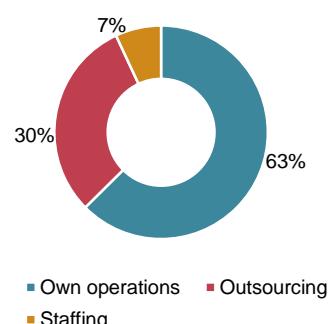
Calendar effects had a small negative impact on profit for the period compared to 2016, which is explained by the leap day in 2016. Changes in currency exchange rates had an overall positive effect on operating profit of SEK 8m compared to 2016.

EBIT increased to SEK 443m (391). Amortization on acquisition-related intangible assets was SEK 34m higher than in the comparison period 2016.

Net sales per country,
January–June 2017



Net sales per contract
model, January–June 2017



Net financial items

Net financial items amounted to SEK -33m (-42) in the period, of which net interest amounted to SEK -28m (-31). The change is explained by essentially the same items described in the section of the second quarter.

Income tax

Income tax amounted to SEK -88m (-75), corresponding to a tax rate of 21.5 percent (21.5).

Profit for the period and EPS

Profit for the period was SEK 322m (274), representing an EPS basic of SEK 2.02 (1.71) and EPS diluted of SEK 2.00 (1.70).

Cash flow

Operating cash flow amounted to SEK 262m (157) during the second quarter, of which changes in working capital amounted to SEK 93m (18). The positive change in working capital is mainly explained by an increase in employee related liabilities during the quarter.

Cash flow from net investments amounted to SEK -54m (-44) and cash flow from assets and liabilities held for sale was SEK -171m (-). Cash flow from acquisitions was SEK -89m (-78).

Cash flow from financing activities was SEK -26m (-274), mainly as a result a dividend payment amounting to SEK 195m and of an increase of utilized credit facilities amounting to SEK 175m.

Total cash flow for the second quarter was SEK -40m (-213).

During the period January-June total operating cash flow was SEK 438m (300) and total cash flow was SEK -20m (-292).

Financial position

Consolidated equity as of June 30, 2017 amounted to SEK 4,962m (4,450), which represents a diluted equity per share of SEK 30.88 (27.61).

Net debt amounted to SEK 2,923m (2,788).

SEKm	Jun 30, 2017	Jun 30, 2016	Dec 31, 2016
Interest-bearing liabilities	3,549	3,248	3,364
Provisions for post-employment benefits	27	44	28
Cash and cash equivalents	-653	-504	-670
Net debt	2,923	2,788	2,722

Interest-bearing liabilities, excluding provisions for post-employment benefits, amounted to SEK 3,549m (3,248) as of June 30, 2017. Liquid funds as per June 30, 2017 amounted to SEK 653m (504) and unutilized committed credit facilities amounted to SEK 1,015m (843). Utilization of credit facilities has increased with SEK 175m during the quarter.

Number of shares

The total number of shares amounts to 160,000,000. Attendo's holding of treasury shares amounts to 196,725, which means that the number of shares outstanding at June 30, 2017 amounted to 159,803,275.

Number of employees

The average number of employees in the second quarter was 15,204 (14,304).

Own operations

Net sales in own operations during the second quarter amounted to SEK 1,733m (1,557). The increase was 11.3 percent, of which acquired growth was 6.9 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.

During the quarter, Attendo opened eleven homes with in total approximately 400 beds; nine homes in Finland with approximately 300 beds and two nursing homes in Sweden with approximately 100 beds. Attendo also opened a daily activity centre with twelve places for people with disabilities and a home with ten beds in individual and family care in Sweden.

Attendo has, as one of two private providers, won a tender to operate home care services in Copenhagen. In a retender, Attendo was also awarded the continued confidence to operate home care in Helsingborg.

During the quarter, Attendo acquired several operations in Finland, Sweden and Norway. For more information see the section: *Significant events in the quarter*.

The number of beds under construction continued to increase during this quarter and amounted to 2,378 at the end of the quarter. Construction started of several new homes, mainly nursing homes, during the quarter; 17 homes in Finland with a total of 560 beds and three homes in Sweden with a total of 70 beds.

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

Own units	Total	Sweden	Finland	Norway	Denmark
Units in operation*	425	221	193	2	9
Beds in operation**	9,550	3,934	5,472	84	60
Beds under construction***	2,378	535	1,843	-	-
Home care customers	11,880	9,200	-	130	2,550

* 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

63%

of Net sales
Operations in Sweden, Finland,
Norway and Denmark

Outsourcing operations

Net sales in outsourcing operations increased by 6.3 percent to SEK 824m (775) in the second 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 110m, and lost on-going, not yet ended, contracts with annual net sales of approximately SEK 280m. Attendo also received continued confidence to operate a health centre in Finland.

