

Q1

Interim report January–March 2020



Attendo AB (publ)

Interim Report, January-March 2020


 Q1

Summary of the first quarter 2020

- Net sales increased by 9 percent to SEK 3,128m (2,878). Adjusted for currency effects, net sales increased by 8 percent.
- Operating profit (EBITA) amounted to SEK 182m (258), corresponding to an operating margin of 5.8 percent (9.0).
- Adjusted EBITA, i.e. EBITA according to the previous IAS 17 accounting standard, was SEK 84m (160), corresponding to an adjusted operating margin of 2.7 percent (5.6). See the income statement on page 21 for more information about the effects of IFRS 16.
- Profit for the period amounted to SEK 3m (66), corresponding to a profit margin of 0.1 percent (2.3).
- Diluted earnings per share were SEK 0.02 (0.41).
- Free cash flow amounted to SEK 226m (-32).
- The total number of beds in operation in Attendo's own care homes was 17,260 (15,923), an increase by 8 percent. Occupancy in own care homes was 80 percent (81).
- The coronavirus pandemic has a serious impact on Attendo's operations and the company makes great efforts to protect customers and employees. The financial effects of the coronavirus situation amounted to approximately SEK 20m for the first quarter and additional costs for the rest of the year are currently estimated to SEK 100m. In addition, impact on sales are expected. See page 7 for further information.

SEKm	Q1 2020	Q1 2019	Change (%)	Jan-Dec 2019
Net sales	3,128	2,878	9	11,935
Operating profit (EBITA)	182	258	-29	812
Operating margin (EBITA), %	5.8	9.0	-	6.8
Adjusted operating profit (EBITA)	84	160	-48	441
Adjusted operating margin (EBITA), %	2.7	5.6	-	3.7
Profit for the period	3	66	-95	81
Earnings per share diluted, SEK	0.02	0.41	-	0.51
Adjusted earnings per share diluted, SEK	0.37	0.64	-	1.71
Free cash flow	226	-32	-	196

As of 2020, Attendo also reports Adjusted earnings per share diluted, for improved comparability. See section Definitions of key ratios and alternative key ratios for a description of the ratios.

President and CEO Martin Tivéus comments on the report

The second half of the first quarter was clearly characterised by the ongoing coronavirus pandemic in all of our markets. A large percentage of our customer group are in the risk groups for Covid-19. Accordingly, the entire organisation has been focused since early March on preventing the effects of the pandemic among customers and employees.

Efforts to combat Covid-19 primarily involve preventing the infection from reaching care home residents and home care customers and providing isolation care to customers with confirmed or suspected infections. As part of the preventive efforts, we were the first private care provider in the Nordic countries to suspend all visiting at care homes and to introduce health screening, including taking temperatures, of staff before each shift.

In mid-March, we decided to purchase a large quantity of personal protective equipment (PPE), aimed at providing PPE to employees providing care in all close physical contact with customers during the acute phase of the pandemic, in severely affected geographies. This ambition exceeds the recommendations of relevant government authorities, but something we are convinced is necessary to increase the level of protection for our frail customers. We have successively brought in more PPE and are now applying this method for customers in risk groups in selected geographies. However, we have always managed to secure sufficient volumes of PPE to apply this in the care of customers with suspected or documented infection in accordance with the recommendations of the authorities.

The staffing situation has at times been strained but under control. During the crisis we have received a large number of spontaneous applications and it is with pleasure that we see tendencies towards an increased interest in the care profession.

The corona situation had a certain financial impact on Attendo during the first quarter but is expected to have a more significant impact during the year and specifically in the second quarter. The costs increase when we buy large quantities of protective equipment to be able to increase the level of protection for the elderly and, in addition, our cost of sick leave increases as a result of our rigorous control of symptoms of illness among employees. Currently, our best estimate is that this means additional costs of approximately SEK 100 million during the rest of the year, of which the majority is expected to hit the second quarter. In addition to higher costs, we saw signs in April for a short-term negative demand effect due to concerns about the corona situation. At this stage, it is difficult to quantify any potential revenue impact for 2020. In the long term, however, we do not see that the corona situation should have any significant impact on either demand or occupancy.

Financial performance in the first quarter

Organic growth increased during the first quarter, driven by higher occupancy and the high rate of openings in Sweden and Finland. Net sales increased by 8 percent during the first quarter to SEK 3,128m adjusted for currency effects. Organic growth rose to 5.9 percent due to more sold beds in Finland and Scandinavia, price effects resulting from renegotiated contracts and index adjustments, as well as the leap day in 2020.



“Compassionate care has perhaps never been more important than now and we must all – within Attendo, society in general and each of us as individuals – support the most vulnerable among us”

EBITA amounted to SEK 182m, a decrease of 29 percent compared with the preceding year. The decrease in profit is explained by higher costs in the Finnish operations and more empty beds due to the continued high rate of openings, while Scandinavia reported a small increase in profit.

Attendo opened 648 new beds in own operations during the quarter and the total number of beds in own operations at the end of the year was 17,260. We have sharply decelerated the rate of expansion in Finland, but the rate of openings will remain high during the second quarter of 2020 due to long lead-times for already ongoing projects.

Stable profits in Attendo Scandinavia

Our Scandinavian operations demonstrated persistently stable development in the first quarter. Net sales in the first quarter increased by about 4 percent, driven by more sold beds in own operations, contractually agreed price increases and acquired operations in home care. Net sales in outsourcing increased slightly, while net sales in individual and family care were stable. Overall, profits for Attendo Scandinavia were on par with profits for the first quarter of 2019.

We opened 255 new beds in Sweden during the first quarter, primarily in care for older people, which reduced profits for the first quarter. We will be increasing the rate of openings in Scandinavia in 2020 compared to 2019. This is creating the conditions for long-term growth and value creation, but is expected to have short-term negative impact on profitability during the start-up phase.

Turnaround programme in Finland showing early effects

Net sales in Attendo Finland increased by about 14 percent in the first quarter compared to the comparison quarter in 2019. The sales increase was driven primarily by more sold beds and positive price effects. Profit was, however, considerably lower than in the first quarter of 2019.

Increased personnel costs due to sharper staffing requirements imposed in 2019, a large number of units in the start-up phase and a persistently high rate of openings are the primary explanations for the decrease in profit compared to the same period in the preceding year. At the same time, renegotiated contracts and index-adjusted contracts going into 2020 had positive effect on profits. For the full year 2020, positive price effects are expected to about 3 percent of net sales and a large share of the price adjustments occurred in the first quarter.

