

Q4 2017 results presentation

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Highlights FY 2017

- Organic growth + 4.9% - increased market shares
 - Favorable macro trends
 - Proven profitable growth strategy
 - Strong development for Accessibility
 - Fluctuations in project sales to institutions, Patient Handling, NA – towards end of the year
- Improved margins – adjusted EBITA margin 9.2% (7.0)
 - Improved gross margin, favorable mix
 - Cost control/Operating leverage
 - Realised synergies from Prism Medical
- Increased focus on core operations
- Delivering on M&A strategy
 - January 2018, acquisition of distributor in NA
- Reduced leverage - refinancing
- Listing on Nasdaq Stockholm
- Dividend proposal SEK 0.50/Share

Highlights Q4 2017

- Organic growth +1.4%
 - Strong development in Accessibility both Europe and North America
 - Accessibility NA , +25% growth in quarter
 - Good growth Patient Handling, Europe
 - Reduced revenue Patient Handling, NA
 - Fluctuations in project sales to institutions, NA - unfavourable timing
 - Good growth in Homecare, NA
- Adjusted EBITA 8.8% (6.4)
 - Positive gross margin development
 - Good cost control
 - Limited Other specified items

Well positioned for future growth

- Organic growth
 - Well positioned for growth in core operations
 - Strong performance in Homecare
 - Internal initiatives showing result
 - Hub strategy in North America
 - 8 hubs – target 18
 - Homecare good growth rate (both Patient Handling and Accessibility)
 - Finetuning of North American organisation to secure focus on both product lines
- Growth - M&A
 - Focus on core operations – divestment of BD business within Puls 2017
 - Acquisition of distributor of strategic importance beginning 2018
 - Active M&A agenda
 - Grow geographic footprint
 - Adjacent products in existing channels
 - Strategic assets
- Leverageable platform
 - Production foot print supports significant growth without capex
 - Stable OPEX

Financial targets, mid term

- Growth: average annual growth of 10%, of which 4-6% organically
- Adjusted EBITA margin: exceeding 12%
- Capital structure: app 2.5x net debt/LTM adjusted EBITDA, subject to flexibility for strategic activities
- Dividend policy: An annual dividend corresponding to 30-50 percent of the net profit for the period. The pay-out decision will be based on Handicare's financial position, investment needs, acquisition opportunities and liquidity position.

Financial highlights - Group

Group MEUR	October - December			January - December		
	2017	2016	Δ%	2017	2016	Δ%
Revenue	70.4	71.9	-2.1 %	284.3	244.7	16.2 %
Cost of goods sold	-40.8	-42.8	n/a	-163.2	-144.8	n/a
Gross profit	29.6	29.1	2.0 %	121.1	99.8	21.3 %
Operating costs	-22.6	-23.3	n/a	-91.5	-79.2	n/a
Adjusted EBITDA	7.1	5.7	23.4 %	29.7	20.7	43.5 %
Depreciation	-0.9	-1.1	n/a	-3.5	-3.5	n/a
Adjusted EBITA	6.2	4.6	34.4 %	26.2	17.2	52.2 %
Other specified items	-0.3	-9.2	n/a	-7.1	-18.2	n/a
EBITA	5.9	-4.6	n/a	19.1	-1.0	n/a

KPI:s

Organic revenue growth	1.4%	n.i.	4.9%	n.i.
Gross margin	42.1 %	40.4 %	42.6 %	40.8 %
Adjusted EBITDA margin	10.0 %	8.0 %	10.4 %	8.4 %
Adjusted EBITA margin	8.8 %	6.4 %	9.2 %	7.0 %
EBITA margin	8.3 %	-6.4 %	6.7 %	-0.4 %

Revenue Q4: organic growth + 1.4%

- Accessibility + 4.4%
- Patient Handling - 5.5%

EBITA Q4: adjusted margin 8.8% (6.4)

- Gross margin + 1.7 pts
- Synergies 1.2 MEUR

OCF Q4: 3.7 MEUR (3.3)

- Cash conversion 55%
- Other specified items 4.2 MEUR
- Reduced leverage to 3.0x (adjusted EBITDA)

Revenue FY17: organic growth + 4.9%

- Accessibility + 6.9%
- Patient Handling - 0.1%

EBITA FY17: adjusted margin 9.2% (7.0)

