



Interim report January-March 2020



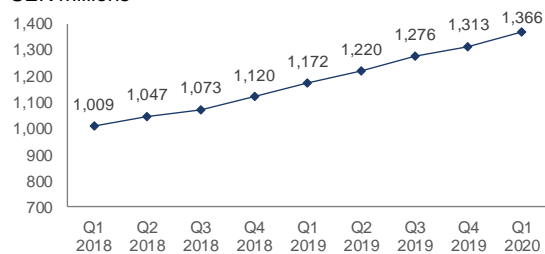
Positive development of results but a challenging time during the corona crisis

- The results are GHP's best quarterly results so far
- Strong organic growth
- All three segments improve their results in the quarter
- GHP adapts to new assignments and changed conditions during the corona crisis

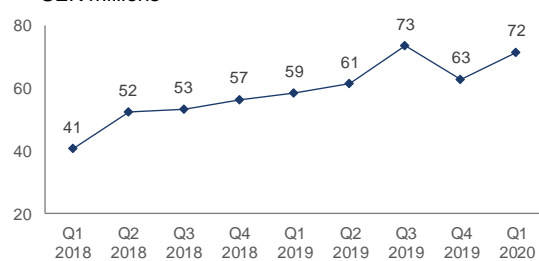
First quarter 2020

- Sales revenues increased to SEK 383.1 million (330.4)
- Organic growth amounted to 12.3 percent (17.4)
- EBITDA increased to SEK 54.2 million (42.2)
- EBITDA margin increased to 14.2 percent (12.8)
- EBIT amounted to SEK 30.0 million (21.4)
- EBIT margin amounted to 7.8 percent (6.5)
- Result after tax amounted to SEK 23.0 million (15.1)
- Result per share amounted to SEK 0.30 (0.18)

Sales revenues, rolling 12 months
SEK millions



EBIT, rolling 12 months
SEK millions



Segment summary				
Sek millions	Sales revenue		Operating result (EBIT)	
	First Quarter		First Quarter	
	2020	2019	2020	2019
Nordic region	324.2	286.4	33.1	29.6
International	29.5	12.8	10.1	2.2
Vårdsamverkan	29.4	31.3	0.1	-0.3
Other	0.0	0.0	-13.3	-10.1
Total	383.1	330.4	30.0	21.4

Items reported as Other are attributable to Parent Company functions. For more information on the Parent Company's results, please refer to page 18.

CEO's comments



The first quarter of 2020 was unique from several perspectives. We have never before gone into a new year better positioned to efficiently deliver high quality health care. This can also be seen in our financial results, where we have high organic growth in the quarter and have our best quarterly results so far. However, what makes the quarter even more unique and challenging is the ongoing spread of the corona virus. As a health care company we are both *impacted* by the situation and we can help to *impact* the situation. One of GHP's key concepts is that we will create societal benefit and over the years this has permeated our way of working, both in the Nordic market and internationally. In these times, however, the importance of being able to contribute to societal benefit becomes clearer than ever.

GHP has a strong base to stand on, with smoothly functioning and efficient clinics, but when conditions change quickly it becomes more difficult to maintain efficiency. This means that we are expecting a considerable negative impact on our financial results in the coming quarters. At the same time, we feel secure in the knowledge that our decentralised way of working means that we can adapt quicker and will help us to return to a normal situation when the most critical corona period is over.

In the **Nordic Region** we continue to grow at the same time as we are improving our results. Most of our clinics noticed a slowing down of their business at the end of the quarter, particularly as we have chosen not to treat risk groups who do not have an immediate health care need. The situation we now find ourselves in means that both public and private actors face new, time-critical challenges, which sometimes means that the necessary conditions are not in place. We therefore have a close dialogue with both existing clients and new clients on this topic.

In the Nordic Region our basic premise is that we can best help by the regions passing on priority care to us that they themselves do not currently have the time for. For example, we have new assignments in the field of urological cancer operations and we have also started up a geriatric ward. These measures release capacity at the emergency hospitals for corona patients at the same time as we can make use of our fixed costs (including personnel costs). We have also hired out key personnel to the Stockholm region to help with ICU care. All in all, we have in many respects been able to maintain a reasonable level of business operations, but the highly fluid situation makes it difficult to be efficient. Furthermore we have furloughed, laid off, reduced salaries and terminated consultants. In Denmark, after a couple of weeks of no surgical activities, we have now obtained permission to open up our activities gain.

In **International** we also started the year with high growth and improved results. A contributory factor here is our management contract in Kuwait which was started last summer. Since then we have worked on

gradually scaling up the hospital. The restrictions that exist in the country due to the coronavirus make it more challenging for us to run these business operations and this may impact earnings, but we look forward to holding the official inauguration ceremony for the hospital as soon as possible.

The hospitals that GHP runs in the UAE are playing an important role in the management of corona in Ajman. The personnel have done a fantastic job preparing the hospitals and taking care of all these new patients. We are delighted to see that this is appreciated by our client and by society in Ajman.

In **Vårdsamverkan** we have for a long time developed digital solutions for patients, customers and care providers. We have been able to make use of these solutions in these times as it may be an advantage to reduce the number of physical appointments, which is a tool for reducing the spreading of the disease. We have therefore taken the opportunity of introducing digital appointments at almost all our clinics.