Compassionate care has never been more important

Attendo is well-equipped to provide care to people who need it, under exceedingly difficult circumstances. We have clear procedures for reducing the risk of infection in our units and we are using proven methods to care for infected customers. Our committed employees in care operations are doing their outmost every single day to prevent infection while providing warm and personal care. Although we are seeing signs that the pandemic may be receding, we expect a period in which our customers will need to be isolated, and our job to enable communication with families, create bright spots in day-to-day life and increase the quality of life in its later phase will become even more important. Compassionate care has perhaps never been more important than now and we must all – within Attendo, society in general and each of us as individuals – support the most vulnerable among us.

Martin Tivéus, President and CEO

Group

January–March 2020

Net sales and operating profit

Net sales increased by 8.7 percent to SEK 3,128 (2,878) during the quarter. Adjusted for currency effects, net sales increased by 7.6 percent. Acquired growth accounted for 5.9 percent and organic growth for 1.7 percent. Homes in own operations demonstrated sustained strong growth, driven primarily by homes opened in Finland in 2019 and 2018. Price increases, particularly in Attendo Finland, had positive effect on organic growth. Attendo is working actively to discontinue operations where the prerequisites for quality and profitability are lacking. Since the comparison quarter, Attendo has discontinued several own homes and home care operations, which has constrained organic growth. A calendar effect of the leap day in 2020 had positive impact on growth for the quarter.

The own operations contract model accounted for 84 percent of total consolidated net sales during the quarter and the outsourcing contract model accounted for 16 percent.

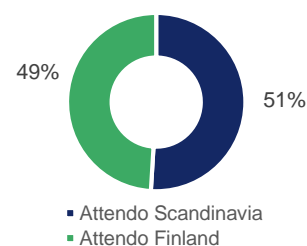
Operating profit (EBITA) amounted to SEK 182m (258) and the operating margin was 5.8 percent (9.0). Profits rose in Attendo Scandinavia, but declined sharply in Attendo Finland. Currency effects had marginal impact on profits.

In relation to the comparison quarter, EBITA in the first quarter was affected negatively by higher costs due to sharper staffing requirements and other related costs that partially impacted the comparison quarter in the Attendo Finland business area. In addition, profits were negatively affected by new own homes opened in 2020 and 2019, where occupancy is initially low. Attendo invests in strengthening the organization and has expanded management and support functions centrally and regionally, which has resulted in increased costs, especially in Attendo Finland. The coronavirus pandemic has reduced profits by an estimated SEK 20 million, primarily due to higher costs. Operating profit was positively affected by higher occupancy in own homes that started in 2018 and 2017 in both business areas, as well as improved profits in home care in Attendo Scandinavia. Calendar effects had a marginally positive effect on profits.

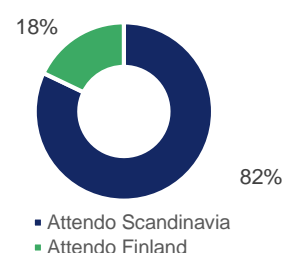
Adjusted EBITA, i.e. EBITA according to the previous accounting standard, was SEK 84m (160). The adjusted operating margin (EBITA) was 2.7 percent (5.6).

The total number of beds in operation in own homes was 17,260 (15,923), an increase by 8 percent. Occupancy in these homes was 80 percent (81). Mature units – those opened in 2017 or earlier, excluding Mikeva units – had an occupancy rate of about 91 percent (89) and showed an adjusted operating margin (EBITA) of 5.9 percent on a rolling 12 months' basis (r12), including and all of Attendo's administrative expenses. The number of beds under construction in own operations decreased to 1,423 across 25 homes.

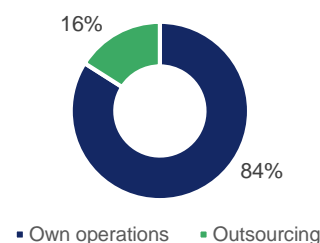
Net sales per business area, Q1 2020



Operating profit (EBITA) per business area, Q1 2020

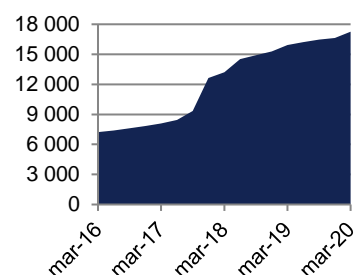


Net sales per contract model, Q1 2020



Number of beds in Own operations

Care for older people, care for people with disabilities and social psychiatry



Financial impact of the Corona situation

Although the future economic effects of the Corona situation are still difficult to estimate and overlook, Attendo estimates that the outbreak of the virus will have a significant financial impact on Attendo during 2020. This is based on increased costs for protective equipment, compensation of sick leave for staff and costs for isolation care. Considering known support measures, it is currently estimated that extra costs will amount to approximately SEK 100 million during 2020, which primarily will affect the second quarter.

Approximately half is related to the purchase of protective equipment and half is personnel-related. The distribution between the Attendo Scandinavia and Attendo Finland business areas is approximately 50/50. Costs related to the Corona situation in the third and fourth quarters are expected to be significantly lower than in the second quarter, while financial support measures in Finland will apply from May 2020.

The cost estimate is based on a scenario where the need for protective equipment decreases during the second half of the year and where the level of sick leave decreases somewhat from the current rate. Given the fundamental uncertainty about how the corona pandemic will develop, there is considerable uncertainty about the cost estimate.

In addition to higher costs, we expect, in the short term, a risk of lower demand for beds in nursing homes and home care as a result of concerns about the corona situation. We have also noted increased mortality in some regions. Combined reduced demand has so far resulted in lower sales of approximately SEK 20m per month (based on data in April).

In the long term, however, we do not believe that the corona pandemic should have any significant impact on either Attendo or the underlying demand for our services.

Net financial items

Net financial items amounted to SEK -146m (-135) for the quarter, including net interest expense of SEK -15m (-17). Interest expense related to the lease liability for real estate in accordance with IFRS 16 amounted to SEK -136m (-108).

Income tax

Income tax for the period amounted to SEK -1 (-21), corresponding to a tax rate of 24.0 percent (24.1).

Profit and earnings per share for the period

Profit for the period amounted to SEK 3m (66), corresponding to basic and diluted earnings per share of SEK 0.02 (0.41).

