

Q4

Year-end report

January–December 2020



Attendo AB (publ)

Interim Report January–December 2020



Q4

Summary of the fourth quarter 2020

- Net sales amounted to SEK 3,065m (3,054). Adjusted for currency effects, net sales increased by 2 percent. The divestment of the Norwegian operations reduced sales by approximately SEK 100m. Organic growth amounted to 5 percent.
- Operating profit (EBITA)¹ amounted to SEK 193m (139), corresponding to an operating margin of 6.3 percent (4.6). The estimated financial impact of the pandemic during the quarter is SEK +/- 0m.
- Adjusted EBITA¹, i.e. EBITA according to the previous IAS 17 accounting standard, was SEK 87m (35), corresponding to an adjusted operating margin of 2.8 percent (1.1). See the income statement on pages 26-27 for more information about the effects of IFRS 16.
- Profit for the period amounted to SEK 4m (-40). Diluted earnings per share were SEK 0.02 (-0.25). Adjusted diluted earnings per share² were SEK 0.31 (0.04).
- Free cash flow amounted to SEK 132m (141).
- The total number of beds in operation in Attendo's own homes was 17,668 (16,618), an increase by 6 percent. Occupancy in own homes was 80 percent (80).
- Attendo is presenting updated financial targets, where growth and margin targets have been replaced by a target of adjusted earnings per share of SEK 4 or better in 2023, driven by operational improvements and organic growth. Read more on page 17.

Summary of January–December 2020

- Net sales increased by 3 percent to SEK 12,288m (11,935). Adjusted for currency effects, net sales increased by 4 percent. The divestment of the Norwegian operations reduced sales by approximately SEK 200m
- Operating profit (EBITA)¹ amounted to SEK 797m (812), corresponding to an operating margin of 6.5 percent (6.8). The financial impact of the pandemic is estimated to SEK -120m.
- Adjusted EBITA¹, i.e. EBITA according to the previous IAS 17 accounting standard, was SEK 375m (441), corresponding to an adjusted operating margin of 3.1 percent (3.7).
- The loss for the period amounted to SEK -904m (81). Impairment losses were taken in the second quarter on goodwill and right-of-use assets, which reduced profit for the period by SEK -955m. Diluted earnings per share were SEK -5.63 (0.51). Adjusted diluted earnings per share² were SEK 1.43 (1.71).
- Free cash flow amounted to SEK 428m (196).
- The board of directors is proposing no dividend for the 2020 financial year.

Mkr	Q4 2020	Q4 2019	Change (%)	Jan-Dec 2020	Jan-Dec 2019	Change (%)
Net sales	3,065	3,054	0	12,288	11,935	3
Operating profit (EBITA) ¹	193	139	39	797	812	-2
Operating margin (EBITA) ¹ , %	6.3	4.6	-	6.5	6.8	-
Adjusted operating profit (EBITA) ¹	87	35	149	375	441	-15
Adjusted operating margin (EBITA) ¹ , %	2.8	1.1	-	3.1	3.7	-
Profit for the period	4	-40	-	-904	81	-
Earnings per share diluted, SEK	0.02	-0.25	-	-5.63	0.51	-
Adjusted earnings per share diluted ^{1,2} , SEK	0.31	0.04	675	1.43	1.71	-16
Free cash flow	132	141	-	428	196	-

1) Note that unless otherwise stated, EBITA and adjusted EBITA in this report refer to EBITA/adjusted EBITA excluding items affecting comparability. As of the first quarter of 2020, Attendo also reports adjusted diluted earnings per share in order to improve comparability. See also definitions of key data and alternative performance measures on pages 34-35.

2) Profit for the period attributable to the parent company shareholders excluding amortization of acquisition related intangible assets, IFRS 16 and items affecting comparability and related tax effects divided with the average number of shares outstanding, after dilution.

President and CEO Martin Tivéus comments on the report

In a challenging quarter, development remained positive in Finland and was stable in Scandinavia. Attendo presents new financial targets for 2023.

We continued to sell more beds in the fourth quarter and are reporting organic growth of five percent. The action programme in Finland is progressing as planned and we maintained stable development in Sweden despite the strong second wave of the pandemic. During the Christmas holidays, we began vaccinating customers at nursing homes, which is a prerequisite for normalising operations. Vaccination of customers at nursing homes in Sweden, which has been hit the hardest by the pandemic, is largely complete and vaccination of employees is in progress. Over the next few years, we expect to continue regaining profitability, primarily through the action programme in Finland, operational improvements and organic growth. In conjunction with this report, we are presenting new financial targets, including adjusted earnings per share of SEK 4 or better by 2023.

Action programme in Finland progressing as planned

The positive effects of the action programme in Finland continued in the fourth quarter of 2020 as higher occupancy and price effects compensated for the sharper staffing requirements previously imposed. The combination of the planned low rate of opening new units and high sales pace improved the occupancy rate to 82 percent, up 1 percentage point over the preceding quarter. The second wave of the pandemic had limited impact on Attendo Finland. Net sales in Attendo Finland rose by about 9 percent in the fourth quarter compared to the comparison quarter in 2019. In parallel, EBITA rose to SEK 48 million, an improvement of SEK 68 million over the corresponding quarter in 2019.

We renegotiated parts of our framework contracts in Finland during the quarter with regard to 2021, resulting in an average price adjustment of about 10 percent. For Attendo Finland as a whole, this entailed positive price effects amounting to about 3 percent of net sales. However, as a result of underlying cost inflation combined with costs related to the new staffing law, the net effect of the price adjustment on the margin is expected to be limited in 2021.

Stable in Sweden despite the second wave

The second wave of the pandemic has affected Sweden more severely than the other Nordic countries. Notwithstanding, we have kept the infection out of most care homes in Sweden and the number of customers who have deceased of covid-19 has been significantly lower than during the first wave. Demand of nursing home beds have been subdued and the average occupancy is clearly lower in the beginning 2021 versus the first quarter of 2020.

Net sales in Attendo Scandinavia declined by 8 percent as a consequence of the sale of the Norwegian operations, lower occupancy in relation to the comparison quarter due to concerns about the pandemic and discontinued home care operations. EBITA amounted to SEK 155 million, down 10 percent compared to the fourth quarter of 2019. Positive effects from outsourcing and home care operations have been offset by corona-related effects.



The positive effects of the action programme in Finland continued during the fourth quarter and occupancy rose as a consequence of a low rate of openings and high sales pace.

Stable results for the Group overall

In spite of the ongoing pandemic and weak customer inflow in Scandinavia, we delivered stable results overall. Organic growth was 4.8 percent during the quarter, driven primarily by more sold beds in Finland and positive price effects. In a clear improvement over 2019, EBITA for the fourth quarter amounted to SEK 193 million. Profit in Finland recovered due to higher customer inflow and price adjustments, but we are reporting somewhat lower profits in Scandinavia. The pandemic had significant negative financial impact on Attendo in the fourth quarter, but this has been fully offset for the quarter by government compensation for additional costs incurred earlier in the year. For the full year, the pandemic is estimated to have reduced profits by about SEK -120 million, including government compensation.

Moving into 2021, we expect continued effects on sales during the first quarter and we enter 2021 with low occupancy in the Swedish operations. As the vaccination programme progresses, we expect customer inflow to gradually normalise during the year. Extraordinary costs for PPE and other direct costs related to the pandemic are expected to be covered by government support schemes.

Value creation model and new financial targets

Attendo's value creation model is built on three fundamental principles: a scalable platform and common tools, an operational model for the best methods at the local level and a values-driven culture among leaders and employees. We further developed our operational model in 2020 under the name "Attendo Way" to provide support to local operations in their work to ensure high-quality care while encouraging local commitment. As an aspect of Attendo Way, we have launched several digital tools to strengthen internal communication, planning and documentation and dialogue with relatives to our customers. In so doing, we have strengthened the company's capacity to increase customer satisfaction, quality and occupancy.

The next few years will be a period of profit growth linked to the changes in Finland, an improved operational model, organic growth within current and planned capacity and minor acquisitions. The target is adjusted earnings per share of SEK 4 or better by 2023.