Even if the year has started well from a financial perspective, what pleases me most when I look back on the first quarter is the drive that exists in all our businesses regarding rapidly adapting to new conditions. Results the two coming quarters will be impacted negatively and there will be challenges in our businesses but we expect that when the crisis has faded we will see very strong demand and be able to revert to good results.

Daniel Öhman, CEO

Nordic Region

Strong start to the quarter leads to the segment's best quarterly results so far.

Most of the clinics have organic growth of over 10% in the quarter.

The coronavirus impacted the inflow of patients at the end of the quarter and GHP supported hospital health care with resources to manage the coronavirus.

International

Increased sales and improved results.

The change in revenue recognition in the UAE that was carried out during 2019 had a positive effect of SEK 6 million on results compared with the first quarter the previous year.

The hospitals in the UAE have adapted their business operations to take care of corona patients.

Development of the hospital in Kuwait has continued during the quarter, but restrictions in the country impact GHP's ability to carry out certain planned activities.

The focus for business development during the quarter has primarily been on potential diabetes business operations in Saudi Arabia.

Vårdsamverkan

Positive results in the period and continued work on improving care chains.

Vårdsamverkan's digital solutions are used to reduce the number of physical appointments.

Financial summary for the first quarter of 2020

Sales revenues

Sales growth amounted to 15.9 percent (18.6) for the first quarter, of which organic growth was 12.3 percent (17.4).

Operating result

The operating result before depreciation and amortisation for the first quarter of 2020 increased to SEK 54.2 million (42.2), corresponding to an EBITDA margin of 14.2 percent (12.6).

The operating result after depreciation and amortisation for the first quarter of 2020 amounted to SEK 30.3 million (21.4), corresponding to an EBIT margin of 7.8 percent (6.5).

Net financial items

Net financial items amounted to SEK -1.8 million (-1.6) for the first quarter of 2020.

Income tax

The tax expense amounted to SEK -5.1 million (-4.7) for the first quarter.

Result for the period

The result after tax for the first quarter of 2020 amounted to SEK 23.0 million (15.1), of which SEK 20.7 million (12.3) was attributable to Parent Company shareholders

Reflections on the corona outbreak

At this point in time it is difficult to predict both the extent and the duration of the spread of the coronavirus and what effects this will have on society and on GHP. GHP's business consists of delivering hospital services. In the assessment of company management, the need for hospital services will not decrease as a result of the coronavirus but it may decrease in the short-term, however.

During the period when the coronavirus has a significant impact on society, the activity in GHP's clinics may both increase and decrease. The unpredictability that arises in connection with the coronavirus leads to rapid swings in volumes, which means that it becomes more difficult to maintain efficiency at the clinics. GHP is actively working on reducing any negative financial effects at the clinics by adapting the clinics' cost base in those cases where business activities decrease. This is done, amongst other things, by hiring out personnel to publicly run hospital health care.

The coronavirus is not assessed to have impacted the long-term value of GHP's assets. Most of GHP's customers are public organisations and large insurance companies, which means that the risk of future credit losses is assessed to be low. In GHP's assessment there is no impairment requirement for the Group's assets as a result of the coronavirus.

Current and non-current interest-bearing liabilities

At 31 March 2020 the company had utilised credit of SEK 301.2 million (255.2). Of this figure, SEK 63.0 million (63.1) is current liabilities and SEK 240.2 million (192.1) non-current liabilities.

Cash flow and financial position

There was a positive cash flow of SEK 44.3 million (3.0) for the first quarter of 2020.

The cash flow from operating activities included changes in working capital of SEK -0.1 million (-1.8) for the first quarter of 2020.

The cash flow during the first quarter was affected, amongst other things, by investments in hospital equipment of SEK 2.8 million, clinic premises of SEK 1.0 million, computers of SEK 0.4 million, office equipment of SEK 0.5 million and other investments of SEK 0.2 million.

The Group's cash and cash equivalents amounted to SEK 69.8 million (35.0) at 31 March 2020. In addition, the Group has been granted credit of SEK 70.0 million by a bank but this credit is as yet unutilised.

Net loan debt amounted to SEK 231.4 million (220.2) at 31 March 2020. All covenants were met during the period.

Parent Company

The Parent Company's costs increased in the period compared with the same period the previous year. Most of the increase in costs is attributable to recruitment costs and advisory costs related to the coronavirus.

Personnel

The average number of employees for the first quarter of 2020 amounted to 700 (611).

Consolidated sales revenues and results			
Sek millions	First quarter		Full year
	2020	2019	2019
Sales revenues	383.1	330.4	1,313.3
Growth, %	15.9	18.6	17.2
whereof organic, %	12.3	17.4	14.3
whereof acquired/divested, %	3.2	0.0	1.8
Operating result before depreciation and amortisation (EBITDA)	54.2	42.2	150.4
Operating result (EBIT)	30.0	21.4	63.0

Consolidated cashflow			
Sek millions	First quarter		Full year
	2020	2019	2019
Cash flow from operating activities	54.8	20.1	122.6
Cash flow from investing activities	-4.9	-10.5	-59.5
Cash flow from financing activities	-6.5	-7.7	-70.8
Exchange rate differences in cash and cash equivalents	1.0	1.1	1.3
Cash flow	44.3	3.0	-6.5

Segment summary

Nordic Region

In the Nordic Region GHP runs 22 specialty care clinics in the fields of orthopaedics, spine surgery/spine care, obesity surgery and diabetes care, gastroenterology, urology, general surgery, arrhythmia, sports medicine, neurology, skin and specialist dentistry. The businesses focus on quality, continuity, development and efficiency and it is our conviction that this stems from a high degree of specialisation. The clinics' customers consist of County Councils/Regions, insurance companies and to a certain extent private individuals. In the Nordic Region GHP has one clinic in Denmark and the other businesses are in Sweden.