Business Area:

Attendo Scandinavia

SEKm	Q1 2020	Q1 2019	Jan-Dec 2019
Net sales	1,594	1,537	6,305
Operating profit (EBITA)	165	161	715
Operating margin (EBITA), %	10.4	10.5	11.3
Adjusted EBITA	125	121	555
Adjusted EBITA margin, %	7.8	7.9	8.8

January-March 2020

Net sales in Attendo Scandinavia amounted to SEK 1,594m (1,537), corresponding to growth of 3.7 percent. Adjusted for currency effects, growth was 3.9 percent. New own homes opened in 2019 and 2020 and contractually agreed price increases contributed to growth. The leap day in 2020 had positive impact on growth for the quarter. Discontinued units in home care had negative impact on organic growth.

Operating profit (EBITA) amounted to SEK 165m (161), corresponding to an operating margin of 10.4 percent (10.5). Currency effects had marginal impact on profits.

Operating profit increased due to improved occupancy in own homes opened in 2018 and 2017, higher profits in home care through improved planning and processes and acquisitions and improved profits in outsourcing operations. Calendar effects had a marginally positive effect on profits. Attendo Scandinavia opened several own homes around the end of 2019 and in the current quarter, which had significant impact on profits because occupancy is initially low. The impact on profits due to the coronavirus amounted to SEK -15m. Adjusted EBITA, i.e. EBITA according to the previous accounting standard, was SEK 125m (121), corresponding to an adjusted operating margin of 7.8 percent (7.9).

Four own homes with a total of 255 beds opened during the quarter. The number of beds opened in the last twelve months consequently amounts to 525, a historically high level. Construction of one own home with a total of 110 beds began during the quarter. At the end of the quarter, there were 965 beds under construction. Attendo Scandinavia won an outsourcing contracts during the quarter, which have not yet started, with estimated annual revenues of SEK 29m. Attendo Scandinavia discontinued a couple of home care operations during the quarter where the prerequisites for long term sustainable operations were lacking. The trend for tendered contract volumes in the outsourcing market for care for older people have increased somewhat, while tendered contract volumes in care for people with disabilities remains low.

Key data per quarter

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Attendo Scandinavia					
Number of beds in operation in own homes	3,633	3,604	3,602	3,689	3,940
Number of opened beds in own homes (r12)	327	210	210	330	525
Occupancy in own homes, %	86	85	87	86	83
Number of beds in own homes under construction	908	1,059	1,146	1,110	965
Number of beds in operation in outsourcing	2,622	2,586	2,546	2,557	2,579
Net outsourcing contracts won/lost, SEKm	5	-	45	-44	29
Home care customers	11,454	11,948	12,428	11,889	11,250

Beds refer to nursing homes for older people, homes for people with disabilities and social psychiatry.

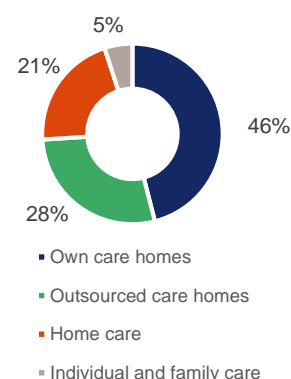
Attendo Scandinavia

51%

of net sales

Operations in Sweden, Norway and Denmark.

Net sales per service offering, Q1 2020



Business Area:

Attendo Finland

SEKm	Q1 2020	Q1 2019	Jan-Dec 2019
Net sales	1,534	1,341	5,630
Operating profit (EBITA)	36	116	163
Operating margin (EBITA), %	2.3	8.6	2.9
Adjusted EBITA	-22	58	-48
Adjusted EBITA margin, %	-1.4	4.3	-0.9

January–March 2020

Net sales in Attendo Finland amounted to SEK 1,534m (1,341) corresponding to growth of 14.4 percent. Adjusted for currency affects, net sales increased by 11.7 percent. The growth is primarily attributable to new own homes that were opened in 2019 and 2020, price increases and acquisitions. The price increases correspond to about 3 percent of total net sales. Since the comparison quarter, Attendo Finland has discontinued several own units, with most residents having been transferred to newly built, modern Attendo homes, although a few units were discontinued entirely. The leap day in 2020 had positive impact on growth for the quarter.

Operating profit (EBITA) amounted to SEK 36m (116) and the operating margin (EBITA) was 2.3 percent (8.6). Currency effects had marginal impact. Due to higher staffing requirements imposed by regulatory authorities, Attendo Finland began to increase staffing midway during the comparison quarter, but staffing was lower than during the current quarter. Profit in relation to the comparison quarter was therefore negatively affected by increased staffing, but also by new own homes, where occupancy is initially low. Attendo's investment in strengthening central and regional management and support functions has resulted in higher costs. Operating profit was positively affected by higher occupancy in homes in own operations that started in 2018 and 2017, as well as price increases. The impact on profits due to the coronavirus amounted to SEK -5m. Adjusted EBITA was SEK -22m (58) and the adjusted EBITA margin was -1.4 percent (4.3).

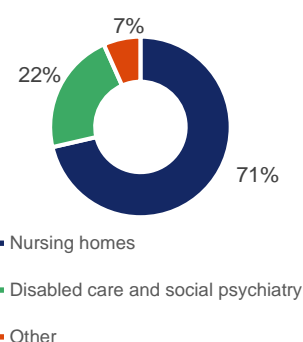
Eleven own homes with a total of 393 beds were opened during the quarter, bringing the number of beds opened in the last twelve months to 1,661. About 100 beds were discontinued during the quarter and the majority of the residents were transferred to other Attendo homes. The number of beds under construction continued to decrease and was 458 at the end of the quarter. Attendo Finland lost one outsourcing contract during the quarter, which has not yet ended, with estimated annual revenues of SEK 60m.

Attendo Finland

49%

of net sales
Operations in Finland

Net sales per service offering,
Q1 2020



During the quarter, Attendo changed the classification of the service offerings in order to streamline and clarify the reporting. This has meant that "Nursing homes" has decreased as a proportion of net sales, while "Other" has increased.

Key data per quarter

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Attendo Finland					
Number of beds in operation in own homes	12,290	12,574	12,868	12,929	13,320
Number of opened beds in own homes (r12)	1,955	1,542	1,657	1,620	1,661
Occupancy in own homes, %	80	78	78	79	80
Number of beds in own homes under construction	1,493	1,276	948	870	458
Number of beds in operation in outsourcing	304	274	262	244	244
Home care customers	620	620	620	596	584

Beds refer to nursing homes for older people, homes for people with disabilities and social psychiatry.