Our greatest asset

Satisfied, committed employees are our greatest asset and in 2020, the year of the pandemic, it became more important than ever to show our employees how much we appreciate them and to strengthen our efforts with leadership, values and internal communication. As part of this work, we are putting the spotlight on talented Attendo employees who are making a difference. We celebrated Attendo's Care Hero of the Year in the fourth quarter and launched a magazine in which we highlight the extraordinary efforts of our employees during the pandemic. The result was a marked increase in employee satisfaction and commitment in 2020. The greatest improvement is shown in the employee net promoter score. It is also gratifying to see that we have increased customer satisfaction in all Attendo markets, despite the pandemic.

Finally, I would like to express my sincere thanks to our employees and customers. I am proud of the efforts of all employees during the pandemic to provide good, safe care to our customers and spread joy. As well, I am deeply grateful to our customers and their families for the support they have shown during a challenging time.

Martin Tivéus, President and CEO

Group

October–December 2020

Net sales and operating profit

Net sales increased by 0.4 percent to SEK 3,065m (3,054) during the quarter. Adjusted for currency effects, net sales increased by 2.3 percent. Organic growth accounted for 4.8 percent and the net change due to acquisitions and divestments was -2.5 percent. The latter is mainly attributable to the sale of Attendo's operations in Norway. Own homes demonstrated sustained strong growth due primarily to units opened in Finland in 2020 and 2019. Price increases had positive effect on organic growth, particularly in Attendo Finland, while the pandemic has negatively affected organic growth. Attendo is working actively to close down operations where the conditions for quality and profitability are lacking. Since the comparison quarter, Attendo has closed several own homes and home care operations, which has constrained organic growth. The loss of net sales from ended outsourcing contracts was greater than net sales under new outsourcing contracts.

The own operations contract model accounted for 87 percent of total consolidated net sales during the quarter and the outsourcing contract model accounted for 13 percent.

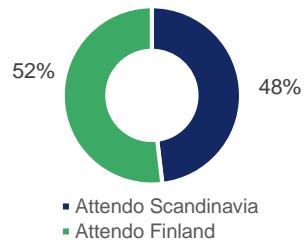
Operating profit (EBITA)¹ amounted to SEK 193m (139) and the operating margin was 6.3 percent (4.6). Profit increased in Attendo Finland, but decreased in Attendo Scandinavia. Currency effects had marginal impact on profits.

Operating profit was positively affected by price effects and higher occupancy in own homes that opened in 2019 and 2018. EBITA was negatively affected by new own homes opened in 2020, as occupancy is initially low in new units. In the fourth quarter, Attendo received around SEK 50m in public compensation related to certain of the higher costs due to the pandemic that have affected Attendo during previous quarters. The net effect on profits due to the pandemic in the isolated quarter therefore is estimated to zero. Attendo has applied for additional compensation for higher costs in 2020 of about SEK 70m (not recognised in P&L).

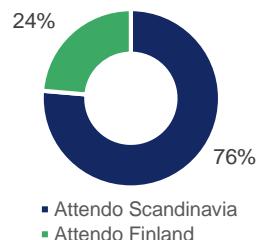
Adjusted EBITA¹, i.e. EBITA according to the earlier IAS 17 accounting standard, was SEK 87m (35). The adjusted operating margin (EBITA) was 2.8 percent (1.1).

The total number of beds in operation in own homes was 17,668 (16,618), an increase by 6 percent. Occupancy in these homes was 80 percent (80). Mature units – those opened in 2017 or earlier, excluding Mikeva units – had an occupancy rate of about 87 percent (90) and showed an adjusted operating margin (EBITA)¹ of 6.0 percent on a rolling 12 months' basis (r12), including all of Attendo's administrative expenses but excluding capital gains. The number of beds under construction in own operations was 1,036 across 16 homes. Attendo opened 31 homes during the year with a total of 1,349 beds, closed 367 beds and began construction on 8 homes with a total of 424 beds.

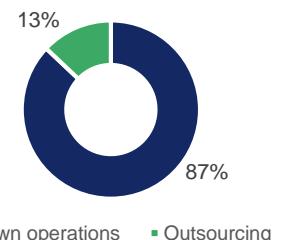
Net sales per business area, Q4 2020



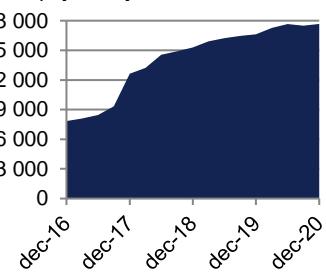
Operating profit (EBITA)* per business area, Q4 2020



Net sales per contract model, Q4 2020



Number of beds in own operations, care for older people, care for people with disabilities and social psychiatry.



¹⁾ Excluding items affecting comparability, i.e., impairments of intangible assets.

Operating profit (EBIT)¹ amounted to SEK 162m (104), corresponding to an operating margin (EBIT) excluding items affecting comparability of 5.3 percent (3.4). The change is explained mainly by the change in operating profit (EBITA), as commented upon above.

Items affecting comparability during the quarter refer to currency effects related to the impairment of goodwill and right-of-use assets in the Finnish operations recognised in the second quarter of 2020.

Operating profit (EBIT) amounted to SEK 168m (104), corresponding to an operating margin (EBIT) of 5.5 percent (3.4).

Financial net

Net financial items amounted to SEK -164m (-156) for the quarter, including net interest expense of SEK -13m (-13). Interest expense related to the lease liability for land and buildings in accordance with IFRS 16 amounted to SEK -141m (-127).

Income tax

Income tax for the period amounted to SEK 0m (+12), corresponding to a tax rate of 0 percent (24.1). The tax rate for the period has been affected by the low result and temporary differences in the result. The effective tax rate for the full year is 20.9%.

Profit and earnings per share for the period

Profit for the period amounted to SEK 4m (-40), corresponding to basic and diluted earnings per share for shareholders in the parent company of SEK 0.02 (-0.25). Adjusted earnings per share after dilution and excluding items affecting comparability were SEK 0.31 (0.04).

January–December 2020

Net sales and operating profit

Net sales for the period increased by 3.0 percent to SEK 12,288m (11,935). Adjusted for currency effects, net sales increased by 3.7 percent. Organic growth accounted for 4.4 percent and acquired growth for -0.7 percent. Own homes demonstrated sustained strong growth, driven primarily by homes opened in Finland in 2019 and 2020. Price increases, particularly in Attendo Finland, and the leap day in 2020 had positive effect on organic growth. The pandemic has negatively affected organic growth. Attendo is working actively to close down operations where the conditions for quality and profitability are lacking. Since the comparison period, Attendo has closed several own homes and home care operations, which has constrained organic growth.

Operating profit (EBITA)¹ amounted to SEK 797m (812) and the operating margin was 6.5 percent (6.8). Profit increased in Attendo Finland, but decreased in Attendo Scandinavia. Currency effects had marginal impact on profits.

In relation to the comparison period, EBITA was affected negatively by higher costs due to increased staffing requirements and other related costs that only partially affected the comparison period in the Attendo Finland business area. In addition, EBITA was negatively affected by new own homes opened in 2020, as occupancy is initially low in new units.

1) Excluding items affecting comparability, i.e., impairments of intangible assets.

Attendo is investing in strengthening the organisation and has expanded central and regional managerial and support functions, which has entailed increased costs in Attendo Finland. The pandemic has reduced profit by an estimated SEK -120m due to the profit impact of the sales loss and cost increases, including public compensation.

Price effects, better financial performance in outsourcing and home care operations and higher occupancy in own homes opened in 2017-2019 had positive impact on operating profit.

Adjusted EBITA¹, i.e. EBITA according to the earlier IAS 17 accounting standard, was SEK 375m (441). The adjusted operating margin (EBITA)¹ was 3.1 percent (3.7).

Operating profit (EBIT)¹ amounted to SEK 673m (672), corresponding to an operating margin (EBIT) excluding items affecting comparability of 5.5 percent (5.6). The change is explained by lower amortisation of acquisition-related intangible assets.

Items affecting comparability refer to the impairment of goodwill and right-of-use assets related to operations in Finland. Impairment losses were taken in the second quarter on goodwill and right-of-use assets, which reduced profit for the period by SEK -955m.