The majority of the Nordic clinics had a high level of activity in January and February. During the second half of March some of the clinics experienced a downturn in the number of patients as a result of the coronavirus. All the clinics began preparatory work in March so as to be able to support society in the best way possible and to limit any negative effects from the coronavirus. Growth in the quarter was 12.6%, of which organic growth amounted to 9% in the quarter. 12 of the segment's 22 clinics had growth of more than 10 percent in the quarter.

The result for the quarter is the segment's best quarter so far. The operating margin amounted to 10.2%. The year started at full speed in most of the clinics, which was reflected in the development of the results. Most of the Nordic clinics improved their results in the period despite the fact that the coronavirus had a negative effect on the end of the quarter. The business in Denmark substantially reduced surgical activities in March as a result of the coronavirus, which had a negative effect on the results for the quarter.

During the corresponding period the previous year, new agreements in the field of general surgery were started in Stockholm, and this weighed on the results at the time. The business has now been adapted to these agreements, which entailed an improvement in results in the first quarter.

Sales revenues

First quarter 2020

SEK 324.2 million
(286.4)

Operating result

First quarter 2020

SEK 33.1 million
(29.6)

Operating margin

First quarter 2020

10.2 %
(10.3)

Seasonal variation

GHP's business is affected by seasonal variations, in particular round about the summer holiday. As most of the Group's clinics do not carry out any surgical procedures at all during a few summer weeks, sales, the operating result and cash flow are affected negatively during the third quarter. The clinics are closed during this period due to the fact that it is

inefficient to run a clinic at half capacity as certain economies of scale are lost. It is also the case that the demand for operations is considerably lower during the holidays as many people do not want to have recently undergone surgery during the holiday.

International

The International segment conducts business in the United Arab Emirates (UAE) and in Kuwait.

GHP has conducted diabetes care at a clinic in the UAE for a number of years but during 2016 GHP expanded its business operations after having won a procurement process at the end of 2015. The procurement process comprised a management contract for the diabetes clinic, two accident and emergency hospitals and a paediatric and obstetric hospital. The hospitals' assets and employees remain under hospital management and GHP's company in the UAE only employs the hospitals' Group management. Through this Group management, GHP will run the hospitals with the aim of improving both their quality and efficiency.

On 17 June 2019 GHP signed an agreement with Kuwait Medical Center Holding Company (KMCH) whereby GHP is the operator of Kuwait Hospital in Kuwait City. The agreement runs for five years as from 1 July 2019 and can be extended. The agreement means that GHP is taking yet another step towards becoming a leading hospital operator in the Middle East.

During the second quarter of 2019 GHP made a change in how revenues from the management contract in the UAE should be managed over a one-year cycle. The

change means that revenues from the management contract are divided more evenly over the year and reflect the point in time when GHP carries out the services. The change does not impact revenues or results on a full-year basis but the fourth quarter contains a smaller percentage of revenues and results for the year compared with previous years. The impact of this change on revenues and results for the first quarter of 2020 is SEK +6 million compared with the corresponding period the previous year. For the second quarter of 2020 this change will impact results by SEK -6 million compared with the corresponding quarter the year before.

During the quarter, the hospitals in the UAE worked on adapting the business so as to be able to handle corona patients. This has required much effort on the part of the personnel there, and this has been appreciated by GHP's client and by society in Ajman.

During the beginning of the first quarter, work continued on developing the hospital in Kuwait. In connection with the corona situation at the end of the quarter restrictions were introduced in the country which impact our work and delay the start-up.

GHP's work on business development in the region is ongoing. However, some of these processes are impacted by the travel restrictions as a result of the corona situation.

Sales revenues

First quarter 2020

SEK 29.5 million
(12.8)

Operating result

First quarter 2020

SEK 10.1 million
(2.2)

Operating margin

First quarter 2020

34.2 %
(16.9)

Vårdsamverkan

The Vårdsamverkan segment is a unique health care concept that focuses on finding new ways of collaborating with our customers, primarily the insurance companies. Vårdsamverkan means that we have left remuneration per measure taken in favour of remuneration based on population responsibility, with a sliding scale based on quality outcomes. This means that GHP is able to optimise entire care chains, for example by working with really well-informed patients and new technical solutions.

Since 2015 GHP has been in collaboration with Skandia, and there we have population responsibility for everyone insured by them in Stockholm with regard to shoulder, hip and back problems. Furthermore, the planning of care has been run for Trygg-Hansa since the summer of 2017.

In April 2018 GHP and Trygg-Hansa entered into collaboration whereby GHP Vårdsamverkan is responsible for ensuring that all of Trygg-Hansa's patients with orthopaedic or spine-related problems receive effective care of the highest quality, from the first symptom until their treatment is complete.

During the first quarter a number of projects were run in order to improve the care chains in the health care that Vårdsamverkan is responsible for. Through data analysis, our collective medical expertise in the Group and using digital algorithmic control, we have been able to identify and initiate promising efficiency projects in several parts of the care chain. We began to see the effect of these projects during the quarter. We also conducted work during the quarter to develop the whole Group's digital offering for patients and customers. During the quarter, together with our Nordic businesses, we enabled digital patient communication in large parts of the Group. In connection with corona and the ensuing increased need for digital communication, this work

enabled us to rapidly strengthen our offering to patients and customers.

