



GLOBAL HEALTH PARTNER

QUALITY THROUGH SPECIALISATION

Q1 REPORT 2014



Daniel Öhman, CEO
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Agenda

● **CEO reflections
on Q1**

● **Q1 financials**

● **Market and going
forward**



Improved performance in Q1

SEK millions



- Organic growth continues and amounts to 6%
- Strong operating profit margins
- Operating profit improved by increased number of patients and better utilization of capacity



Factors behind the improved performance

Improved performance

- All business areas
- Stockholm
- Denmark

Divestments

- No effect on either Q1 2014 or Q1 2013 from previous divestments

Lowered head office costs

- Total head office costs (including allocations) lowered with 2,2 MSEK in Q1
- Less use of consultants

Growth

- Orthopaedics Stockholm
- Arrhythmia
- Denmark



Current position of GHP

GHP now has a strong base to stand on

- Good Q1 performance
- No one-off effects
- Many clinics show stability
- Lower central costs

Risk factors

- Continued price pressure
- Political change may lead to slower expansion possibilities
- Easter effect on Q2

GHP is a long term, publicly listed, quality focused provider of specialist health care



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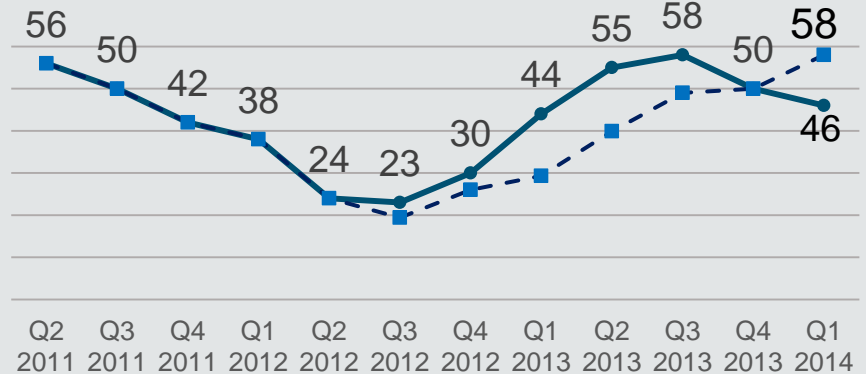
Rolling 12 months development, SEK millions

Revenue



- Organic growth 6% in Q1
- Growth from all areas except Gastro/Surgery
- High revenues from insurance companies and areas with patient power