The operating loss (EBIT) amounted to SEK -282m (672), corresponding to an operating margin (EBIT) of -2.3 percent (5.6).

Financial net

Net financial items amounted to SEK -644m (-565) for the period, including net interest expense of SEK -57m (-57). Interest expense related to the lease liability for land and buildings in accordance with IFRS 16 amounted to SEK -559m (-473).

Income tax

Tax expense for the period amounted to SEK +22m (-26), corresponding to a tax rate of 20.9 percent (24.1), adjusted for the impairment of goodwill during the period.

Profit and earnings per share for the period

The loss for the period was SEK -904m (81), corresponding to basic and diluted earnings per share for shareholders in the parent company of SEK -5.63 (0.51). Adjusted earnings per share after dilution and excluding items affecting comparability were SEK 1.43 (1.71).

1) Excluding items affecting comparability

Business area:

Attendo Scandinavia

SEKm	Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	1,475	1,596	6,027	6,305
Operating profit (EBITA)	155	172	658	715
Operating margin (EBITA), %	10.5	10.8	10.9	11.3
Adjusted EBITA	112	125	481	555
Adjusted EBITA margin, %	7.6	7.8	8.0	8.8

October–December 2020

Net sales in Attendo Scandinavia amounted to SEK 1,475m (1,596), corresponding to a change of -7.6 percent. Adjusted for currency effects, the decrease in sales was -7.5 percent. The decline in sales is attributable mainly to the divestment of the operations in Norway (approximately 100m), lower sales as a consequence of the pandemic and discontinued operations within home care. The loss of net sales from ended outsourcing contracts was greater than net sales under new outsourcing contracts. Total occupancy and occupancy in mature units in own operations were lower than in the comparison quarter, but increased compared to the third quarter of 2020.

Operating profit (EBITA) amounted to SEK 155m (172), corresponding to an operating margin (EBITA) of 10.5 percent (10.8). Currency effects had marginal impact on profits.

Underlying operations were stable in comparison with the same quarter in 2019. EBITA was negatively affected by the opening of several own homes in Attendo Scandinavia since the beginning of the year, which significantly reduced profits because initial occupancy is low. This was offset by underlying profit growth in home care and outsourcing operations. During the quarter Attendo Scandinavia received about SEK 30m in public compensation for a part of certain additional costs incurred in earlier quarters. As a result, the net effect of the pandemic on operating profit for the quarter is less negative than in earlier quarters and is estimated to SEK -20m.

Adjusted EBITA, i.e. EBITA according to the earlier IAS 17 accounting standard, was SEK 112m (125), corresponding to an operating margin of 7.6 percent (7.8).

Two nursing homes for older people with a total of 108 beds were opened during the quarter. The number of beds opened in the last twelve months amounts to 548, a historically high level. A high percentage of new units has negative effect on the average occupancy rate. Construction of a 6-bed care home began during the quarter. At the end of the quarter, there were 796 beds under construction. Attendo won two outsourcing contracts in care for older people with estimated annual revenues of SEK 112m and lost two not yet ended contracts with estimated revenues of SEK 28m. Attendo Scandinavia acquired a few home care businesses during the quarter with a total of about 200 customers in the Stockholm area and the region around lake Mälaren in Sweden.

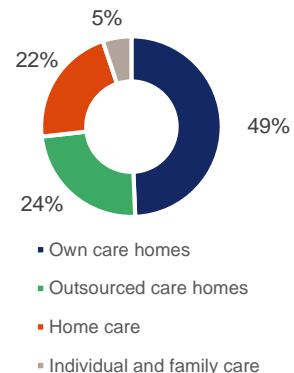
Attendo Scandinavia

48%

of net sales

Operations in Sweden and Denmark.

Net sales per service offering, Q4 2020



49%

24%

22%

5%

- Own care homes
- Outsourced care homes
- Home care
- Individual and family care

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

January–December 2020

Net sales in Attendo Scandinavia amounted to SEK 6,027m (6,305), corresponding to a change of -4.4 percent. Adjusted for currency effects, the change was -4.1 percent. The decline in sales is attributable mainly to lower sales due to the pandemic, divestment of the Norwegian operations and discontinued operations within home care. Total occupancy and occupancy in mature units in own operations decreased during the year due to the pandemic.

Operating profit (EBITA) amounted to SEK 658m (715), corresponding to an operating margin (EBITA) of 10.9 percent (11.3). Currency effects had marginal impact on profits.

Underlying EBITA excluding the effects of the pandemic and capital gains improved due to better financial performance in outsourcing and home care operations through improved planning and processes and discontinued operations in Denmark, as well as improved occupancy in own homes opened in 2018. Attendo Scandinavia has opened several own homes since the beginning of the year, which significantly reduced profits because initial occupancy is low. The estimated profit impact of the pandemic was SEK - 120m related to effect on profits due to the sales loss and cost increases, including public compensation.

Adjusted EBITA, i.e. EBITA according to the earlier IAS 17 accounting standard, was SEK 481m (555), corresponding to an adjusted operating margin of 8.0 percent (8.8).

Key data per quarter

Attendo Scandinavia	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Number of beds in operation in own homes	3,689	3,940	4,121	4,025	4,133
Number of opened beds in own homes (r12)	330	525	626	614	548
Occupancy in own homes, %	86	83	75	74	75
Number of beds in own homes under construction	1,110	965	898	898	796
Number of beds in operation in outsourcing	2,557	2,579	2,508	2,185	2,230
Net outsourcing contracts won/lost, SEKm	-44	29	-10	-61	84
Home care customers	11,889	11,250	10,289	10,110	10,327

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

Business area:

Attendo Finland

SEKm	Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	1,590	1,458	6,261	5,630
Operating profit (EBITA) ¹	48	-20	200	163
Operating margin (EBITA) ¹ , %	3.0	-1.4	3.2	2.9
Adjusted EBITA ¹	-15	-76	-45	-48
Adjusted EBITA margin ¹ , %	-0.9	-5.2	-0.7	-0.9

October–December 2020

Net sales in Attendo Finland amounted to SEK 1,590m (1,458) corresponding to growth of 9.1 percent. Adjusted for currency effects, net sales increased by 13.0 percent. The growth is primarily attributable to new own homes 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 homes and most residents have been moved to newly built and modern Attendo homes, although a few units were discontinued entirely.

Operating profit (EBITA)¹ increased to SEK 48m (-20) and the operating margin (EBITA) increased to 3.0 percent (-1.4). Currency effects had marginal impact.

The profit growth is attributable to higher occupancy in homes opened in 2019 and 2018 and price increases. EBITA was negatively affected by new own homes opened this year, for which occupancy is initially low, and by higher operating costs in local units in relation to the comparison quarter, mainly as a consequence of the new law. Compared to the same quarter in 2019, calendar effects had positive effect on profits. During the quarter, Attendo Finland received public compensation of about SEK 20m for certain additional costs incurred due to the pandemic in earlier quarters, which entailed an estimated effect of the pandemic on profits of SEK +20m for the isolated quarter.

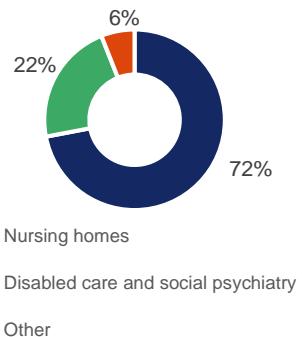
Adjusted EBITA¹ amounted to SEK -15m (-76) and the adjusted EBITA margin was -0.9 percent (-5.2).

Two own homes with a total of 90 beds were opened during the quarter, bringing the number of beds opened in the last twelve months to 801. 20 beds were discontinued during the quarter. At the end of the quarter, there were 240 beds under construction. At the end of the quarter, Attendo Finland had fewer unsold beds than in the comparison quarter. Attendo Finland acquired an individual and family care business during the quarter. Attendo Finland also divested a subsidiary, Attendo Suomen Hoiva ja Asunto Oy, which owns 11 properties and related debt. Attendo continues to run care operations in the premises.