Vårdsamverkan is an independent business of its own that innovates and optimises health care for insurance companies by developing existing care chains, with greater focus on preventive and digital tools. At the same time we follow up, evaluate and challenge health care providers both outside and within our own Group so as to secure the best outcomes. This means that the purchase of care from both GHP's own clinics and from external clinics is seen as costs for Vårdsamverkan. What is seen as the operating result in Vårdsamverkan is the difference between what payment we manage to obtain from the insurance companies to run health care and the costs for purchasing and developing this care. The positive effect on results for GHP from the actual providing of care for Vårdsamverkan patients arises in the Nordic Region segment. A large part of Vårdsamverkan's revenues in the quarter were used to purchase health care from clinics in GHP's Nordic Region segment.

Revenues for the quarter decreased marginally compared with the corresponding period the previous year. The change is primarily due to a decrease in purchased care and to a minor one-time effect on revenues in the comparative period. The results for the quarter improved compared with the same period the previous year, which is largely due to the continuous work of controlling and analysing what care is purchased and a minor indexation effect. Several development projects are ongoing in the segment which are charged against the results but it is assessed that these will be able to have a positive impact over time. As from this quarter GHP Medicinskt Centrum is no longer reported under Vårdsamverkan but under the Nordic Region.

Sales revenues

First quarter 2020

SEK 29.4 million
(31.3)

Operating result

First quarter 2020

SEK 0.1 million
(-0.3)

Operating margin

First quarter 2020

0.3 %
(-1.0)

Segment summary

Sales revenues

Sek millions	First Quarter		Change %	Year
	2020	2019		2019
Nordic region	341.9	299.9	14.0	1,162.5
<i>whereof Sweden</i>	277.8	244.3	13.7	929.2
Eliminations	-17.7	-13.5		-65.4
Nordic region	324.2	286.4	13.2	1,097.1
International	29.5	12.8	131.2	94.3
Vårdsamverkan	29.4	31.3	-6.0	121.9
Other	0.0	0.0	N/A	0.0
Group sales revenues	383.1	330.4	15.9	1,313.3

Operating result

Sek millions	First Quarter		Year
	2020	2019	2019
Nordic region	33.1	29.6	81.2
International	10.1	2.2	27.2
Vårdsamverkan	0.1	-0.3	-2.0
Other	-13.3	-10.1	-43.5
GHP Group operating result	30.0	21.4	63.0
Net financial items	-1.8	-1.6	-5.7
Result before tax	28.2	19.8	57.2

Operating margin

%	First Quarter		Year
	2020	2019	2019
Nordic region	10.2	10.3	7.4
International	34.2	16.9	28.9
Vårdsamverkan	0.3	-1.0	-1.6
Other	N/A	N/A	N/A
Group operating margin	7.8	6.5	4.8

Items reported as Other are attributable to Parent Company functions. For more information on the Parent Company's results, please refer to page 18.

Consolidated income statement and statement of comprehensive income

Consolidated Income Statement				
Sek millions	Note	First quarter		Full year
		2020	2019	2019
Sales revenues	5	383.1	330.4	1,313.3
Other operating revenues		2.5	1.6	6.2
Operating revenues		385.5	332.0	1,319.5
Purchase of goods and services		-71.6	-69.1	-250.6
Other external costs		-67.4	-61.4	-256.1
Personnel costs		-192.3	-159.3	-662.3
Depreciation, amortisation and write-downs		-24.3	-20.8	-87.5
Operating costs		-355.6	-310.6	-1,256.5
Operating result		30.0	21.4	63.0
Interest income		0.0	-0.1	1.1
Interest expenses and similar items		-1.7	-1.4	-6.6
Other financial income/expenses		0.0	0.0	-0.3
Net financial items		-1.8	-1.6	-5.7
Result before tax		28.2	19.8	57.2
Tax on result for the period		-5.1	-4.7	-13.5
Result for the period *		23.0	15.1	43.8
* Result attributable to:				
Parent Company shareholders		20.7	12.3	36.0
Non-controlling interests		2.4	2.8	7.7
		23.0	15.1	43.8
Result per share, SEK:				
Before dilution		0.30	0.18	0.5
After dilution		0.30	0.18	0.5

Consolidated statement of comprehensive income				
Sek millions	Note	First quarter		Full year
		2020	2019	2019
Result for the period		23.0	15.1	43.8
Items that will not be reclassified to income statement		-	-	-
Items that may be reclassified subsequently to income statement:				
Accumulated translation differences reversed to income		2.7	-	1.7
Change in translation reserve		2.8	1.9	1.8
Total other comprehensive income		5.5	1.9	3.5
Comprehensive income for the period *		28.5	17.0	47.3
* Attributable to:				
Parent Company shareholders		26.1	14.2	38.4
Non-controlling interests		2.4	2.8	8.9