The Finnish government presented a new bill to parliament in February 2020 regarding staffing in care for older people. The bill called for increasing the current staffing ratio from 0.5 to 0.7 care workers per resident. Due to the corona situation, the decision and probably the implementation of the reform will be delayed. Financing of the reform has not been fully established and criticism has come from the municipal sector in Finland as the reform leads to sharply increased costs for the municipalities.

Cash flow

Free cash flow was SEK 226m (-32) in the first quarter, whereof changes in working capital amounted to SEK 199m (-77). The higher cash flow compared to the same quarter in the preceding year is due primarily to higher personnel-related liabilities and a moderate increase in trade payables.

Cash flow from operating activities was SEK 555m (235). Cash used for net investments in non-current assets was SEK -114m (-63) and cash flow from assets and liabilities held for sale amounted to SEK 47m (59). Business acquisitions reduced cash flow by SEK -59m (-153). Cash flow from investing activities thus amounted to SEK -126m (-157). Cash flow from financing activities was SEK -222m (-2,228). Financing activities include loan repayments of SEK -75m (-2,024). Total cash flow amounted to SEK 207m (-2,150).

Financial position

Consolidated equity as of 31 March 2020 amounted to SEK 5,959m (5,905), corresponding to diluted equity per share of SEK 37.04 (36.70). Net debt amounted to SEK 13,162m (10,737). Adjusted net debt, excluding lease liability for real estate, amounted to SEK 2,270m (2,630). Attendo repaid loans during the quarter. See the “Cash flow” section for further information.

SEKm	Q1 2020	Q1 2019	Jan-Dec 2019
Interest-bearing liabilities	13,882	11,435	12,339
Provisions for post-employment benefits	27	61	15
Cash and cash equivalents	-747	-759	-523
Net debt	13,162	10,737	11,831
Lease liability real estate	-10,892	-8,107	-9,471
Adjusted net debt	2,270	2,630	2,360

Interest-bearing liabilities amounted to SEK 13,882m (11,435) on 31 March 2020. Cash and cash equivalents as of 31 March 2020 amounted to SEK 747m (759) and Attendo had SEK 1,650m (1,683) in unutilised credit facilities.

Net debt/EBITDA was 6.9 (5.3). Net debt/Adjusted EBITDA was 3.9 (3.0).

SEKm	Q1 2020	Q1 2019	Jan-Dec 2019
Net debt / EBITDA	6.9	5.3	6.1
Adjusted net debt / adjusted EBITDA	3.9	3.0	3.6

As previously communicated, a new agreement on long-term financing was finalized during the fourth quarter of 2019. The new agreement runs until 2022 with the possibility of extension and means that Attendo has good access to liquidity. The new loan agreements provide greater flexibility regarding financial key ratios (covenants) that Attendo will fulfil. Otherwise, the terms are similar to the previous funding.

Quality and employees

The first quarter was characterised by the coronavirus crisis and Attendo's efforts to protect customers and employees. Attendo suspended all visits to all homes for older people in the Nordic countries early on, three weeks before the national ban ordered by the Swedish government. Aimed at preventing the spread of infection, Attendo also decided to take the temperature of all employees before each shift and to ask critical questions about their state of health.

Suspected or confirmed infections are managed according to "cohort care", which is a proven method. In cohort care, infected customers have dedicated care teams, while other employees provide care to healthy residents/customers.

Access to personal protective equipment (PPE) has been difficult at times, but employees providing care to customers with confirmed or suspected Covid-19 have had PPE at all times during the coronavirus outbreak. Our ambition is for our employees to always wear PPE when providing care in close physical contact with customers in care for older people during the acute phase of the pandemic. This raising of ambition goes further than the recommendations of relevant government authorities in Sweden. The measure is important to further increasing protection of our customers in home care and in our homes for older people. We have gradually received more PPE and are now applying this method for risk groups.

Attendo's strict procedures for preventing infected employees from being at their workplaces is leading to an increase in absence due to illness. This is putting heavy demands on us to find new employees to relieve our care staff. During the quarter, Attendo initiated a partnership with the large hotel chains in Sweden – an industry that has been hit hard by the pandemic. We have identified a match between their employees and Attendo's operations. A recruitment process has commenced in which employees from the hotel sector are hired by us for jobs such as cooking, cleaning and companion services.

Attendo has begun offering testing for employees to determine whether they have already had Covid-19 so that they can safely return to work. Initially, testing covered staff at nursing homes for older people, but has been expanded in stages to cover home care staff as well. This is an additional step towards protecting the older people in our care, as well as assuring staff provision in the future.

For many customers, the ban on visitors to care homes entails a higher degree of social isolation. Attendo is working to find new solutions to facilitate communication between residents and their families, such as video calls. In Finland, Attendo has initiated letter-writing campaigns that have been enthusiastically received by residents and their families. Balcony concerts have been arranged in several places in Sweden and Norway.

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 Quality reports are available at:

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

Significant events in the first quarter

Acquisitions during the first quarter

- The home care operations in south Stockholm previously owned by Sagac i Stockholm AB were acquired through an asset acquisition in March 2020 and taken over on 1 April 2020.
- In February 2020, 52 nursing home beds were acquired in Hartola, Finland.

Other information

Shares outstanding

The total number of shares is 161,386,592. Attendo holds 487,098 treasury shares and the total number of shares outstanding as of 31 March 2020 was thus 160,899,494.

Number of employees

The average number of employees in the first quarter was 17,950 (16,370).

Related-party transactions

Attendo has had transactions with two related parties, which in all material respects consist of Attendo leasing real estate from companies in which these parties are partners. The transactions had a value of SEK 0m (0) during the year. All related-party transactions take place on market terms.

For further details, please refer to page 69 of Attendo's 2019 annual report.

Parent company, Attendo AB (publ)

The business of the parent company is to provide services to the subsidiaries and manage shares in subsidiaries. The company's expenses relate mainly to executive salaries, directors' fees and costs for external consultants.

Net sales for the period were SEK 3m (3), and were entirely related to services rendered to subsidiaries. The loss after net financial items was SEK -8m (-8). At the end of the quarter, cash and cash equivalents amounted to SEK 0m (0), shares in subsidiaries to SEK 6,494m (6,494), and non-restricted equity to SEK 5,985m (6,066).