Attendo Finland

52%of net sales
Operations in Finland

Net sales per service offering, Q4 2020



1) Excluding items affecting comparability

Attendo Finland Market - new staffing law

The new law covering staffing in care for older people entered into force on 1 October 2020. The new law regulates how staffing should be calculated and causes a general increase in the staffing ratio from 0.5 care workers per resident to 0.7, to be fully implemented from April 2023. The increases will take effect in the following stages:

- 0.55 as of 1 January 2021
- 0.60 as of 1 January 2022
- 0.70 as of 1 April 2023

The Finnish state is responsible for ensuring that local authorities receive the necessary funding to implement the new law. Private providers must negotiate with each local authority or region, which entails uncertainty about how compensation to private providers will be calculated. Costs related to the new law, such as hiring of new employees, are incurred some time before each of the various phases, meaning that it is likely that compensation will be delayed.

January–December 2020

Net sales in Attendo Finland during the period amounted to SEK 6,261m (5,630) corresponding to growth of 11.2 percent. Adjusted for currency effects, net sales increased by 12.3 percent. The growth is primarily attributable to new own homes opened in 2019 and 2020, price increases and acquisitions. The price increases correspond to about 3 percent of total net sales. Since the comparison period, Attendo Finland has discontinued several units in own operations and most residents have been moved to newly built and modern Attendo homes, although a few units were discontinued entirely. The leap day in 2020 had positive impact on growth.

Operating profit (EBITA)¹ amounted to SEK 200m (163) and the operating margin (EBITA)* was 3.2 percent (2.9). Currency effects had marginal impact. Price effects and higher occupancy in own homes opened in 2017-2019 had positive impact on EBITA. Following the increased staffing requirements imposed by public authorities, Attendo Finland has since the comparison period increased staffing which has entailed significantly higher costs in relation to the comparison period. Profit in relation to the comparison period was therefore negatively affected by increased staffing, but also by new own homes, where occupancy is initially low. Attendo's investments in strengthening central and regional managerial and support functions have entailed increased costs. The estimated net impact on profit of the pandemic during the year is zero, as the profit impact of the sales loss and higher costs has been offset by public compensation.

Adjusted EBITA¹ amounted to SEK -45m (-48) and the adjusted EBITA margin was -0.7 percent (-0.9).

1) Excluding items affecting comparability

Key data per quarter

Attendo Finland	Q4	Q1	Q2	Q3	Q4
	2019	2020	2020	2020	2020
Number of beds in operation in own homes	12,929	13,320	13,529	13,460	13,535
Number of opened beds in own homes (r12)	1,620	1,661	1,416	1,016	801
Occupancy in own homes, %	79	80	79	81	82
Number of beds in own homes under construction	870	458	212	330	240
Number of beds in operation in outsourcing	244	244	244	161	161
Home care customers	596	584	835	677	674

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

Cash flow

October–December 2020

Free cash flow was SEK 132m (141) during the quarter, whereof changes in working capital amounted to SEK 47m (129). The change in working capital is attributable mainly to an increase in employee-related costs and an increase in trade payables during the quarter.

Cash flow from operations was SEK 397m (456). Cash used for net investments in non-current assets was SEK -40m (-109) and cash flow from assets and liabilities held for sale amounted to SEK 0m (-52). Business acquisitions made a positive contribution to cash flow of SEK 6m (-39). Divestment of a subsidiary reduced cash flow during the quarter by SEK -9m (-). Cash flow from investing activities thus amounted to SEK -43m (-200). Cash flow from financing activities was SEK -403m (-468). Loans of SEK -250m (-3,051) were repaid during the quarter and new loans of SEK 72m (2,789) were raised. Total cash flow amounted to SEK -49m (-212).

January–December 2020

Free cash flow during the period was SEK 428m (196), whereof changes in working capital amounted to SEK 246m (-60).

Cash flow from operations was SEK 1,645m (1,227). Cash used for net investments in non-current assets was SEK -319m (-241) and cash flow from assets and liabilities held for sale amounted to SEK 196m (260). Business acquisitions reduced cash flow by SEK -114m (-239). Divestment of subsidiaries reduced cash flow by SEK -22m (87). Cash flow from investing activities thus amounted to SEK -259m (-133). Cash flow from financing activities was SEK -1,172m (-3,485). Financing activities include loan repayments of SEK -475m (-5,388) and new borrowings of SEK 199m (2,789). Total cash flow amounted to SEK 214m (-2,391).

Financial position

Equity attributable to shareholders in the parent company amounted to SEK 4,849m (5,831) as of 31 December 2020, representing diluted equity per share attributable to shareholders in the parent company of SEK 30.13 (36.24). Net debt amounted to SEK 12,268m (11,831). Adjusted net debt, excluding lease liability for land and buildings, amounted to SEK 1,573m (2,360). Loans of SEK 475m were repaid during the year, of which SEK 225m on the revolving credit facility and SEK 250m on long-term loan facilities. Loans in the amount of SEK 297m were also divested in conjunction with the divestment of the wholly owned subsidiary Suomen Hoiva ja Asunto Oy.

SEKm	Dec 31, 2020	Dec 31, 2019
Interest-bearing liabilities	12,976	12,339
Provisions for post-employment benefits	8	15
Cash and cash equivalents	-716	-523
Net debt	12,268	11,831
Lease liability real estate	-10,695	-9,471
Adjusted net debt	1,573	2,360

Interest-bearing liabilities as of 31 December 2020 amounted to SEK 12,976m (12,339). Cash and cash equivalents as of 31 December 2020 amounted to SEK 716m (523) and Attendo had SEK 1,800m (1,575) in unutilised credit facilities.

Net debt/EBITDA¹ was 6.0 (6.1). Net debt/Adjusted EBITDA¹ was 2.6 (3.6).

SEKm	Dec 31, 2020	Dec 31, 2019
Net debt / EBITDA ¹	6.0	6.1
Adjusted net debt / adjusted EBITDA¹	2.6	3.6

1) Excluding items affecting comparability.

Quality and employees

Vaccinations of customers and employees against covid-19 began in all countries during the quarter. The order of priority differs by country. In Sweden, residents of nursing homes have first priority, while in Finland, care workers will be vaccinated before residents. Attendo expects the absolute majority of residents and employees in all markets to have been offered vaccines by no later than the end of February 2021. In several locations in Sweden including Linköping and Stockholm, Attendo's customers were the first people to be vaccinated in those cities. This was covered by the media and instilled a sense hope and happiness in customers, their relatives and employees of Attendo.

The Swedish Coronavirus Commission presented its first partial report in December, which focused on transmission within care for older people. The Coronavirus Commission is an investigatory commission appointed by the Swedish Government. Its remit is to evaluate the management of the ongoing pandemic by authorities, regions, local authorities and the Government. The Commission identifies the general rate of transmission in society as the most important cause of transmission in nursing homes. The Commission furthermore writes that the strategy to protect older people has failed and that decisions on protective measures in care for older people were too little and too late. Attendo has provided the Commission with input information and data on the corona pandemic in Sweden and the other Nordic countries.

Our employees were able to nominate employees who have gone above and beyond during the year to be celebrated as Care Heroes. Nurse Lovelyn Biking in Västerås was named Attendo's Care Hero of the Year after receiving the most votes in Appendix – Attendo's employee app. Attendo's new magazine, Magasinet Omsorg, was launched in conjunction with the announcement. The issue celebrates Lovelyn Biking and all the other employees nominated as Care Heroes. In the magazine, we are able to follow our employees as they go about their days in the workplace and see what they are doing to exceed expectations and create peace of mind among the customers.

The past year has put tremendous pressure on Attendo's employees. Attendo's management has taken initiatives in various ways to show appreciation for the sacrifices that have been and are still being made during the pandemic. Christmas concerts starring famous performers were arranged in Finland and Sweden and live-streamed to an audience of thousands of employees and customers.

Attendo continuously monitors employee satisfaction in all markets. The trend was highly positive in 2020 in Sweden, Finland and Denmark. Likewise, the employee net promoter score – the extent to which they would recommend Attendo as an employer – increased to record levels. It is gratifying to know that Attendo's employees felt pride and faith in Attendo as an employer during the profoundly trying year.