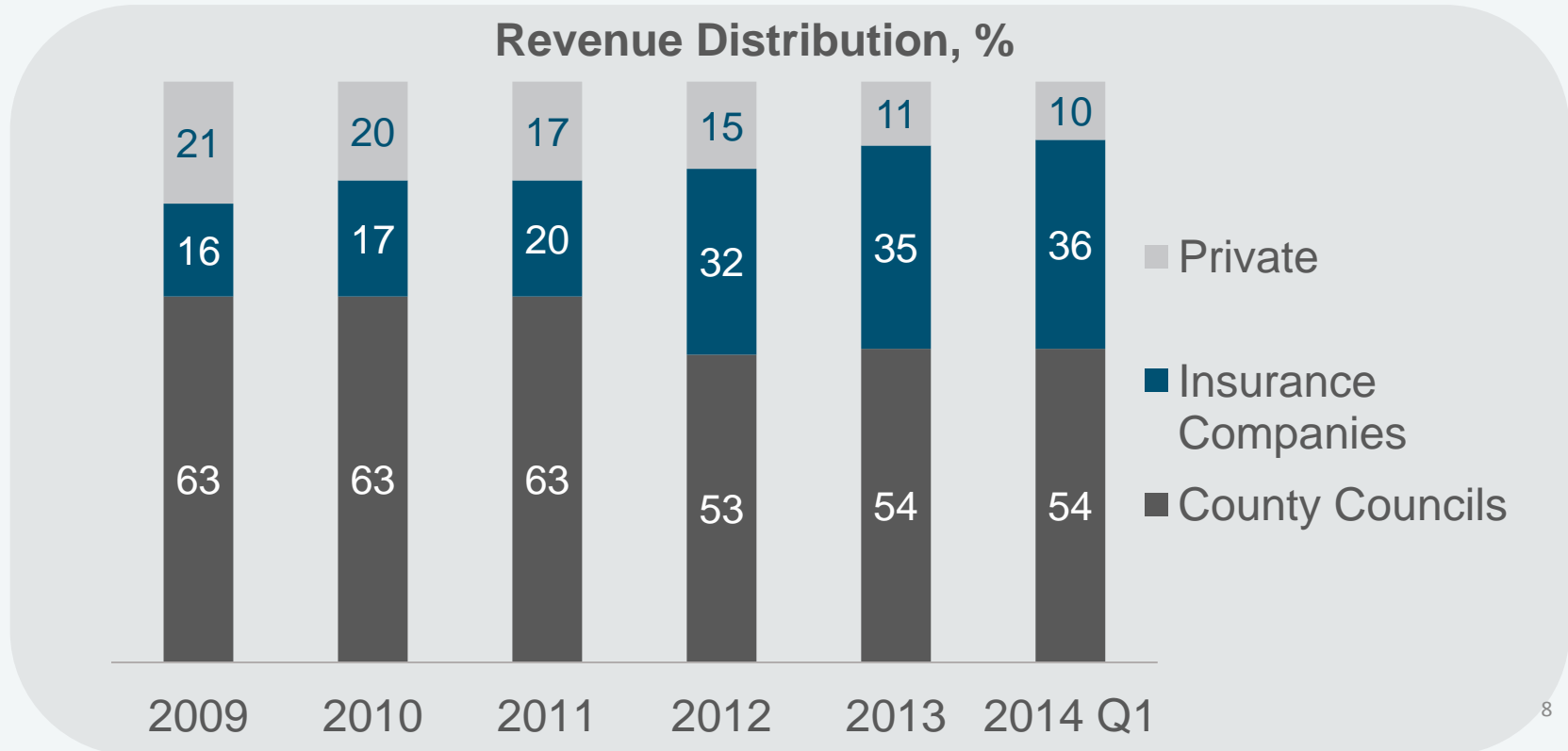
EBITDA



- Stronger operating performance
- Q1 2013 showed a capital gain of 10.7
- No one-off items in Q1 2014
- High volumes and good utilization are key for profitability



Stable split between revenue sources





Strong demand in Spine/Orthopaedics

- Patient free choice implemented in Stockholm for spine surgery during Q4
- Denmark continue to improve performance
- Good mix between county councils and insurance companies
- Comparable numbers include capital gain from disposal of clinic in Bergen

MSEK	Q1 2014	Q1 2013	Change %	Full year 2013
Revenue	134,7	124,7	8	465,2
EBITA*	10,9	12,8		23,0
EBITA margin, %*	8	10		5

*Including the capital gain of 5,2 MSEK when business operations in Norway were divested in Q1, 2013



Strong performance throughout Gastro/Surgery

- Negative growth comes from lower demand in Bariatrics
- Despite lower volumes in Bariatrics, relatively good profitability
- Strong performance in Gastroenterology and General Surgery
- Comparable numbers include capital gain from disposal of clinic in Bergen

MSEK	Q1 2014	Q1 2013	Change %	Full year 2013
Revenue	36,4	39,6	-8	145,7
EBITA*	7,4	11,6		19,9
EBITA margin, %*	20	29		14

*Including capital gains from the divestment of business operations in Q1, 2013, in total 5,5 MSEK, and including provision for ongoing UK legal case. In full year numbers 2013.