Seasonal and calendar effects

Attendo's profitability is affected by factors including seasonal variations, weekends and national public holidays. For Attendo, public holidays and weekends have a negative effect on profitability mainly due to wage compensation for unsocial working hours. For example, profitability is affected by Easter in either the first or second quarter, depending on the quarter in which Easter occurs, while the first and fourth quarters are affected by the Christmas and New Year's holidays.

Events after the reporting date

Annual general meeting

Attendo held the annual general meeting on 15 April in Danderyd, Sweden. As proposed by the board of directors, the annual general meeting decided that no dividend would be distributed.

The annual general meeting resolved that the board will be composed of six directors and re-elected directors Ulf Lundahl (chair), Catarina Fagerholm, Alf Göransson, Tobias Lönnevall and Anssi Soila. Anitra Steen had previously given notice that she would not be available for re-election. Suvi-Anne Siimes was elected as a new director.

The annual general meeting also resolved in favour of two long-term incentive plans. A warrant program directed management senior executives and a performance share program directed at key employees.

Divestments

In April 2020, Attendo divested a property worth approximately SEK 220m in southern Sweden. The divestment will have a positive cash flow effect during the second quarter.

Risks and uncertainties

Attendo conducts care and health care operations in the Nordics and is exposed to a number of different risks. Attendo divides risks into external risks, operational risks and financial risks. External risks comprise risks related to the conditions under which private care providers operate, political risk, regulatory risk and reputational risk. Operational risks refer to risks directly linked to Attendos operations, such as occupancy, pricing and access to competent employees. Financial risks are related to factors including access to financing, 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 2019, pages 24-27.

The corona situation is a major challenge for our operations. However, the risks that are primarily raised, such as occupancy at our units and that we have enough employees who have the means to provide care in line with our high quality standards, are the same. We work actively to manage these risks, and especially now under the special conditions that prevail. The financial effects of the corona situation are very difficult to assess at present. Due to the rapid development that characterizes both the spread of the corona virus and the measures that can and need to be taken by both us as well as other stakeholders in society, all kinds of estimates are associated with considerable uncertainty.

Accounting policies

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

This interim report has been prepared according to IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act and should be read together with the annual report for 2019. The most significant accounting policies under IFRS, the reporting norm applied in preparing this interim report, are set forth in Note C1 on pages 49-53 of the annual report for 2019, which were applied to the preparation of this interim report.

Other and eliminations in the segment tables refers to costs for the head office and group eliminations.

The interim information on pages 1-14 is an integrated part of this financial report. The parent company's financial statements are prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation, RFR 2 Accounting for Legal Entities.

The company's auditor has not reviewed the interim report.

Outlook

Attendo does not publish forecasts.

Danderyd, 6 May 2020

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

Martin Tivéus

President and CEO

Financial reports

Consolidated Income Statement

SEKm	Q1 2020	Q1 2019	Jan-Dec 2019
Net sales	3,128	2,878	11,935
Other operating income	7	18	110
Total revenue	3,135	2,896	12,045
Personnel costs	-2,130	-1,924	-8,133
Other external costs	-513	-446	-1,972
Operating profit before amortization and depreciations (EBITDA)	492	526	1,940
Amortization and depreciation of tangible and intangible assets	-310	-268	-1,128
Operating profit after depreciation (EBITA)	182	258	812
<i>Operating margin (EBITA), %</i>	<i>5.8</i>	<i>9.0</i>	<i>6.8</i>
Amortization of acquisition related intangible assets	-32	-36	-140
Operating profit (EBIT)	150	222	672
<i>Operating margin (EBIT), %</i>	<i>4.8</i>	<i>7.7</i>	<i>5.6</i>
Net financial items	-146	-135	-565
Profit before tax	4	87	107
Income tax	-1	-21	-26
Profit for the period	3	66	81
<i>Profit margin, %</i>	<i>0.1</i>	<i>2.3</i>	<i>0.7</i>
Profit for the period attributable to the parent company shareholders	3	66	81
Basic earnings per share, SEK	0.02	0.41	0.51
Diluted earnings per share, SEK	0.02	0.41	0.51
Average number of shares outstanding, basic, thousands	160,893	160,868	160,877
Average number of shares outstanding, diluted, thousands	160,910	160,897	160,899

Consolidated Statement of Comprehensive Income

SEKm	Q1 2020	Q1 2019	Jan-Dec 2019
Profit for the period	3	66	81
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	-11	-12	-3
Items that may be reclassified to profit or loss			
Exchange rate differences on translating foreign operations	136	50	47
Other comprehensive income for the period	125	38	44
Total comprehensive income for the period	128	104	125
Total comprehensive income attributable to the Parent company shareholders	128	104	125

Consolidated Balance Sheet

SEKm	Mar 31, 2020	Mar 31, 2019*	Dec 31, 2019
ASSETS			
Non-current assets			
Goodwill	7,646	7,469	7,446
Other intangible assets	583	640	564
Equipment	1,034	727	874
Right of use assets	10,224	7,720	8,856
Financial assets	369	251	331
Total non-current assets	19,856	16,807	18,071
Current assets			
Trade receivables	1,068	1,095	1,090
Other current assets	404	557	400
Cash and cash equivalents	747	759	523
	2,219	2,411	2,013
Assets held for sale	137	375	186
Total current assets	2,356	2,786	2,199
Total assets	22,212	19,593	20,270
EQUITY AND LIABILITIES			
Equity	5,959	5,905	5,831
Non-current liabilities			
Liabilities to credit institutions	2,957	3,254	2,836
Long-term lease liabilities*	9,975	7,368	8,640
Provisions for post-employment benefits	27	61	15
Other provisions	171	54	142
Other non-current liabilities	152	167	151
Total non-current liabilities	13,282	10,904	11,784
Current liabilities			
Liabilities to credit institutions	3	39	2
Short-term lease liabilities**	947	774	862
Trade payables	309	251	256
Short term provisions	88	198	85
Other current liabilities	1,609	1,511	1,431
	2,956	2,773	2,636
Liabilities held for sale	15	11	19
Total current liabilities	2,971	2,784	2,655
Total equity and liabilities	22,212	19,593	20,270

* Long-term lease liabilities include car leases amounting to SEK 5m (6) and of SEK 12m for the full year 2019.