Outsourcing operations

30%

of Net sales

Operations in Sweden, Finland, Norway and Denmark

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

Outsourcing	Total	Sweden	Finland	Norway	Denmark
Units in operations*	128	88	34	5	1
Beds in operations**	3,739	2,863	538	310	28
Home care customers	1,150	470	680	-	-

* 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 second quarter amounted to SEK 187m (193). The decrease in net sales is explained by ended contracts.

Staffing operations

7%

of Net sales

Operations in Finland.

Quality and employees

Attendo's quality work is conducted at multiple levels in the company, but the starting point is always to focus on the individual. This means that the work taking place in our units, closest to our customers, is our most important work. During the quarter, the focus of Attendo's nursing homes has been on outdoor activities, with the recurring Attendo Fitness Walk taking place at several locations in Scandinavia.

Falls among the elderly are a major social problem. Attendo works actively to analyse the risks of older people in different everyday environments. During the second quarter, Attendo's home care service in Scandinavia launched the "Safe and Secure at Home" project, which focuses specifically on identifying risks in the domestic environments of older people. Attendo offers a special safety review to all its home care customers to ensure that the most common causes of accidents are avoided as far as possible.

The dining experience is important for Attendo, and we continuously work on developing our meal concepts based on customer needs and wishes. In May, a new kitchen was opened at Attendo Nissabogatan in Halmstad, where food will be prepared locally for the elderly at the home and for home care customers and residents of Attendo's other nursing homes in the municipality. At the inauguration, residents and relatives were invited to a real feast signed off by one of Sweden's master chefs.

Attendo regularly recognises operations within its different business areas where employees have made particularly outstanding efforts. In May, Attendo Hammarby in Västerås was named Unit of the Year within Attendo Scandinavia Care for Older People, a nursing home with consistently good reviews that Attendo has operated and developed since 1993. The equivalent award within Attendo Scandinavia Care went to Attendo Rödakorsgatan, a home for people with neuropsychiatric disabilities in Tyringe, near Hässleholm.

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, 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

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 somewhat lower than in the first quarter. Contracted volumes in care continued to decrease 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 that presented the first part of its report in November 2016. The second part of the report was presented in May 2017. If the commission's proposals were implemented they would lead to reduced diversity and lower quality in health and social care. The commission has been strongly criticised and there is no majority in the Swedish parliament to implement the proposals.

Finland – strong demand within own operations

Attendo's own operations offering experienced continued high demand in Finland during the quarter. In the outsourcing market in Finland, activity remained very low during the second quarter.

During the second quarter, the Finnish constitutional committee submitted its assessment of the Social and health care reform ("SOTE"). The SOTE reform means that health and social care will be organised into 18 regions with private and public providers competing on equal terms and with the introduction of freedom of choice for citizens. As a consequence of the committee's assessment, the reform will be implemented somewhat later than the original schedule. The new start date is set to January 1, 2020 against the earlier decision of January 1, 2019. Broadly speaking, the changes do not alter the view of the reform based on Attendo's perspective. Our assessment remains that the reform as a whole is positive for Attendo's opportunity to develop its operations in Finland, not least in the field of healthcare.

Denmark – Copenhagen open for home care

Activity in the Danish market remained low. However, Attendo has won a contract that enables Attendo to operate home care in Copenhagen.

Norway – activity remains low

The activity in the Norwegian market remained low. During the quarter a new contract came up for tender in Stavanger.

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 of Mikeva

Attendo reached an agreement to acquire Mikeva, (Mi-Hoiva OY), a leading provider of care in Finland. The acquisition strengthens Attendo's position in social psychiatry and care for people with disabilities and geographically complements Attendo's offering in care for older people in Finland.

Mikeva was founded in 1987 and currently has around 2,300 employees at 122 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 101m and EBITDA of EUR 5.3m. In recent years, the company has successfully focused on growth through acquisitions and by developing its own operations. Mikeva today has approximately 2,800 beds in operation, of which approximately 300 are under start-up. In addition, a further more than 100 beds are under construction.