Consolidated balance sheet and statement of cash flow

Consolidated balance sheet, summarised				
Sek millions	Note	31-mar 2020	31-mar 2019	31-dec 2019
Assets				
Non-current assets				
Intangible assets		408.5	391.3	408.9
Right-of-use assets		145.3	144.3	154.6
Other non-current assets		108.1	88.9	106.4
Total non-current assets		662.0	624.4	670.0
Current assets				
Trade receivables and other assets		308.9	259.1	287.8
Cash and cash equivalents		69.8	35.0	25.6
Total current assets		378.7	294.1	313.4
Total assets		1,040.7	918.5	983.4
Equity and liabilities				
Equity pertaining to Parent Company shareholders		441.1	397.8	404.3
Total equity		441.1	397.8	404.3
Non-current liabilities	6	213.5	158.5	184.6
Non-current leasing liabilities		80.3	82.9	88.4
Total non-current liabilities		293.8	241.5	273.0
Current liabilities				
Current liabilities	6	245.6	216.2	242.7
Current leasing liabilities		60.2	63.3	63.5
Total current liabilities		305.8	279.4	306.2
Total equity and liabilities		1,040.7	918.5	983.4

Consolidated statement of cash flows				
Sek millions	Note	First quarter		Full year
		2020	2019	2019
Operating activities				
Operating result		30.0	21.4	63.0
Depreciation/amortisation and write-downs		24.3	7.6	87.6
Interest received		0.0	-0.1	0.0
Interest paid		-1.7	-1.5	-6.4
Paid tax		2.3	-5.4	-15.2
Other adjustments - net		0.0	0.0	1.1
Changes in working capital - net		-0.1	-1.8	-7.5
Cash flow from operating activities		54.8	20.1	122.6
Investing activities				
Acquisition /sale of subsidiaries		0.0	0.0	-9.5
Other investments		-4.9	-10.5	-50.0
Other disposals		0.0	0.0	0.0
Cash flow from investing activities		-4.9	-10.5	-59.5
Financing activities				
Acquisition of participating interest from non-controlling interests	4	-1.1	0.0	-15.0
Contribution/reimbursement non-controlling interests		0.0	0.0	0.0
Divestment of participating interest to non-controlling interests		0.1	0.0	0.3
Dividend to holders with controlling influence		0.0	0.0	-20.5
Dividend to shareholders		-0.4	-0.7	-4.0
Repayment of financial lease debt		-18.9	-1.7	-65.7
New loans		13.7	0.0	39.4
Repayment of loans		0.0	-5.3	-5.3
Cash flow from financing activities		-6.5	-7.7	-70.8
Exchange rate differences in cash		1.0	1.1	1.3
Cash flow for the period		44.3	3.0	-6.5
Cash and cash equivalents at the beginning of the period		25.6	32.0	32.0
Cash and cash equivalents at the end of the period		69.8	35.0	25.6

Consolidated statement of changes in equity, summarised

Consolidated statement of changes in equity, summarised			
Sek millions	First quarter		
	2020		
	Shareholders' share	Attributable to non-controlling interests	Total
Opening balance	404.3	0.0	404.3
Result after tax	20.7	2.4	23.0
Other comprehensive income	5.5	0.0	5.5
Total comprehensive income	26.2	2.4	28.5
Dividend to non-controlling interests	0.0	-0.4	-0.4
Conversion of loan to equity	9.7	0.0	9.7
Sales to (+) acquisitions from (-) non-controlling interests	-0.4	-0.5	-0.9
Reclassification of non-controlling interests	1.4	-1.4	0.0
Closing balance	441.1	0.0	441.1

Consolidated statement of changes in equity, summarised			
	First quarter		
	2019		
	Shareholders' share	Attributable to non-controlling interests	Total
Opening balance	383.5	0.0	383.5
Result after tax	12.3	2.8	15.1
Other comprehensive income	1.8	0.0	1.8
Total comprehensive income	14.2	2.8	17.0
Dividend to non-controlling interests	0.0	-0.7	-0.7
Sales to (+) acquisitions from (-) non-controlling interests	-3.3	1.3	-2.0
Reclassification of non-controlling interests	3.5	-3.5	0.0
Closing balance	397.8	0.0	397.8

Consolidated statement of changes in equity, summarised			
	Full year		
	2019		
	Shareholders' share	Attributable to non-controlling interests	Total
Opening balance	383.5	0.0	383.5
Result after tax	36.0	7.7	43.7
Other comprehensive income	3.5	0.1	3.6
Total comprehensive income	39.5	7.8	47.3
Dividend to non-controlling interests	0.0	-4.0	-4.0
Shareholders' contribution	-20.5	0.0	-20.5
Shareholders' contribution	-1.3	1.3	0.0
Sales to (+) acquisitions from (-) non-controlling interests	-10.5	4.0	-6.5
Revaluation, liability put option	14.3	-	14.3
Additional liability put option	-9.8	0.0	-9.8
Reclassification of non-controlling interests	9.0	-9.0	0.0
Closing balance	404.3	0.0	404.3