** Short-term lease liabilities include car leases amounting to SEK 25m (29) and SEK 19m for the full year 2019.

Consolidated Cash Flow Statement

Operational cash flow (alternative performance measure), SEKm	Q1 2020	Q1 2019	Jan-Dec 2019
Operating profit (EBITA)	182	258	812
Depreciation and amortization of tangible and intangible assets	310	268	1,128
Changes in working capital	199	-77	-60
Paid income tax	8	-80	-88
Other non-cash items	7	7	8
Cash flow after changes in working capital	706	376	1,800
Investments in tangible and intangible assets	-118	-68	-345
Divestment of tangible and intangible assets	4	5	104
Operating cash flow	592	313	1,559
Interest received/paid	-15	-33	-100
Interest expense for lease liabilities of real estate	-136	-108	-473
Repayment of lease liabilities	-215	-204	-790
Free cash flow	226	-32	196
Net change in assets and liabilities held for sale	47	59	260
Acquisition of operations	-59	-153	-239
Divestment of subsidiaries	-	-	87
Dividends paid	-	-	-96
Repayment of loans	-75	-2,024	-5,388
New borrowings	68	-	2,789
Total cash flow	207	-2,150	-2,391
Cash and cash equivalents at the beginning of the period	523	2,896	2,896
Effect of exchange rate changes on cash	17	13	18
Cash and cash equivalents at the end of the period	747	759	523

Cash flow according to IFRS, SEKm	Q1 2020	Q1 2019	Jan-Dec 2019
Cash flow from operations	555	235	1,227
Cash flow from investing activities	-126	-157	-133
Cash flow from financing activities	-222	-2,228	-3,485
Total cash flow	207	-2,150	-2,391

Consolidated Statement of Changes in Equity

SEKm	Q1 2020	Q1 2019	Jan-Dec 2019
Opening balance	5,831	5,801	5,801
Total comprehensive income	128	104	125
Transactions with owners			
Vested shares	-	-	2
Share-savings plan	-	-	-1
Dividend	-	-	-96
Total transactions with owners	-	-	-95
Closing balance	5,959	5,905	5,831

Segment in summary

SEKm	Attendo Scandinavia			Attendo Finland			Other and eliminations			Consolidated		
	Q1 2020	Q1 2019	FY 2019	Q1 2020	Q1 2019	FY 2019	Q1 2020	Q1 2019	FY 2019	Q1 2020	Q1 2019	FY 2019
Net sales	1,594	1,537	6,305	1,534	1,341	5,630	-	-	-	3,128	2,878	11,935
Own operations	1,137	1,088	4,497	1,491	1,294	5,460	-	-	-	2,628	2,382	9,957
Outsourcing	457	449	1,808	43	47	170	-	-	-	500	496	1,978
Operating profit (EBITA)	165	161	715	36	116	163	-19	-19	-66	182	258	812
Operating margin (EBITA), %	10.4	10.5	11.3	2.3	8.6	2.9	-	-	-	5.8	9.0	6.8
Adjusted EBITA	125	121	555	-22	58	-48	-19	-19	-66	84	160	441
Adjusted operating margin (EBITA), %	7.8	7.9	8.8	-1.4	4.3	-0.9	-	-	-	2.7	5.6	3.7

Net financial items

SEKm	Q1 2020	Q1 2019	Jan-Dec 2019
Net interest expense (excluding lease liabilities for real estate)	-15	-17	-57
Interest expense, lease liabilities for real estate	-136	-108	-473
Other	5	-10	-35
Net financial items	-146	-135	-565

Investments

SEKm	Q1 2020	Q1 2019	Jan-Dec 2019
Investments			
Investments in intangible assets	4	4	18
Investments in tangible assets	114	64	327
Divestments of tangible and intangible assets	-4	-5	-104
Total net investments	114	63	241
Intangible assets acquired through business combination			
Goodwill	25	87	148
Customer relations	26	29	87
Other	0	0	0
Total intangible assets acquired through business combination	51	116	235

For further information regarding acquisitions, see section Acquisitions.

Financial assets and liabilities

SEKm	Level	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
ASSETS				
Financial assets measured at fair value				
Trade receivables		1,068	1,095	1,090
Cash and cash equivalents		747	759	523
Total financial assets		1,815	1,854	1,613
LIABILITIES				
Financial liabilities at fair value through profit or loss				
Contingent considerations	3	0	29	0
Financial liabilities measured at amortised cost				
Borrowings		2,960	3,293	2,838
Lease liabilities		10,922	8,142	9,502
Trade payables		309	251	256
Total financial liabilities		14,191	11,715	12,596

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 2019, note C24.

Valuation technique

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

Pledged assets and contingent liabilities

SEKm	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
Assets pledged as collateral	72	74	73
Contingent liabilities*	4,714	4,914	5,040

* Leases of assets not yet in use are reported in contingent liabilities. Contingent liabilities also include a potential outflow of resources to complete acquisitions of real estate and operations from a few local authorities in Finland.

Income Statement with IFRS16 impacts

The effects of the implementation of IFRS 16 leases on the income statement are shown below.

SEKm	Q1 2020			Q1 2019			Jan-Dec, 2019		
	Reported	IFRS 16 effect	Excl. IFRS 16-effect*	Reported	IFRS 16 effect	Excl. IFRS 16-effect*	Reported	IFRS 16 effect	Excl. IFRS 16-effect*
Net sales	3,128	-	3,128	2,878	-	2,878	11,935	-	11,935
Other operating income	7	0	7	18	-4	14	110	-21	89
Total revenue	3,135	0	3,135	2,896	-4	2,892	12,045	-21	12,024
Personnel costs	-2,130	-	-2,130	-1,924	-	-1,924	-8,133	-	-8,133
Other external costs	-513	-351	-864	-446	-312	-758	-1 972	-1,263	-3,236
Operating profit before amortization and depreciation (EBITDA)	492	-351	141	526	-316	210	1,940	-1,284	655
Amortization and depreciation of tangible and intangible assets	-310	253	-57	-268	218	-50	-1,128	913	-215
Operating profit (EBITA)	182	-98	84	258	-98	160	812	-371	441
<i>Operating margin (EBITA) %</i>	<i>5.8</i>		<i>2.7</i>	<i>9.0</i>		<i>5.6</i>	<i>6.8</i>		<i>3.7</i>
Amortization of acquisition related intangible assets	-32	-	-32	-36	-	-36	-140	-	-140
Operating profit (EBIT)	150	-98	52	222	-98	124	672	-371	301
<i>Operating margin (EBIT) %</i>	<i>4.8</i>		<i>1.7</i>	<i>7.7</i>		<i>4.3</i>	<i>5.6</i>		<i>2.5</i>
Net financial items	-146	136	-10	-135	108	-27	-565	473	-92
Profit before tax	4	38	42	87	10	97	107	102	209
Income tax	-1	-8	-9	-21	-2	-23	-26	-20	-46
Profit for the period	3	30	33	66	8	74	81	82	163
<i>Profit margin %</i>	<i>0.1</i>		<i>1.1</i>	<i>2.3</i>		<i>2.6</i>	<i>0.7</i>		<i>1.4</i>
Profit for the period attributable to the parent company shareholders	3	30	33	66	8	74	81	82	163

* This column shows adjusted EBITDA and adjusted EBITA.