The agreement to acquire Mikeva was reached between Attendo AB and G Square Capital, which has owned Mikeva since 2012. The enterprise value amounted to EUR 150m. The acquisition will be financed primarily through new credit facilities. The completion of the acquisition is dependent on approval from the authorities and other customary terms.

Acquisition of Humana's home care business

Attendo entered an agreement to acquire Humana's home care business with operations in some ten locations in Sweden. The operations have sales of approximately SEK 250m and have a marginal impact on Attendo's earnings. The acquisition will be completed as of September 1, 2017.

Other acquisitions during the second quarter

On 1 April, Treklövern i Falköping AB operating one social psychiatry care home was acquired.

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

On 1 May, Mikkelin Palvelukoti Oy operating social psychiatry in Mikkeli, Finland, was acquired.

On 1 June, Stradivarius HVB AB that provides care for young adults in Skellefteå, was acquired.

On 1 June, Lilla Ro-Hemmet AB that operates a care home in Parainen, Finland, was acquired.

On 26 June, Attendo entered an agreement to acquire Nøstret Bo og Omsorgssenter, and Nøstret Kroksund AB that provide social psychiatry care homes in Hole, Norway. The acquisition will be consolidated as of September 1, 2017.

Annual General Meeting

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 payment was made in the second quarter. 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.

Related party transactions

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 5m (4) during the six month period. All related party transactions took place on market terms.

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

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 mainly refer to salaries to Attendo's Executive Management, fees to the Board of Directors, and external consultancy fees.

Net sales for the period were SEK 6m (7), all referring to management services to subsidiaries. Profit after financial items was SEK -14m (-19). At the end of the period, 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 6,215m (6,363).

Seasonal variations 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 July 20, 2017 the Swedish Competition Authority announced that Attendo's acquisition of Humana's Home Care will be approved. The acquisition will be completed as of September 1, 2017.

The Finnish Competition and Consumer Authority announced on July 21, 2017 that the investigation regarding Attendo's acquisition of Mikeva continues after the first phase. Decision is expected during the autumn 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.

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

Outlook

Attendo does not report any forecast.

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.

The Board of Directors and the CEO certify that this half year report gives a fair view of the operation, profit and financial position of the parent company and the group, and that it describes all significant risks and uncertainties related to the parent company and group.

Danderyd, on July 27, 2017

Ulf Lundahl
Chairman of the Board

Mona Boström
Board member

Catarina Fagerholm
Board member

Tobias Lönnevall
Board member

Anssi Soila
Board member

Anitra Steen
Board member

Arja Pohjamäki
Board member
Union representative

Henrik Borelius
CEO and Board member

Consolidated Income Statement

SEKm	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Net sales	2,744	2,525	5,405	4,997	10,212
Other operating income	6	6	9	10	20
Total revenue	2,750	2,531	5,414	5,007	10,232
Personnel costs	-1,759	-1,629	-3,429	-3,260	-6,533
Other external costs	-726	-645	-1,406	-1,262	-2,564
Amortization and depreciation of tangible and intangible assets	-37	-33	-72	-64	-133
Operating profit (EBITA)	228	224	507	421	1,002
<i>Operating margin (EBITA) %</i>	8.3	8.9	9.4	8.4	9.8
Amortization of acquisition related intangible assets	-33	-17	-64	-30	-91
Operating profit (EBIT)	195	207	443	391	911
<i>Operating margin (EBIT), %</i>	7.1	8.2	8.2	7.8	8.9
Net financial items	-16	-21	-33	-42	-83
Profit before tax	179	186	410	349	828
Income tax	-38	-40	-88	-75	-179
Profit for the period	141	146	322	274	649
<i>Profit margin %</i>	5.1	5.8	6.0	5.5	6.4
Profit for the period attributable to the parent company shareholders	141	146	322	274	649
Basic earnings per share, SEK	0.88	0.91	2.02	1.71	4.06
Diluted earnings per share, SEK	0.88	0.91	2.00	1.70	4.05
Average number of shares outstanding, basic, thousands	159,801	160,000	159,800	160,000	159,956
Average number of shares outstanding, diluted, thousands	160,763	161,323	160,668	161,168	160,405

Consolidated Statement of Comprehensive Income

SEKm	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Profit for the period	141	146	322	274	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	-	-3	-	-8	-1
Items that may be reclassified to profit or loss					
Exchange rate differences on translating foreign operations	21	36	16	51	83
Other comprehensive income for the period	21	33	16	43	82
Total comprehensive income for the period	162	179	338	317	731
Total comprehensive income attributable to the Parent company shareholders	162	179	338	317	731