Quarterly figures

Quarterly figures					
Consolidated Income statement					
Sek millions unless otherwise stated	19Q1	19Q2	19Q3	19Q4	20Q1
Sales revenues	330.4	335.7	274.2	372.9	383.1
Other operating revenues	1.6	2.4	-0.3	2.5	2.5
Operating revenues	332.0	338.1	274.0	375.5	385.5
Purchase of goods and services	-69.1	-66.7	-47.3	-67.4	-71.6
Other external costs	-61.4	-65.2	-55.4	-74.1	-67.4
Personnel costs	-159.3	-168.1	-142.4	-192.6	-192.3
Depreciation, amortisation and write-downs	-20.8	-21.0	-22.2	-23.5	-24.3
Other operating costs	0.0	0.0	0.0	0.0	0.0
Operating costs	-310.6	-321.0	-267.3	-357.6	-355.6
Operating result	21.4	17.1	6.6	17.8	30.0
Interest income and similar items	-0.1	1.1	0.2	0.0	0.0
Interest expenses and similar items	-1.4	-1.5	-1.5	-2.2	-1.7
Other financial income/expenses	0.0	0.0	0.0	-0.2	0.0
Net financial items	-1.6	-0.4	-1.3	-2.4	-1.8
Result before tax	19.8	16.8	5.3	15.4	28.2
Tax on result for the period	-4.7	-4.0	-2.5	-2.3	-5.1
Result for the period *	15.1	12.7	2.8	13.1	23.0
* Result attributable to:					
Parent Company shareholders	12.3	11.3	1.3	9.9	20.7
Non-controlling interests	2.8	1.4	1.4	3.2	2.4
	15.1	12.7	2.8	13.1	23.0
Key ratios					
EBITDA	42.2	38.1	28.9	41.3	54.2
EBITDA margin, %	12.8	11.4	10.5	11.1	14.2
EBIT	21.4	17.1	6.6	17.8	30.0
EBIT margin, %	6.5	5.1	2.4	4.8	7.8
Cash flow from operating activities per share, SEK	0.29	0.49	-0.45	0.9	0.8
Cash flow per share, SEK	0.04	-0.28	0.10	0.0	0.6
Equity/assets ratio, %	43	42	40	41.1	42.4
Net loan debt	220.2	243.5	291.2	279.5	231.4
Equity per share, SEK	5.83	5.62	5.74	5.92	6.37

Quarterly figures

Alternative performance measures					
Sek millions unless otherwise stated	19Q1	19Q2	19Q3	19Q4	20Q1
EBITDA					
Operating result	21.4	17.1	6.6	17.8	30.0
Reversal: Depreciation and amortization	20.8	21.0	22.2	23.5	24.3
EBITDA	42.1	38.2	28.9	41.3	54.2
Sales revenues, change					
Sales revenues	330.4	335.7	274.2	372.9	383.1
Sales revenues compared with corresponding period previous year	278.7	287.6	218.2	336.0	330.4
Sales revenues, change	51.7	48.1	56.0	37.0	52.7
Acquisitions/divestments	0.0	0.0	-8.9	-11.3	-10.5
Fluctuations in exchange rates	-3.3	-2.8	-2.7	-2.7	-1.5
Organic growth	48.5	45.2	44.5	23.0	40.7
Acquisitions/divestments, %	0.0	0.0	4.1	3.4	3.2
Organic growth, %	17.4	15.8	20.4	6.8	12.3
Net loan debt					
Interest-bearing provisions and liabilities	255.2	259.6	314.6	305.1	301.3
Minus: Interest-bearing assets	-35.0	-16.2	-23.4	-25.6	-69.9
Net loan debt	220.2	243.5	291.2	279.5	231.4

Definitions

Sales revenues

Revenues from the core business.

EBITDA

Operating result before depreciation, amortisation and impairment.

EBITDA margin, %

Operating result before depreciation, amortisation and impairment as a percentage of sales revenues for the period.

EBIT

Operating result.

EBIT margin, %

Operating result as a percentage of the sales revenues for the period.

Cash flow from operating activities per share

The cash flow from operating activities for the period divided by the average number of shares before dilution (convertibles).

Cash flow per share

The net cash flow for the period divided by the average number of shares outstanding before dilution (convertibles).

Equity/assets ratio

Total equity as a percentage of the total assets.

Net loan debt

Net of interest-bearing provisions and liabilities minus interest-bearing assets at closing day. A negative figure indicates a net loan receivable.

Equity per share, SEK

Total equity per share outstanding at the end of the period.

Organic growth

Growth adjusted for currency effects and acquisitions/divestments.

Share data

Result per share

Result per share has been calculated by the result after tax attributable to Parent Company shareholders being divided by the average number of ordinary shares outstanding during the period. The average number of ordinary shares outstanding amounted to 68,506,186 (68,282,585) for the first quarter of 2020.

As the convertible instrument programme implemented during 2016 was converted to equity during the quarter, there is no dilution effect on the result per share.

Share capital

As of 31 March 2020, there were 69,240,877 ordinary shares outstanding (68,282,585) with a nominal value of SEK 1 per share.

Quarterly figures					
Share data	19Q1	19Q2	19Q3	19Q4	20Q1
Result per share before dilution, SEK ¹⁾	0.18	0.17	0.02	0.16	0.30
Result per share after dilution, SEK ¹⁾	0.18	0.17	0.02	0.16	0.30
Number of outstanding shares in thousands	68,283	68,283	68,283	68,283	69,241
Average number of shares outstanding before dilution, thousands	68,283	68,283	68,283	68,283	68,506
Average number of shares outstanding after dilution, thousands	68,283	68,283	68,283	68,283	68,506

1) The result per share has been calculated as follows: the result after tax attributable to Parent Company shareholders has been divided by the average number of ordinary shares outstanding during the period.

Note 1 Principles

GHP Specialty Care AB (publ), corporate identity number 556757-1103, is registered in Gothenburg, Sweden, and the head office is located at Södra Hamngatan 45.

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Annual Accounts Act. The Parent Company applies the Annual Accounts Act and RFR2 for legal entities. The accounting principles that have been applied are in accordance with what is stated in the 2019 Annual Report, except for the new principles presented below.

Unless otherwise stated, all amounts are in millions of Swedish kronor (SEK millions).