High growth and profitability Arrhythmia/New Specialties

- Very strong growth due to increasing patient demand
- High quality and short waiting lines stimulate patient generation
- Increased profitability following higher volumes, also in maternal care

MSEK	Q1 2014	Q1 2013	Change %	Full year 2013
Revenue	12,6	9,3	35	39,4
EBITA	2,4	0,7		5,0
EBITA margin, %	19	8		13



7 percent growth in Dental

- Strong increases in revenues
- Slight increase in profitability
- Increased efficiency and cost control is needed at a couple of the clinics

MSEK	Q1 2014	Q1 2013	Change %	Full year 2013
Revenue	22,9	21,4	7	87,4
EBITA*	0,0	-0,2		3,9
EBITA margin, %*	0	-1		4

*Before goodwill write-downs for 2013



Improved key figures for YTD 2014

Comments

- Strong EBITDA with a margin of 11 percent
- Comparable numbers include capital gain of 10,7 MSEK
- Reduced net debt leads to stronger key ratios
- Rather flat equity ratio

SEK millions	Q1 2014	Q1 2013
EBITDA	22,9	26,1
EBT	15,4	16,9
EAT	12,8	14,2
Net Debt	49,2	76,6
Net Debt / EBITDA	1,06	1,77
Equity Ratio	49	50



Cash flow Q1 2014

SEK millions

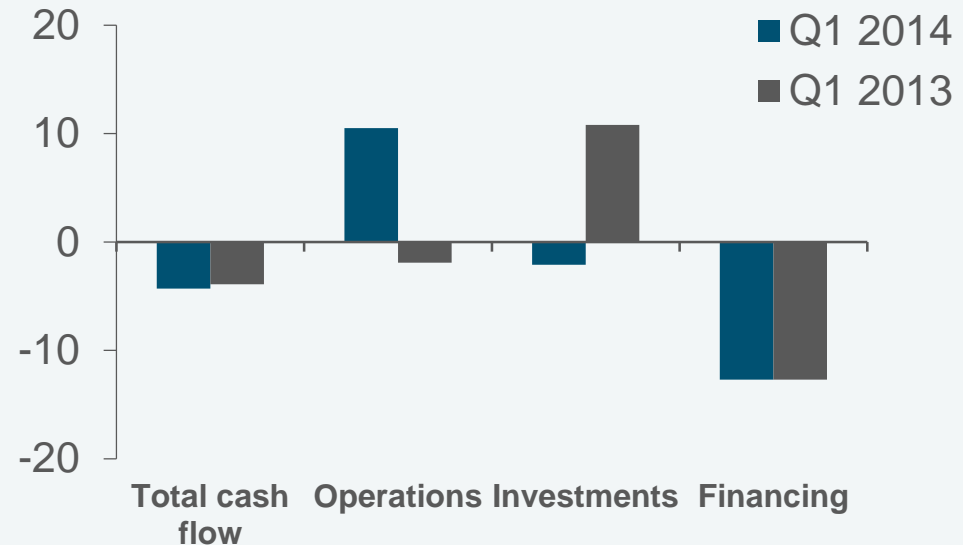
Comments

Total cash flow – impact from lower usage of credit facilities.

Operations – improvement in operating performance and working capital.

Investments – 2013 impacted by sale of clinic in Bergen.

Financing – lower usage of credit facilities. However, facilities remain for future use.