The partnership between Attendo and Samhall intensified during the year. Samhall is a state-owned enterprise whose mission is to create jobs for people with disabilities and thus make room for them in the labour market. We were told during the quarter that Attendo recruited more employees from Samhall in 2020 than any other employer. Attendo is an inclusive workplace and welcomes everyone with a passion for care work and who wants to make a difference. This is a key aspect in the selection of employees, to which Samhall makes a valuable contribution.

Quality work at Attendo

Attendo's quality model rests on three pillars: satisfied customers, systematic improvements (safety and peace of mind) and best available knowledge. Ongoing development and monitoring of the necessary procedures, processes and documentation are essential to the quality of all health and social care. The work is led by local quality coordinators with the support of specialised quality functions. Recurring quality audits are conducted by Attendo, customers and government authorities.

Read more about quality work at Attendo at: www.attendo.com

Significant events in the fourth quarter

Acquisitions and divestments

- Attendo acquired Pienryhmäkoti Ompu Oy, which operates individual and family care homes with a total of 14 beds in Lahti and Hämeenlinna, in Finland.
- A number of home care businesses with a total of about 200 customers in the Stockholm area and region around lake Mälaren in Sweden were also acquired during the quarter.
- The subsidiary Suomen Hoiva ja Asunto Oy was divested during the quarter. The company owns and manages 11 properties in Finland in which Attendo operates. As the properties were financed using specially regulated loans and state subsidies in Finland (ARA), the company is classified as a public benefit enterprise, which entails restrictions on the withdrawal of profits. The company was acquired by a consortium led by Pertti Karjalainen (employee of Attendo and major shareholder). The transaction was executed with principles and valuation established by the ARA authority and the valuation has been determined by independent valuation institute. As part of the sale of the company, bank loans of SEK 297m were divested along with buildings and land at a total book value of SEK 320m. The effect on Attendo's net sales and profits is immaterial. Attendo will continue to operation in the premises.

Other information

Number of shares

The total number of shares is 161,386,592. Attendo holds 473,744 treasury shares and the total number of shares outstanding as of 31 December 2020 was thus 160,912,848.

Number of employees

The average number of employees was 17,523 (16,163) in the fourth quarter and 18,178 (16,499) for the period of January–December.

Transactions with related parties

Transactions with related parties had a value of SEK 0m (0) during the period. 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 13m (13), and were entirely related to services provided to subsidiaries. The loss for the year after net financial items was SEK -34m (-31). 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 6,010m (5,992).

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 falls, while the first and fourth quarters are affected by the Christmas and New Year's holidays.

Significant events after the reporting date

Changes in Attendo's executive management

Ammy Wehlin stepped down as Business Area Director for Attendo Scandinavia at year-end 2020 and was succeeded by Ulrika Eriksson. Ulrika Eriksson was born in 1969 and holds a master's degree in economics from the Stockholm School of Economics. She has served in several executive roles, most recently as CEO of KungSängen Sverige. Eriksson joined the company during the fourth quarter of 2020 to ensure a smooth transition and began as Business Area Director and member of executive management for Attendo AB on 1 January 2021.

Annual general meeting

The annual general meeting of shareholders in Attendo AB will be held 14 April 2021. Further information about the AGM will be published on Attendo's website. The annual report will be available at Attendo's head office and on the website no later than on 24 March 2021.

Dividend 2020

Dividends must be balanced with regard to the business's goals, scope and risk, including investment opportunities, and the company's financial position. In both financial and operational terms, 2020 was a challenging year for Attendo that was characterised by the pandemic. In addition, an impairment loss on goodwill was taken in the Finnish operations. In the light of these circumstances, the board of directors is therefore proposing to the 2021 annual general meeting that no dividend should be distributed for the 2020 financial year.

New financial targets

In connection with Attendo's IPO (initial public offering) in 2015, financial targets were set, linked to growth, margins, dividend policy and debt. Attendo has undergone major changes in recent years and conditions in Finland, Attendo's second-largest market, have changed. As a result of these factors combined with the new IFRS 16 accounting standard, the previous targets need to be revised based on current circumstances.

Profit target

As the company is in a phase of turnaround in which successive profit recovery is expected, Attendo has established a profit target for three years ahead. Attendo expects profit growth linked to the changes in Finland, an improved operational model, organic growth within current and planned capacity and minor acquisitions.

Attendo's ambition is to achieve adjusted earnings per share of SEK 4 or better by 2023, calculated on the basis of the IAS 17 accounting standard (which provides better comparability) and excluding amortisation of acquisition-related intangible assets and items affecting comparability. A calculation of this key figure is provided on page 28.

Dividends

Attendo's target is to distribute 30 percent of the company's adjusted profits as dividends. Like the profit target, this measurement is calculated based on the earlier IAS 17 accounting standard. Dividends must be balanced with regard to the business's goals, scope and risk, including investment opportunities, and the company's financial position.

Capital structure

Attendo's capital structure target is based on financial stability and the opportunity to execute long-term decisions. Attendo has set a target that adjusted net debt in relation to adjusted EBITDA should not exceed 3.75 over the long term (calculated based on IAS 17).

Risks and uncertainties

All business requires companies to take risks in various forms and to various extents. Risk management, defined as the work involved in identifying, managing and monitoring risks, is an important part of Attendo's strategy and its operations. Attendo takes a structured approach to managing risks, based on a framework that covers industry and market risks, operational risks and financial risks. External risks related to the conditions for private companies to operate care businesses, political risks, regulatory risks and reputational risks. Operational risks refer to risks linked directly to Attendo's operations, such as occupancy, pricing and access to skilled employees. Financial risks are related to factors including access to capital, exchange rates, interest rates and liquidity. The risks and how Attendo manages them are described in greater detail in Attendo's annual report (see the "Risks and risk management" section in the 2019 annual report, pages 24-27).

Current risks and risk management in

The corona pandemic had profound impact on Attendo's operations and financial performance in 2020. As a result of the pandemic, known risks such as occupancy in our units and access to qualified employees have become more apparent. Occupancy declined significantly during 2020 in Attendo Scandinavia, mainly due to the ban on visits to nursing homes for older people and concerns about the pandemic. In addition, the entire organisation has been forced to work under very challenging circumstances, with rapid changes of method and direction to protect our customers, many of whom are at high risk of contracting covid-19. From a risk perspective, the past year has thus been characterised by operational risks. Efforts to further develop Attendo also continued during 2020. In that context, the rate of expansion, regulatory conditions and risks and staffing and human capital risks have been assessed in the light of Attendo's overall business objectives.

In Finland, a comprehensive care reform has been implemented, where, among other things, staffing requirements are now being raised in several steps. Increased staffing requirements mean increased costs for all providers. The government is responsible to ensure that the local authorities receive the necessary funding to be able to implement the new law. Private providers must negotiate with each local authority or county, which means uncertainty about how the compensation to private providers will be handled. Costs linked to the new law, such as new recruitment, arise some time before the various steps, which means that compensation can be obtained with a time lag.

Vaccination of customers in nursing homes is ongoing in all markets, which is a prerequisite for the normalization of operations. In Sweden, which has been hardest hit by the pandemic, the vaccination of customers in nursing homes has largely been carried out and vaccination of employees is ongoing.

Lower occupancy is presently the risk that is having the most short-term financial impact on the business. Due to the rapid development that has characterised both the spread of the covid-19 virus and the measures that can and must be taken by Attendo and other social actors, there is significant uncertainty associated with all types of estimates of the operational or financial impact of the pandemic.

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.

As of the second quarter of 2020, Attendo has added “Items affecting comparability” as a line item on the income statement. Items classified as items affecting comparability are those where it is important to observe the effects on profit when profit for the period is compared with earlier periods, such as significant impairment losses and other significant, non-recurrent costs or income. Tax on items affecting comparability and tax items that are specifically classified as items affecting comparability are reported under “Tax” on the consolidated income statement. Items accounted for as items affecting comparability in a period are accounted for consistently in future periods by also reporting any reversals of these items as items affecting comparability. Segment reporting is presented before items affecting comparability, but items affecting comparability are allocated to the segments to which they refer in the notes to the financial statements.

Related to the corona pandemic, Attendo has received government grants to compensate for increased costs for protective gear and increased wage costs as a result of increased sick leave and cohort care. The private support in the form of compensation for additional costs in Sweden can only be obtained by private operators by seeking compensation through municipalities and regions that grant compensation and which in turn receive compensation from the government. In the financial reporting, this is reported in accordance with IAS 20 Accounting for Government Grants and Disclosures of Government Aid and has reduced corresponding costs.