In March 2020 the convertible programme adopted by GHP in 2016 expired. The number of shares increased by 958,292, which resulted in an increase in equity of SEK 9.6 million. During the first quarter of 2020, costs for the programme of SEK 0.2 million (0.2) were charged against results.

For further information on the accounting principles, please refer to GHP's Annual Report for 2019, pages 42-48

New accounting principles as from 1 January 2020 or later

Addendum to IFRS 3: Definition of business combinations

In October 2018 IASB issued amendments regarding the definition of a business combination in IFRS 3. The classification of an acquisition as either a business combination or an asset acquisition gives rise to large reporting differences.

This applies not least to goodwill, which is not reported in an asset acquisition, but also applies to the reporting and measurement of supplementary considerations, acquisition costs and deferred tax. Criteria for an acquisition constituting a business combination are that there must be financial resources (input) and a substantive process that together significantly contribute to an ability to result in a return (output). The new guidance provides a framework to evaluate when input and a substantive process exist.

An acquisition that contains an output, a crucial process for creating output and a workforce that is trained in managing the process constitutes a business. If there is no workforce in the acquisition, it may still be the case that the process acquired is so unique or unusual or costly to replace in order to create output that the acquisition still constitutes a business. The new guidance clarifies when an acquisition without output shall constitute a business combination. The Group's previous acquisitions have been business combinations and the Group notes that the addendum does not give

rise to any change in the financial reporting. The EU has not yet approved the pronouncement but, provided that they approve the pronouncement, it shall be applied as from 1 January 2020.

Addendum to IAS 1 and IAS 8: Definition of materiality

In October 2018 the IASB issued amendments concerning the definition of materiality in IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The new addendum states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that readers make on the basis of the financial information provided on a specific company. The Group notes that the financial reporting will be essentially unchanged when this addendum is introduced. The EU has approved the pronouncement and the Group is applying it as from 1 January 2020.

Rounding up/down

The rounding up/down of figures may mean that in some cases the figures presented in this interim report do not add up exactly to the total and percentages may deviate from the exact percentages.

Seasonal variations

For information on seasonal variations, please refer to the segment summary.

Note 2 Risks and uncertainties

GHP is exposed to various types of risk in its business. In general, these can be divided into market-related risks, business-related risks and risks related to financing activities. A more detailed description of these risks is to be found in GHP's Annual Report for 2019, pages 28-29.

In the company's assessment, no further significant risks have arisen during 2020.

Note 3 Transactions with related parties

During the first quarter of 2020 dividend of SEK -0.4 million (0.7) was paid to non-controlling interests.

A consultant's fee of SEK 0.1 million (0.3) was paid during the year to a doctor who is the husband of the CEO of GHP Gastro Center Skåne. Remuneration was in line with market rates.

There were no other significant transactions with related parties in the first quarter of 2020.

Note 4 Acquisitions and divestments

Shares in GHP Kirurgkliniken AB were acquired from non-controlling interests for a total of SEK -0.2 million. Shares in GHP Orthocenter Stockholm AB were acquired from non-controlling interests for a total of SEK -0.8 million.

Shares in GHP Ortho Center Storängsbotten AB were divested to non-controlling interests to the tune of SEK 0.1 million in total.

Acquisition/divestment of subsidiaries and bolt-on acquisition		31 Mar 2020
Sek millions		Total
Transactions with non-controlling interests – effects on Group's cash and cash equivalents:		
a) Acquisition of 2,22 percent of shares outstanding in GHP Kirurgkliniken AB from non-controlling interests		-0.2
b) Acquisition of 3,0 percent of shares outstanding in GHP Orthocenter Stockholm AB from non-controlling interests		-0.8
c) Divestment of 5,0 percent of shares in GHP Ortho Center Storängsbotten AB to non-controlling interests		0.1
Effect on Group's cash and cash equivalents, total net cash flow		-0.9
a) Effects on Group's financial position of settlement of put option in GHP Kirurgkliniken AB previously entered as a liability:		
Total purchase consideration		0.2
Total net value of divested assets and liabilities:		
Put option entered as a liability		-0.2
Value adjustment put option		0.0
Effect on Group's cash and cash equivalents, total net cash flow		-0.2
b) Effects on Group's financial position of settlement of put option in GHP Orthocenter Stockholm AB previously entered as a liability:		
Total purchase consideration		0.8
Total net value of divested assets and liabilities:		
Put option entered as a liability		1.2
Value adjustment put option		-0.4
Effect on Group's cash and cash equivalents, total net cash flow		0.8

Note 5 Sales revenues per sub-market

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Sales revenues - sub-market			
Sek millions	First Quarter		Year
	2020	2019	2019
Stockholm area	214.7	191.3	741.5
West of Sweden	62.6	59.5	213.5
Denmark	46.4	42.1	167.9
Skåne	29.8	24.7	96.1
The Middle East	29.5	12.8	94.3
GHP Group sales revenues	383.1	330.4	1,313.3

Sales revenues - customer category			
Sek millions	First Quarter		Year
	2020	2019	2019
County Council	184.0	169.9	632.6
Insurance Companies	139.2	119.5	480.5
Private	30.3	28.3	105.8
International	29.5	12.8	94.3
GHP Group sales revenues	383.1	330.4	1,313.3

Note 6 Financial instruments

Information is given in the table below on the measurement of fair value for the financial instruments valued at fair value in the report on the financial position.