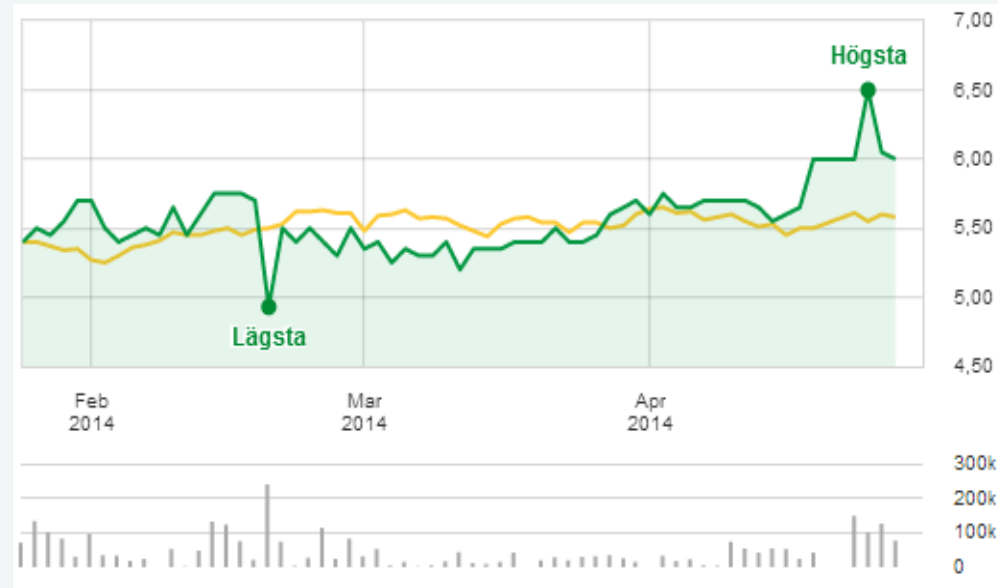




Share price development, 3 months

Comments

- Share price development last 3 months ahead of index
- EV/EBITDA on single figures
- Increased performance together with expansion should be a solid platform for increased share price performance





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GHP's response to market trends and challenges

Challenges

- Increasing demand – limited funds
- Doctors and nurses are a scarce resource within many specialties
- Increasingly aware patients with more rights

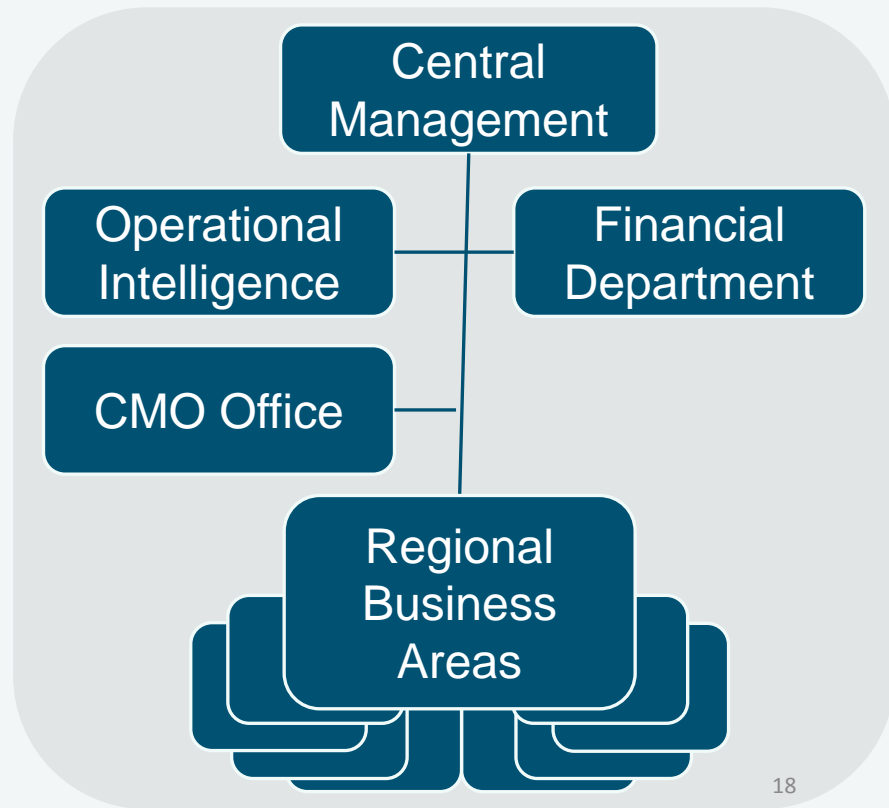
GHP's response – quality through specialization

- High efficiency and quality in **specialist centers**
- A **decentralized** structure with **partnership** gives the incentives and possibilities for the local leadership
- Through **collaboration** we can learn from each other and find synergies



New organization under implementation

- **Regional focus**
 - Network, infrastructure and regulations
- **Operational intelligence unit**
 - Analytics, implementations, sales, IT and marketing
- **Involve partners and improve collaboration**
 - Regional council, investment committee
- **Facilitate acquisitions**





Growth

- **Acquisitions**
 - We see potential for attractive valuations
 - Reasonable pace – good deals
- **Focus on patient choice systems**
- **Present regions but possibly new specialties**





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