Consolidated Balance Sheet

SEKm	Jun 30, 2017	Jun 30, 2016	Dec 31, 2016
ASSETS			
Non-current assets			
Goodwill	7,008	6,601	6,872
Other intangible assets	554	544	591
Equipment	439	417	438
Other non-current assets	72	101	78
Total non-current assets	8,073	7,663	7,979
Current assets			
Trade receivables	944	832	955
Other current assets	460	500	324
Cash and cash equivalents	653	504	670
	2,057	1,836	1,949
Assets held for Sale	277	-	-
Total current assets	2,334	1,836	1,949
Total assets	10,407	9,499	9,928
EQUITY AND LIABILITIES			
Equity	4,962	4,450	4,825
Non-current liabilities			
Liabilities to credit institutions	3,479	3,216	3,302
Provisions for post-employment benefits	27	44	28
Other provisions	10	10	11
Other non-current liabilities	107	110	112
Total non-current liabilities	3,623	3,380	3,453
Current liabilities			
Liabilities to credit institutions	70	32	62
Trade payables	150	148	186
Other current liabilities	1,582	1,489	1,402
	1,802	1,669	1,650
Liabilities for sale	20	-	-
Total current liabilities	1,822	1,669	1,650
Total equity and liabilities	10,407	9,499	9,928

Consolidated Cash Flow Statement

	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Operational cash flow, SEKm					
Operating profit (EBITA)	228	224	507	421	1,002
Depreciation and amortization of tangible and intangible assets	37	33	72	64	133
Changes in working capital	93	18	53	10	-18
Paid income tax	-35	-74	-97	-102	-140
Other non-cash items	-7	0	-4	-3	-3
Cash flow after changes in working capital	316	201	531	390	974
Investments in tangible and intangible assets	-66	-46	-116	-99	-197
Divestment of tangible and intangible assets	12	2	23	9	28
Operating cash flow	262	157	438	300	805
Interest received/paid	-16	-18	-33	-30	-60
Free cash flow	246	139	405	270	745
Net change in assets and liabilities held for sale	-171	-	-213	-	-
Acquisition of operations	-89	-78	-167	-91	-477
Warrants	-13	-	-13	-	-4
Repurchase of own shares	-	-	-	-	-16
Dividends paid	-195	-86	-195	-86	-86
Repayment of loans	7	-188	-12	-385	-590
New borrowings	175	-	175	-	290
Total cash flow	-40	-213	-20	-292	-138
Cash and cash equivalents at the beginning of the period	689	708	670	782	782
Effect of exchange rate changes on cash	4	9	3	14	26
Cash and cash equivalents at the end of the period	653	504	653	504	670
Cash flow, SEKm	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Cash flow from operations	300	183	498	360	914
Cash flow from investing activities	-314	-122	-473	-181	-646
Cash flow from financing activities	-26	-274	-45	-471	-406
Total cash flow	-40	-213	-20	-292	-138

Consolidated Statement of Changes in Equity

SEKm		Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Opening balance		4,825	4,219	4,219
Total comprehensive income		338	317	731
Transactions with owners				
Warrants		-7	-	-24
Repurchase of own shares		-	-	-16
Share-savings plan		1	-	1
Dividend		-195	-86	-86
Total transactions with owners		-201	-86	-125
Closing balance		4,962	4,450	4,825

Investments

SEKm	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Investments					
Investments in intangible assets	13	7	19	14	27
Investments in tangible assets	53	39	97	85	170
Divestments of tangible and intangible assets	-12	-2	-23	-9	-28
Total net investments	54	44	93	90	169
Intangible assets acquired through business combination					
Goodwill	47	51	111	56	285
Customer relations	15	245	30	259	356
Other	-	-	-	-	9
Total intangible assets acquired through business combination	62	296	141	315	650

For further information regarding acquisitions, see page 13.