Key Data

		Q1 2020	Q1 2019	Jan-Dec 2019
Organic growth	%	5.9	1.8	2.1
Acquired growth	%	1.7	5.4	4.8
Changes in currencies	%	1.1	2.5	1.7
Operating margin (EBITA margin) r12	%	6.0	9.0	6.8
Adjusted operating margin (EBITA margin) r12	%	3.0	6.1	3.7
Working capital	SEKm	-534	-308	-283
Return on capital employed	%	3.2	5.0	3.6
Net debt to equity ratio	times	2.2	1.8	2.0
Equity to asset ratio	%	27	30	29
Net debt / EBITDA r12	times	6.9	5.3	6.1
Adjusted net debt / adjusted EBITDA r12	times	3.9	3.0	3.6
Free cash flow	SEKm	226	-32	196
Net investments	SEKm	-114	-63	-241
Average number of employees		17,950	16,370	16,499
Key data per share				
Earnings per share, basic	SEK	0.02	0.41	0.51
Earnings per share, diluted	SEK	0.02	0.41	0.51
Adjusted earnings per share, diluted	SEK	0.37	0.64	1.71
Equity per share, basic	SEK	37.04	36.71	36.24
Equity per share, diluted	SEK	37.04	36.70	36.24
Average number of shares outstanding, basic	thousands	160,893	160,868	160,877
Average number of shares outstanding, diluted	thousands	160,910	160,897	160,899
Number of shares, end of period	thousands	161,387	161,386	161,387
Number of treasury shares, end of period	thousands	487	515	496
Number of shares outstanding, end of period	thousands	160,899	160,871	160,890

Quarterly Data

SEKm	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Total net sales	2,743	2,802	2,818	2,878	2,990	3,013	3,054	3,128
– Net sales, own operations	2,168	2,233	2,302	2,382	2,499	2,521	2,555	2,628
– Net sales, outsourcing	575	569	516	496	491	492	499	500

SEKm	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Total net sales	2,743	2,802	2,818	2,878	2,999	3,013	3,054	3,128
– Net sales Scandinavia	1,611	1,601	1,563	1,537	1,588	1,584	1,596	1,594
– Net sales Finland	1,133	1,201	1,255	1,341	1,402	1,429	1,458	1,534
Operating profit (EBITDA)	441	629	433	526	395	584	45	492
Operating margin (EBITDA margin), %	16.1	22.4	15.4	18.3	13.2	19.4	14.2	15.7
Operating profit (EBITA)	199	375	176	258	121	294	139	182
Operating margin (EBITA margin), %	7.3	13.4	6.3	9.0	4.0	9.8	4.6	5.8
Profit for the period*	21	149	-4	66	-39	94	-40	3
Profit margin, %	0.8	5.3	-0.1	2.3	-1.3	3.1	-1.3	0.1
Earnings per share basic, SEK	0.13	0.93	-0.02	0.41	0.24	0.58	-0.25	0.02
Earnings per share diluted, SEK	0.13	0.93	-0.02	0.41	0.24	0.58	-0.25	0.02
Adjusted operating profit (EBITDA)	179	343	147	210	97	259	90	141
Adjusted operating margin (EBITDA margin), %	6.5	12.2	5.2	7.3	3.2	8.6	2.9	4.5
Adjusted operating profit (EBITA)	128	297	98	160	42	204	35	84
Adjusted operating margin (EBITA margin), %	4.7	10.6	3.5	5.6	1.4	6.8	1.1	2.7
Average number of employees	16,967	17,087	15,789	16,370	16,566	16,984	16,163	17,950
Own operations								
Number of units in operation*	583	584	585	598	599	604	604	610
Number of beds in operation**	14,536	14,889	15,288	15,923	16,216	16,470	16,618	17,260
Number of beds under construction**	2,463	2,519	2,462	2,401	2,335	2,094	1,980	1,423
Number of opened beds (r12)**	2,885	1,486	2,409	2,282	1,752	1,867	1,950	2,186
Occupancy in own homes, %**	79	81	82	81	79	80	80	80

* Refers to all units in Own operations.

** Nursing homes for older people, homes for people with disabilities and social psychiatry.

Parent Company Income Statement

SEKm	Q1 2020	Q1 2019	Jan-dec 2019
Net sales	3	3	13
Personnel costs	-7	-7	-26
Other external costs	-2	-2	-9
Operating profit	-6	-6	-22
Net financial items	-2	-2	-9
Profit after financial items	-8	-8	-31
Group contributions	-	-	48
Profit before tax	-8	-8	17
Income tax	-	-	-4
Profit for the period	-8	-8	13

Profit for the period corresponds to total comprehensive income.

Parent Company Balance Sheet

SEKm	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
ASSETS			
Non-current assets			
Shares in subsidiaries	6,494	6,494	6,494
Total non-current assets	6,494	6,494	6,494
Current assets			
Receivables to group companies	0	4	49
Other receivables	3	9	1
Cash and cash equivalents	0	0	0
Total current assets	3	13	50
Total assets	6,497	6,507	6,544
EQUITY AND LIABILITIES			
Equity	5,986	6,067	5,993
Current liabilities			
Liabilities to group companies	499	428	538
Other liabilities	12	12	13
Total current liabilities	511	440	551
Total equity and liabilities	6,497	6,507	6,544

Information to shareholders and analysts

Calendar 2020

Interim report January-June	23 July 2020
Interim report January-September	23 October 2020
Year-end report	11 February 2021

Telephone conference

A telephone conference will be held on 6 May 2020 at 10.00 (CET) with Attendo's CEO Martin Tivéus and CFO Fredrik Lagercrantz. For participation please dial in on the following number:

SE: +46 8 505 583 65
FI: +358 981 710 523
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[Link to webcast](#)

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This is information that Attendo AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above at 08.00 CET on 6 May 2020.