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 year-end report has not been reviewed by the company's auditors. This English report is an unofficial translation. In case of any discrepancy between the English version and the Swedish version, the Swedish text shall prevail.

Outlook

Attendo does not publish forecasts.

Danderyd, February 10, 2021

Martin Tivéus

CEO

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

Financial reports

Consolidated Income Statement

SEKm	Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	3,065	3,054	12,288	11,935
Other operating income	8	20	73	110
Total revenue	3,073	3,074	12,361	12,045
Personnel costs	-2,052	-2,127	-8,285	-8,133
Other external costs	-512	-512	-2,023	-1,972
Operating profit before amortization and depreciations (EBITDA)*	509	435	2,053	1,940
Amortization and depreciation of tangible and intangible assets	-316	-296	-1,256	-1,128
Operating profit after depreciation (EBITA)*	193	139	797	812
<i>Operating margin (EBITA)*, %</i>	<i>6.3</i>	<i>4.6</i>	<i>6.5</i>	<i>6.8</i>
Amortization of acquisition related intangible assets	-31	-35	-124	-140
Operating profit (EBIT), excluding items affecting comparability	162	104	673	672
<i>Operating margin (EBIT), excluding items affecting comparability %</i>	<i>5.3</i>	<i>3.4</i>	<i>5.5</i>	<i>5.6</i>
Items affecting comparability	6	-	-955	-
Operating profit (EBIT)	168	104	-282	672
<i>Operating margin (EBIT), %</i>	<i>5.5</i>	<i>3.4</i>	<i>-2.3</i>	<i>5.6</i>
Net financial items	-164	-156	-644	-565
Profit before tax	4	-52	-926	107
Income tax	0	12	22	-26
Profit for the period	4	-40	-904	81
<i>Profit margin, %</i>	<i>0.1</i>	<i>-1.3</i>	<i>-7.4</i>	<i>0.7</i>
Profit for the period attributable to:				
The parent company shareholders	3	-40	-906	81
Non-controlling interests	1	-	2	-
Basic earnings per share, SEK	0.02	-0.25	-5.63	0.51
Diluted earnings per share, SEK	0.02	-0.25	-5.63	0.51
Average number of shares outstanding, basic, thousands	160,913	160,882	160,904	160,877
Average number of shares outstanding, diluted, thousands	160,924	160,904	160,920	160,899

*Excluding items affecting comparability.

Consolidated Statement of Comprehensive Income

SEKm	Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
Profit for the period	4	-40	-904	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	2	7	-8	-3
Items that may be reclassified to profit or loss				
Exchange rate differences on translating foreign operations attributable to the parent company shareholders	-69	-72	-56	47
Other comprehensive income for the period	-67	-65	-64	44
Total comprehensive income for the period	-63	-105	-968	125
Total comprehensive income attributable to:				
The Parent company shareholders	-64	-105	-970	125
Non-controlling interests	1	-	2	-

Consolidated Balance Sheet

SEKm	Dec 31, 2020	Dec 31, 2019
ASSETS		
Non-current assets		
Goodwill	6,644	7,446
Other intangible assets	493	564
Equipment	562	874
Right of use assets	9,709	8,856
Financial assets	410	331
Total non-current assets	17,818	18,071
Current assets		
Trade receivables	1,039	1,090
Other current assets	481	400
Cash and cash equivalents	716	523
	2,236	2,013
Assets held for sale	18	186
Total current assets	2,254	2,199
Total assets	20,072	20,270
EQUITY AND LIABILITIES		
Equity		
Equity attributable to the Parent company shareholders	4,849	5,831
Non-controlling interests	22	-
Total equity	4,871	5,831
Non-current liabilities		
Liabilities to credit institutions	2,246	2,836
Long-term lease liabilities*	9,811	8,640
Provisions for post-employment benefits	8	15
Other provisions	64	142
Other non-current liabilities	120	151
Total non-current liabilities	12,249	11,784
Current liabilities		
Liabilities to credit institutions	0	2
Short-term lease liabilities**	919	862
Trade payables	358	256
Short-term provisions	117	85
Other current liabilities	1,554	1,431
	2,948	2,636
Liabilities held for sale	4	19
Total current liabilities	2,952	2,655
Total equity and liabilities	20,072	20,270

* Long-term lease liabilities include car leases amounting to SEK 16m (12m).

** Short-term lease liabilities include car leases amounting to SEK 19m (19m).

Consolidated Cash Flow Statement

Operational cash flow (alternative performance measure), SEKm	Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
Operating profit (EBITA)*	193	139	797	812
Depreciation and amortization of tangible and intangible assets	316	296	1,256	1,128
Changes in working capital	47	129	246	-60
Paid income tax	16	44	-37	-88
Other non-cash items	-10	-2	15	8
Cash flow after changes in working capital	562	606	2,277	1,800
Investments in tangible and intangible assets	-50	-113	-345	-345
Divestment of tangible and intangible assets	10	4	26	104
Operating cash flow	522	497	1,958	1,559
Interest received/paid	-24	-23	-73	-100
Interest expense for lease liabilities of real estate	-141	-127	-559	-473
Repayment of lease liabilities	-225	-206	-898	-790
Free cash flow	132	141	428	196
Net change in assets and liabilities held for sale	0	-52	196	260
Acquisition of operations	6	-39	-114	-239
Divestment of subsidiaries	-9	-	-22	87
Warrants	-	-	2	-
Dividends paid	-	-	-	-96
Repayment of loans	-250	-3,051	-475	-5,388
New borrowings	72	2,789	199	2,789
Totalt kassaflöde	-49	-212	214	-2,391
Cash and cash equivalents at the beginning of the period	784	745	523	2,896
Effect of exchange rate changes on cash	-19	-10	-21	18
Cash and cash equivalents at the end of the period	716	523	716	523

Cash flow according to IFRS, SEKm	Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
Cash flow from operations	397	456	1,645	1,227
Cash flow from investing activities	-43	-200	-259	-133
Cash flow from financing activities	-403	-468	-1,172	-3,485
Total cash flow	-49	-212	214	-2,391

*Excluding items affecting comparability.

Consolidated Statement of Changes in Equity

SEKm	Jan-Dec 2020	Jan-dec 2019
Opening balance	5,831	5,801
Total comprehensive income attributable to:		
The Parent company shareholders	-970	125
Non-controlling interests	2	-
Transactions with owners		
Vested shares	1	2
Transactions with non-controlling interest	-14	-
Warrants	2	-
Share-savings plan	-1	-1
Dividend	-	-96
Total transactions with owners	-12	-95
Equity attributable to the Parent company shareholders	4,849	5,831
Non-controlling interests	22	-
Closing balance	4,871	5,831

Segment in summary

SEKm	Attendo Scandinavia		Attendo Finland		Other and eliminations		Consolidated	
	Q4 2020	Q4 2019	Q4 2020	Q4 2019	Q4 2020	Q4 2019	Q4 2020	Q4 2019
Net sales	1,475	1,596	1,590	1,458	-	-	3,065	3,054
Own operations	1,115	1,136	1,553	1,419	-	-	2,668	2,555
Outsourcing	360	460	37	39	-	-	397	499
Operating profit (EBITA)*	155	172	48	-20	-10	-14	193	139
<i>Operating margin (EBITA)*, %</i>	10.5	10.8	3.0	-1.4	-	-	6.3	4.6
Adjusted EBITA*	112	125	-15	-76	-10	-14	87	35
<i>Adjusted operating margin (EBITA)*, %</i>	7.6	7.8	-0.9	-5.2	-	-	2.8	1.1

SEKm	Attendo Scandinavia		Attendo Finland		Other and eliminations		Consolidated	
	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
	2020	2019	2020	2019	2020	2019	2020	2019
Net sales	6,027	6,305	6,261	5,630	-	-	12,288	11,935
Own operations	4,425	4,497	6,102	5,460	-	-	10,527	9,957
Outsourcing	1,602	1,808	159	170	-	-	1,761	1,978
Operating profit (EBITA)*	658	715	200	163	-61	-66	797	812
<i>Operating margin (EBITA)*, %</i>	10.9	11.3	3.2	2.9	-	-	6.5	6.8
Adjusted EBITA*	481	555	-45	-48	-61	-66	375	441
<i>Adjusted operating margin (EBITA)*, %</i>	8.0	8.8	-0.7	-0.9	-	-	3.1	3.7

*Excluding items affecting comparability of SEK -955m.