Financial assets and liabilities

SEKm	Level	Jun 30, 2017	Jun 30, 2016
ASSETS			
Loans and receivables			
Trade receivables		944	832
Cash and cash equivalents		653	504
Total financial assets		1,597	1,336
LIABILITIES			
Financial liabilities at fair value through profit or loss			
Contingent considerations	3	100	35
Other financial liabilities			
Borrowings/financial leasing		3,549	3,248
Trade payables		150	148
Total financial liabilities		3,799	3,431

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	Jun 30, 2017	Jun 30, 2016	Dec 31, 2016
Assets pledged as collateral	149	218	159
Contingent liabilities	-	-	-

Key Data

		Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Net sales	SEKm	2,744	2,525	5,405	4,997	10,212
Organic growth	%	2.2	3.7	2.8	3.3	1.7
Acquired growth	%	4.3	1.0	3.7	1.0	1.7
Changes in currencies	%	2.2	-0.4	1.7	-0.5	0.5
Operating profit (EBITA)	SEKm	228	224	507	421	1,002
Operating margin (EBITA)	%	8.3	8.9	9.4	8.4	9.8
Profit for the period	SEKm	141	146	322	274	649
Profit margin	%	5.1	5.8	6.0	5.5	6.4
Working capital	SEKm	-328	-305	-328	-305	-309
Return on capital employed	%	11.8	12.1	11.8	12.1	11.4
Net debt to equity ratio	times	0.6	0.6	0.6	0.6	0.6
Equity to asset ratio	%	48	47	48	47	49
Operating cash flow	SEKm	262	157	438	300	805
Net investments	SEKm	-54	-44	-93	-90	-169
Average number of employees		15,204	14,304	15,167	14,183	14,824
Key data per share						
Earnings per share, basic	SEK	0.88	0.91	2.02	1.71	4.06
Earnings per share, diluted	SEK	0.88	0.91	2.00	1.70	4.05
Equity per share, basic	SEK	-	-	31.05	27.81	30.19
Equity per share, diluted	SEK	-	-	30.88	27.61	30.10
Average number of shares outstanding, basic	thousands	159,801	160,000	159,800	160,000	159,956
Average number of shares outstanding, diluted	thousands	160,763	161,323	160,668	161,168	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	197	-	197	-	200
Number of shares outstanding, end of period	thousands	159,803	160,000	159,803	160,000	159,800

Quarterly Data

SEKm	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Total net sales	2,455	2,564	2,472	2,525	2,568	2,647	2,661	2,744
- Net sales, own operations	1,415	1,498	1,511	1,557	1,603	1,656	1,648	1,733
- Net sales, outsourcing	810	805	769	775	777	787	825	824
- Net sales, staffing	230	261	192	193	188	204	188	187

SEKm	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Total net sales	2,455	2,564	2,472	2,525	2,568	2,647	2,661	2,744
- Net sales Sweden	1,282	1,339	1,332	1,369	1,392	1,388	1,376	1,419
- Net sales Finland	1,051	1,088	1,009	1,024	1,038	1,114	1,145	1,183
- Net sales Norway	65	78	77	78	82	86	85	84
- Net sales Denmark	57	59	54	54	56	59	55	58
Operating profit (EBITA)	345	215	197	224	340	241	279	228
Operating margin (EBITA). %	14.1	8.4	8.0	8.9	13.2	9.1	10.5	8.3
Profit for the period	182	-9	128	146	224	151	181	141
Profit margin. %	7.4	-0.4	5.2	5.8	8.7	5.7	6.8	5.1
Earnings per share basic, SEK	1.14	-0.06	0.80	0.91	1.40	0.94	1.13	0.88
Earnings per share diluted, SEK	1.14	-0.06	0.80	0.91	1.39	0.94	1.13	0.88
Average number of employees	15,294	14,285	14,061	14,304	15,781	14,602	15,130	15,204

Parent Company Income Statement

SEKm	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Net sales	3	3	6	7	12
Personnel costs	-6	-4	-13	-10	-21
Other external costs	-5	-11	-6	-15	-26
Operating profit	-8	-12	-13	-18	-35
Finance net	-0	-1	-1	-1	-2
Profit after financial items	-8	-13	-14	-19	-37
Group contributions	0	-	0	-	110
Profit before tax	-8	-13	-14	-19	73
Income tax	0	0	0	0	-16
Profit for the period	-8	-13	-14	-19	57

Parent Company Balance Sheet

SEKm	Jun 30, 2017	Jun 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	5	7	114
Other receivables	3	2	2
Cash and cash equivalents	0	0	0
Total current assets	8	9	116
Total assets	6,502	6,519	6,610
EQUITY AND LIABILITIES			
Equity			
Current liabilities			
Liabilities to group companies	272	140	165
Other liabilities	14	15	21
Total current liabilities	286	155	186
Total equity and liability	6,502	6,519	6,610

Information to shareholders and analysts

Calendar 2017

Interim report January- September

10 November

Telephone conference

A telephone conference will be held today, July 27 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:](#)

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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.

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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.

Interim report January-June 2017

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.