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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Attendo's operations

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 care provider in Sweden and Finland. Attendo is a locally based company and has more than 700 units in operation in about 300 municipalities. The company has about 25,000 employees. With the vision of empowering the individual, Attendo provides services within care for older people, care for people with disabilities, social psychiatry and care for individuals and families.

Attendo provides services through two business areas, Attendo Scandinavia and Attendo Finland.

Attendo provides care services under two contract models:

- Own operations, where Attendo provides services in own controlled units/premises or provides home care in customer choice models. Attendo has own units within care for older people, people with disabilities, social psychiatry and care for individuals and families.
- 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, care for people with disabilities and care for individuals and families.

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

Own operations

84%

Share of net sales

Outsourcing

16%

Share of net sales

Definitions of key data and alternative performance measures (APM)

Explanations of financial measures

Acquired growth (APM)	The increase in the company's net sales from businesses and operations acquired during the past 12 months.
Adjusted earnings per share (APM)	Profit or loss for the period excluding effects from amortization of acquisition-related intangible assets as well effects from the implementation of IFRS 16, and related tax items divided by the number of outstanding shares after dilution.
Adjusted EBITA (APM)	See the definition of operating profit (EBITA) below. Adjusted operating profit (EBITA) is operating profit according to the previous reporting standard IAS 17, i.e. excluding the effects of the implementation of IFRS 16. Car leases were reported as finance leases under the previous standard. Consequently, it is the effects of leases of real estate under IFRS 16 that differentiate operating profit from adjusted operating profit. See the income statement including effects of IFRS 16 for more information.
Adjusted EBITDA (APM)	See the definition of operating profit (EBITDA) below. Adjusted operating profit (EBITDA) is operating profit according to the previous accounting standard IAS 17, i.e., excluding the effects of the implementation of IFRS 16. Car leases were reported as finance leases under the previous standard. Consequently, it is the effects of leases of real estate under IFRS 16 that differentiate operating profit from adjusted operating profit. See the income statement including effects of IFRS 16 for more information.
Adjusted net debt (APM)	See the definition of net debt below. Adjusted net debt is net debt according to the previous reporting standard IAS 17, i.e., excluding the IFRS 16 effect on lease liabilities attributable to right-of-use assets for real estate. See the table showing net debt calculation for more information.
Adjusted operating margin (EBITA) (APM)	Adjusted operating profit (EBITA) divided by net sales.
Adjusted operating margin (EBITDA) (APM)	Adjusted operating profit (EBITDA) divided by net sales.
Capital employed	Equity plus interest-bearing liabilities and provisions for post-employment benefits.
Cash and cash equivalents	Cash and bank balances, short term investments and derivatives with a positive fair value.
Earnings per share	Profit or loss for the period divided by average shares outstanding.
Equity/assets ratio	Equity divided by total assets.
Equity per share	Equity divided by average shares outstanding.
Free cash flow (APM)	Free cash flow is a measure of the cash and cash equivalents the group generates in operating activities and investing activities. The performance measure is defined as operational cash flow after changes in working capital, cash flow from investments in and divestments of tangible and intangible assets, as well as received/paid interest, interest expense for lease liabilities of real estate and repayment of lease liabilities according to IFRS 16. See the Consolidated cash flow table for reconciliation.
Net debt (APM)	Net debt is a way of describing the group's indebtedness and its ability to repay its debt with cash and cash equivalents if all debts were to be due for payment today. Net debt is defined as interest-bearing liabilities plus provisions for post-employment benefits minus cash and cash equivalents. Net debt is presented both including and excluding lease liabilities attributable to right-of-use assets for real estate. See the section Financial position in this report for a reconciliation of net debt.
Net debt to equity ratio	Net debt divided by equity.

Net investments	The net of investments in and divestments of tangible and intangible assets, excluding acquisitions and divestment of operations as well as investments in and divestments of assets held for sale.
Organic growth (APM)	Attendo reports organic growth as a performance measure to show underlying sales development excluding acquisitions and currency effects. The performance measure is calculated as sales growth excluding acquisitions and changes in exchange rates. See Note C33 in the 2019 annual report for a reconciliation of the performance measure on a full year basis.
Operating margin (EBIT margin)	Operating profit or loss (EBIT) divided by net sales.
Operating margin (EBITA margin)	Operating profit (EBITA) divided by net sales.
Operating profit (EBIT) (APM)	Attendo reports operating profit (EBIT) as a performance measure because it shows the development of operating activities independent of financing. Operating profit (EBIT) refers to profit before financial items and tax. See the Consolidated income statement for a reconciliation of EBIT.
Operating profit (EBITA) (APM)	Operating profit (EBITA) is used as a performance measure because it shows the development of operating activities without the effect of amortisation and impairments of intangible assets from acquired companies and independently of financing. Operating profit (EBITA) refers to profit before amortisation of acquisition-related intangible assets, financial items and tax. See the Consolidated income statement for a reconciliation of EBITA.
Operating profit (EBITDA) (APM)	Attendo reports operating profit (EBITDA) as a performance measure because it shows the development of operating activities independent of financing and investments. Operating profit (EBITDA) refers to profit or loss before depreciation, amortisation and impairments. See the Consolidated income statement for a reconciliation of EBITDA.
Profit (-loss) for the period	Profit or loss for the period attributable to parent company shareholders.
Profit margin	Profit or loss for the period divided by net sales.
r12 “rolling 12 months”	The sum of the period’s past 12 months.
Return on capital employed (APM)	Attendo reports return on capital employed because it shows profits in relation to the capital used in operations. The definition of return on capital employed is operating profit (EBIT) for the past 12 months divided by average capital employed.
Working capital (APM)	Working capital is a key performance measurement for optimising cash generation. The performance measure is defined as current assets excluding cash and cash equivalents and current interest-bearing assets minus current non-interest-bearing liabilities and provisions. Assets and liabilities held for sale are not included in working capital. See Note C33 in the 2019 annual report for a reconciliation of the performance measure on a full year basis.

Explanations of operating measures

CoP	Care for older people.
Mature unit	Unit opened during the calendar year of 2017 or earlier, excluding units from the acquisition of Mikeva.
Occupancy	The number of occupied beds divided by the number of available beds. Occupancy is a weighted average in the last month of each reporting period.