Net financial items

SEKm	Kv4 2020	Kv4 2019	Jan-dec 2020	Jan-dec 2019
Net interest expense (excluding lease liabilities for real estate)	-13	-13	-57	-57
Interest expense, lease liabilities for real estate	-141	-127	-559	-473
Other	-10	-16	-28	-35
Net financial items	-164	-156	-644	-565

Investments

SEKm	Q4 2020	Q4 2019	Jan-Dec	
			2020	2019
Investments in intangible assets				
Investments in tangible assets	5	6	13	18
Divestments of tangible and intangible assets	46	107	333	327
Total net investments	-11	-4	-27	-104
Investments in intangible assets	40	109	319	241
Intangible assets acquired through business combination				
Goodwill	32	55	129	148
Customer relations	25	56	82	87
Other	0	0	0	0
Total intangible assets acquired through business combination	57	111	211	235

Financial assets and liabilities

SEKm	Level	Dec 31, 2020	Dec 31, 2019
ASSETS			
Financial assets measured at fair value			
Trade receivables		1,039	1,090
Cash and cash equivalents		716	523
Total financial assets		1,755	1,613
LIABILITIES			
Financial liabilities at fair value through profit or loss			
Contingent considerations	3	0	0
Financial liabilities measured at amortised cost			
Borrowings		2,246	2,838
Lease liabilities		10,730	9,502
Trade payables		358	256
Total financial liabilities		13,334	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	Dec 31, 2020	Dec 31, 2019
Assets pledged as collateral	64	73
Contingent liabilities*	4,615	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	Q4, 2020			Q4, 2019		
	Excl. IFRS 16-effect	Exkl. IFRS 16-effekt	Exkl. IFRS 16-effekt**	Excl. IFRS 16-effect	Exkl. IFRS 16-effekt	Exkl. IFRS 16-effekt**
Net sales	3,065		3,065	3,054		3,054
Other operating income	8	-1	7	20	-12	8
Total revenue	3,073	-1	3,072	3,074	-12	3,062
Personnel costs	-2,052		-2,052	-2,127		-2,127
Other external costs	-512	-366	-878	-512	-333	-845
Operating profit before amortization and depreciation (EBITDA)*	509	-367	142	435	-345	90
Amortization and depreciation of tangible and intangible assets	-316	261	-55	-296	241	-55
Operating profit (EBITA)*	193	-106	87	139	-104	35
<i>Operating margin (EBITA)* %</i>	6.3		2.8	4.6		1.1
Amortization of acquisition related intangible assets	-31		-31	-35	-	-35
Operating profit, excluding items affecting comparability (EBIT)	162	-106	56	104	-104	0
<i>Operating margin (EBIT), excluding items affecting comparability %</i>	5.3		1.8	3.4		0.0
Items affecting comparability	6	-1	5	-	-	-
Operating profit (EBIT)	168	-107	61	104	-104	0
<i>Operating margin (EBIT) %</i>	5.5		2.0	3.4		
Net financial items	-164	140	-24	-156	127	-29
Profit before tax	4	33	37	-52	23	-29
Income tax	0	-6	-6	12	-4	8
Profit for the period from continuing operations	4	27	31	-40	19	-21
<i>Profit margin %</i>	0.1		1.0	-1.3		-0.7

* Excluding items affecting comparability.

** This column shows adjusted EBITDA and adjusted EBITA.

SEKm	Jan-Dec, 2020			Jan-Dec, 2019		
	Reported	IFRS 16 effect	Excl. IFRS 16-effect**	Reported	IFRS 16 effect	Excl. IFRS 16-effect**
Net sales	12,288		12,288	11,935		11,935
Other operating income	73	-2	71	110	-21	89
Total revenue	12,361	-2	12,359	12,045	-21	12,024
Personnel costs	-8,285		-8,285	-8,133		-8,133
Other external costs	-2,023	-1 452	-3,475	-1,972	-1,263	-3,236
Operating profit before amortization and depreciation (EBITDA)*	2,053	-1 454	599	1,940	-1,284	655
Amortization and depreciation of tangible and intangible assets	-1,256	1 032	-224	-1,128	913	-215
Operating profit (EBITA)*	797	-422	375	812	-371	441
<i>Operating margin (EBITA)* %</i>	6.5		3.1	6.8		3.7
Amortization of acquisition related intangible assets	-124		-124	-140	-	-140
Operating profit, excluding items affecting comparability (EBIT)	673	-422	251	672	-371	301
<i>Operating margin (EBIT), excluding items affecting comparability %</i>	5.5		2.0	5.6		2.5
Items affecting comparability	-955	134	-821	-	-	-
Operating profit (EBIT)	-282	-288	-570	672	-371	301
<i>Operating margin (EBIT) %</i>	-2.3		-4.6	5.6		2.5
Net financial items	-644	559	-85	-565	473	-92
Profit before tax	-926	271	-655	107	102	209
Income tax	22	-54	-32	-26	-20	-46
Profit for the period	-904	217	-687	81	82	163
<i>Profit margin %</i>	-7.4		-5.6	0.7		1.4

* Excluding items affecting comparability.

** This column shows adjusted EBITDA and adjusted EBITA.

Adjusted earnings and adjusted earnings per share

SEKm	Reported	Acquisitions ¹	IFRS 16 ²	Items affecting comparability ³	Total adjustments	Adjusted earnings
Adjustments 2020						
Net sales	12,288	-	-	-	-	12,288
Operating profit before amortization and depreciation (EBITDA)*	2,053	-	-1,454	-	-1,454	599
Amortization and depreciation of tangible and intangible assets	- 1,256	-	1,032	-	1,032	-224
Operating profit (EBITA)*	797	-	-422	-	-422	375
Amortization of acquisition related intangible assets	-124	124	-	-	124	-
Operating profit, excluding items affecting comparability (EBIT)	673	124	-422	-	-298	375
Items affecting comparability	-955	-	134	821	955	-
Operating profit (EBIT)	-282	124	-288	821	657	375
Net financial items	-644	-	559	-	559	-85
Profit before tax	-926	124	271	821	1,216	290
Income tax	22	-25	-54	-	-79	-57
Profit for the period	-904	99	217	821	1,137	233
Profit for the period attributable to:						
The parent company shareholders	-906	99	217	821	1,137	231
Non-controlling interests	2	-	-	-	-	2
Average number of shares outstanding, diluted, thousands	160,920	160,920	160,920	160,920	160,920	160,920
Earnings per share diluted, SEK	-5.63	0.61	1.35	5.10	7.06	1.43

SEKm	Reported	Acquisitions ¹	IFRS 16 ²	Items affecting comparability ³	Total adjustments	Adjusted earnings
Adjustments 2019						
Net sales	11,935	-	-	-	-	11,935
Operating profit before amortization and depreciation (EBITDA)*	1,940	-	-1,284	-	-1,284	656
Amortization and depreciation of tangible and intangible assets	- 1,128	-	913	-	913	-215
Operating profit (EBITA)*	812	-	-371	-	-371	441
Amortization of acquisition related intangible assets	-140	140	-	-	140	-
Operating profit, excluding items affecting comparability (EBIT)	672	140	-371	-	-232	441
Items affecting comparability	-	-	-	-	-	-
Operating profit (EBIT)	672	140	-371	-	-232	441
Net financial items	-565	-	473	-	473	-92
Profit before tax	107	140	102		242	349
Income tax	-26	-28	-20	-	-48	-74
Profit for the period	81	112	82	-	194	275
Profit for the period attributable to:						
The parent company shareholders	81	112	82	-	194	275
Non-controlling interests	-	-	-	-	-	-
Average number of shares outstanding diluted, thousands	160,899	160,899	160,899	160,899	160,899	160,899
Earnings per share diluted, SEK	0.51	0.69	0.51	0.00	1.20	1.71

* Excluding items affecting comparability.