Measurement of fair value is divided up into three levels:

Level 1: in accordance with prices in an active market for identical instruments.

Level 2: on the basis of direct or indirect observable market data not included in level 1.

Level 3: on the basis of inputs that are not observable in the market.

The liability for put options and any supplementary considerations entered as a liability have been valued at fair value. The liability is dependent on assessments of the subsidiaries' future profitability.

There is also an uncertainty factor regarding when the liability will be settled. The liability is considered to be free of interest and is thus not part of the net loan debt.

Financial assets and liabilities measured at fair value				
				31-mar 2020
Sek millions	Level 1	Level 2	Level 3	Total
Financial assets				
Equity instrument	-	-	0.0	0.0
Total assets	-	-	0.0	0.0
Financial liabilities				
Put options entered as a liability, long-term portion	-	-	34.1	34.1
Put options entered as a liability, current portion	-	-	16.9	16.9
Additional purchase price entered as a liability, long-term portion	-	-	0.0	0.0
Additional purchase price entered as a liability, current portion	-	-	0.0	0.0
Total liabilities	-	-	51.0	51.0

Financial assets and liabilities measured at fair value				
				31-mar 2019
Sek millions	Level 1	Level 2	Level 3	Total
Financial assets				
Equity instrument	-	-	0.0	0.0
Total assets	-	-	0.0	0.0
Financial liabilities				
Put options entered as a liability, long-term portion	-	-	32.0	32.0
Put options entered as a liability, current portion	-	-	23.9	23.9
Total liabilities	-	-	55.8	55.8

Financial assets and liabilities measured at fair value				
				31 Dec 2019
Sek millions	Level 1	Level 2	Level 3	Total
Financial assets				
Equity instrument	-	-	0.0	0.0
Total assets	-	-	0.0	0.0
Financial liabilities				
Put options entered as a liability, long-term portion	-	-	39.2	39.2
Put options entered as a liability, current portion	-	-	12.1	12.1
Additional purchase price entered as a liability, long-term portion	-	-	0.0	0.0
Additional purchase price entered as a liability, current portion	-	-	0.0	0.0
Total liabilities	-	-	51.4	51.4

Parent Company income statement and balance sheet

GHP Specialty Care AB (publ) has a limited central organisation which gives expert support within areas such as business development, finance, IR, communication, IT, marketing and agreement processes. Steering and control are carried out via corporate governance and the following up of results.

The operating result amounted to SEK -13.3 million (-10.1) for the first quarter of 2020.

Shares in subsidiaries amounted to SEK 681.5 million (692.5) at 31 March 2020 while cash and cash equivalents were SEK 48.5 million (26.3).

A considerable part of the costs for the central organisation are aimed at generating new business within the selected diagnostic areas and at analysing and researching other expansion opportunities within the health care sector.

Parent Company - Income statement summarised			
Sek millions	First quarter		Year
	2020	2019	2019
Operating revenues	0.0	0.0	0.0
Operating costs, incl. depreciation and amortisation	-13.3	-10.1	-43.5
Operating result	-13.3	-10.1	-43.5
Net financial items	1.2	0.9	3.4
Result before tax	-12.1	-9.2	-40.0
Allocations	0.0	0.0	78.3
Result after allocations	-12.1	-9.2	38.3
Tax on result for the period	2.5	2.0	-8.3
Result for the period	-9.5	-7.2	30.0

Parent company - Balance sheet, summarised			
Sek millions	31-mar	31-mar	31 Dec
	2020	2019	2019
Assets			
Non-current assets			
Intangible assets	0.1	0.1	0.1
Tangible assets	0.2	0.3	0.2
Financial assets			
Shares and participations in Group companies	681.5	692.5	681.5
Deferred tax assets	2.5	2.2	0.0
Other financial assets	0.0	0.5	0.1
Total non-current assets	684.3	695.5	681.9
Current assets			
Current receivables from Group companies	217.3	220.0	299.8
Other assets	1.6	1.5	3.5
Cash and cash equivalents	48.5	26.3	0.0
Total current assets	267.4	247.8	303.3
Total assets	951.7	943.3	985.2
Shareholder's equity and liabilities			
Shareholder's equity	734.4	717.7	734.3
Non-current liabilities	0.1	9.9	0.2
Current liabilities to Group companies	201.5	207.8	207.6
Other current liabilities	15.8	7.9	43.2
Total liabilities	217.3	225.6	250.9
Total shareholder's equity and liabilities	951.7	943.3	985.2

Important events after closing day

On the basis of current information, the Covid-19 situation is expected to impact results negatively in the second quarter of 2020. However, we expect that demand will be strong as soon as the immediate Covid-19 crisis is over.

Financial calendar	
Annual General Meeting 2020	23 April 2020
Interim report January-June 2020	10 July 2020
Interim report January-September 2020	22 October 2020

Contact details	
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This information is information that GHP Specialty Care AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, on 22 April 2020 at 08:00 am CET.

Gothenburg, 22 April 2020
GHP Specialty Care AB (publ)

Daniel Öhman
CEO

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This report has not been the subject of review by the company's auditors.



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*GHP is an internationally active health care provider that operates specialist clinics in a select number of diagnostic areas through the application of a business model that is unique in the health care industry, where leading doctors and medical staff become partners and shareholders. Each clinic specialises in a particular patient group, and this leads to increased efficiency and higher quality. This is the cornerstone of GHP's business philosophy – “**Quality through specialisation**”.*