Profit for the period attributable to the parent company shareholders excluding amortization of acquisition related intangible assets (1), IFRS 16 (2) and items affecting comparability (3) and related tax effects divided with the average number of shares outstanding, after dilution.

Key Data

		Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
Organic growth	%	4.8	3.6	4.4	2.1
Acquired growth	%	-2.5	3.2	-0.7	4.8
Changes in currencies	%	-1.9	1.6	-0.7	1.7
Operating margin (EBITA margin) r12 *	%		-	6.5	6.8
Adjusted operating margin (EBITA margin) r12 *	%		-	3.1	3.7
Working capital**	SEKm		-	-508	-283
Return on capital employed *	%		-	3.7	3.6
Net debt to equity ratio*	times		-	2.5	2.0
Equity to asset ratio	%		-	24	29
Net debt / EBITDA r12 *	times		-	6.0	6.1
Adjusted net debt / adjusted EBITDA r12 *	times		-	2.6	3.6
Free cash flow	SEKm	132	141	428	196
Net investments	SEKm	-40	-109	-319	-241
Average number of employees		17,523	16,163	18,178	16,499
Key data per share					
Earnings per share, basic	SEK	0.02	-0.25	-5.63	0.51
Earnings per share, diluted	SEK	0.02	-0.25	-5.63	0.51
Adjusted earnings per share, diluted	SEK	0.31	0.04	1.43	1.71
Equity per share, basic	SEK	-	36.24	30.14	36.24
Equity per share, diluted	SEK	-	36.24	30.13	36.24
Average number of shares outstanding, basic	thousands	160,913	160,882	160,904	160,877
Average number of shares outstanding, diluted	thousands	160,924	160,904	160,920	160,899
Number of shares, end of period	thousands	161,387	161,387	161,387	161,387
Number of treasury shares, end of period	thousands	474	496	474	496
Number of shares outstanding, end of period	thousands	160,913	160,890	160,913	160,890

* Excluding items affecting comparability

Quarterly Data

SEKm	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Total net sales	2,878	2,990	3,013	3,054	3,128	3,112	2,983	3,065
– Net sales, own operations	2,382	2,499	2,521	2,555	2,628	2,627	2,604	2,668
– Net sales, outsourcing	496	491	492	499	500	485	379	397
SEKm	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Total net sales	2,878	2,990	3,013	3,054	3,128	3,112	2,983	3,065
– Net sales Scandinavia	1,537	1,588	1,584	1,596	1,594	1,548	1,410	1,475
– Net sales Finland	1,341	1,402	1,429	1,458	1,534	1,564	1,573	1,590
Operating profit (EBITDA) *	526	395	584	435	492	471	581	509
<i>Operating margin (EBITDA margin), %</i>								
* 18.3	13.2	19.4	14.2	15.7	15.1	19.5	16.6	
Operating profit (EBITA) *	258	121	294	139	182	153	269	193
<i>Operating margin (EBITA margin), % *</i>	9.0	4.0	9.8	4.6	5.8	4.9	9.0	6.3
Profit for the period	66	-39	94	-40	3	-975	64	4
<i>Profit margin, %</i>	2.3	-1.3	3.1	-1.3	0.1	-31.3	2.1	0.1
Earnings per share basic, SEK	0.41	-0.24	0.58	-0.25	0.02	-6.06	0.40	0.02
Earnings per share diluted, SEK	0.41	-0.24	0.58	-0.25	0.02	-6.06	0.40	0.02
Adjusted operating profit (EBITDA) *	210	97	259	90	141	98	218	142
<i>Adjusted operating margin (EBITDA margin), % *</i>	7.3	3.2	8.6	2.9	4.5	3.1	7.3	4.6
Adjusted operating profit (EBITA) *	160	42	204	35	84	42	162	87
<i>Adjusted operating margin (EBITA margin), % *</i>	5.5	1.4	6.8	1.1	2.7	1.3	5.4	2.8
Average number of employees	16,370	16,566	16,984	16,163	17,950	18,659	18,514	17,523
Own operations								
Number of units in operation**	598	599	604	604	610	619	613	621
Number of beds in operation***	15,923	16,216	16,470	16,618	17,260	17,650	17,485	17,668
Number of beds under construction***	2,401	2,335	2,094	1,980	1,423	1,110	1,228	1,036
Number of opened beds (r12)***	2,282	1,752	1,867	1,950	2,186	2,042	1,630	1,349
Occupancy in own homes, %***	81	79	80	80	80	78	79	80

* Excluding items affecting comparability

** 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	Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	3	3	13	13
Personnel costs	-6	-6	-28	-26
Other external costs	-3	-1	-10	-9
Operating profit	-6	-4	-25	-22
Net financial items	-2	-3	-9	-9
Profit after financial items	-8	-7	-34	-31
Group contributions	54	48	54	48
Profit before tax	46	41	20	17
Income tax	-5	-4	-5	-4
Profit for the period	41	37	15	13

Profit for the period corresponds to total comprehensive income.

Parent Company Balance Sheet

SEKm	Dec 31, 2020	Dec 31, 2019
ASSETS		
Non-current assets		
Shares in subsidiaries	6,494	6,494
Total non-current assets	6,494	6,494
Current assets	54	49
Receivables to group companies	1	1
Other receivables	0	0
Cash and cash equivalents	55	50
Total current assets	6,549	6,544
EQUITY AND LIABILITIES		
Equity	6,011	5,993
Current liabilities		
Liabilities to group companies	525	538
Tax liabilities	0	-
Other liabilities	13	13
Total current liabilities	538	551
Total equity and liabilities	6,549	6,544

Information to shareholders and analysts

Financial Calendar

Annual Report 2020	week 11, 2021
Interim report January–March 2021	6 May 2021
Interim report January–June 2021	22 July 2021
Interim report January–September 2021	26 October 2021

The annual general meeting of shareholders in Attendo AB will be held 14 April 2021. Further information about the AGM will be published on Attendo's website. The annual report will be available at Attendo's head office and on the website no later than on 24 March 2021.

Telephone conference

A telephone conference will be held on 10 February 2021 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 51
FI:	+358 9 817 105 21
UK:	+44 3 333 009 271
US:	+1 8 33249 8403

[Link to webcast](#)

For further information please contact:

Fredrik Lagercrantz
CFO
Tel. +46 8 586 252 00

Andreas Koch
Communications and IR Director
Tel. +46 70 509 77 61

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 10 February 2021.

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.

Attendo AB (publ)
Vendevägen 85B
182 91 Danderyd

Tel +46 8 586 251 00
Fax +46 8 586 250 01
www.attendo.com

Company number:
559026-7885

Attendo's operations

Attendo is the leading private provider of care services in the Nordics. The company has operations in Sweden, Finland 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

87%

Share of net sales

Outsourcing

13%

Share of net sales

Definitions of key data and alternative performance measures (APM)

Explanations of financial measures

Acquired growth (APM)	The net between the increase in the company's net sales from businesses and operations acquired during the past 12 months and loss of net sales from businesses and operations divested during the past 12 months.
Adjusted earnings per share (APM)	Profit or loss for the period attributable to the parent company shareholders excluding effects from amortization of acquisition-related intangible assets as well effects from the implementation of IFRS 16 and items affecting comparability 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 attributable to the parent company shareholders divided by average shares outstanding.
Equity/assets ratio	Equity divided by total assets.
Equity per share	Equity attributable to the parent company shareholders 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.
Items affecting comparability	Items whose effects on profit are important to pay attention to when profit for the period is compared with earlier periods, such as significant impairment losses and other significant, non-recurring costs or income.
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 (EBIT margin) is presented including and excluding items affecting comparability.
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. Operating profit (EBIT) is presented including and excluding items affecting comparability. 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. Operating profit (EBITA) is excluding items affecting comparability. 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. Operating profit (EBITDA) is excluding items affecting comparability. 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 and non-controlling interest.
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) excluding items affecting comparability 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

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.

Attendo AB (publ)
Vendevägen 85B
182 91 Danderyd

Tel +46 8 586 251 00
Fax +46 8 586 250 01
www.attendo.com

Company number:
559026-7885