- Gross margin + 1.8 pts
- Synergies 3.4 MEUR
- FX impact -0.5 MEUR

OCF FY17: 4.5 MEUR (-3.0)

- Cash conversion 20%
- Other specified items 8.3 MEUR

Accessibility

Accessibility MEUR

	October - December			January - December		
	2017	2016	Δ%	2017	2016	Δ%
Revenue	46.1	45.2	2.1 %	181.3	174.2	4.1 %
Operating costs	-39.4	-39.3	n/a	-156.6	-153.4	n/a
Adjusted EBITDA	6.7	5.9	14.3 %	24.7	20.8	18.8 %
Depreciation	-0.6	-0.6	n/a	-2.2	-2.4	n/a
Adjusted EBITA	6.1	5.2	16.3 %	22.5	18.4	22.3 %
Other specified items	-	-5.1	n/a	-0.6	-6.7	n/a
EBITA	6.1	0.1	n/a	21.9	11.7	87.4 %

KPI:s

Organic revenue growth	4.4%	n.i.	6.9%	n.i.
Adjusted EBITDA margin	14.5 %	13.0 %	13.6 %	11.9 %
Adjusted EBITA margin	13.2 %	11.6 %	12.4 %	10.6 %
EBITA margin	13.2 %	0.3 %	12.1 %	6.7 %

Revenue Q4: organic + 4.4%

- Good growth in Europe and > 20% growth in North America
- Stairlifts outgrew Vehicle adaptation

EBITA Q4: adjusted margin: 13.2% (11.6)

- Stable gross margin
- Operating leverage
- Synergies 0.6 MEUR

Vehicle adaptation Q1-18

- No supply of VW vans until April.
- Q1 revenue pushed into Q2-Q4. Impact on Q1 revenue c. 2 MEUR.

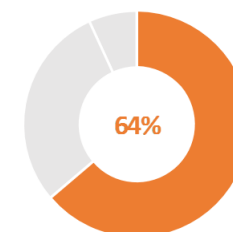
Revenue FY17: organic + 6.9%

- Good growth in Europe and > 10% growth in North America

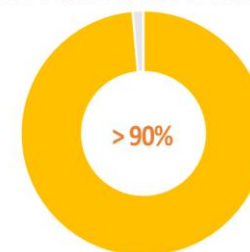
EBITA FY17: adjusted margin: 12.4% (10.6)

- Stable gross margin
- Operating leverage
- Synergies 1.3 MEUR
- Limited Other specified items

SBU share of Group revenue (2017)



Homecare share of SBU revenue (2017)



Patient Handling

Patient Handling MEUR	October - December			January - December		
	2017	2016	Δ%	2017	2016	Δ%
Revenue	19.3	21.5	-10.0 %	83.4	50.5	65.0 %
Operating costs	-17.5	-19.9	n/a	-71.3	-45.6	n/a
Adjusted EBITDA	1.8	1.6	14.8 %	12.1	5.0	143.6 %
Depreciation	-0.3	-0.5	n/a	-1.2	-1.0	n/a
Adjusted EBITA	1.5	1.0	42.7 %	10.9	4.0	175.0 %
Other specified items	-	-2.8	n/a	-0.4	-7.8	n/a
EBITA	1.5	-1.7	n/a	10.5	-3.8	n/a

KPI:s

Organic revenue growth	-5.5 %	n.i.	-0.1 %	n.i.
Adjusted EBITDA margin	9.3 %	7.2 %	14.5 %	9.8 %
Adjusted EBITA margin	7.7 %	4.9 %	13.1 %	7.8 %
EBITA margin	7.7 %	-8.0 %	12.5 %	-7.6 %

Revenue Q4: organic decline - 5.5%

- Decrease driven by institutional sales in North America
- Good growth in Europe

EBITA Q4: adjusted margin 7.7% (4.9)

- Decreased revenue (reduced cost absorption)
- Improved gross margin
- Investments in HUB strategy
- Synergies 0.6 MEUR

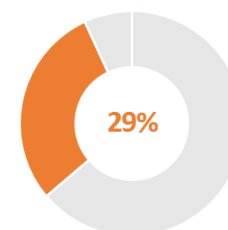
Revenue FY17: Organic revenue unchanged

- Good growth in Europe, decrease in North America
- North America revenue grew on pro forma basis.

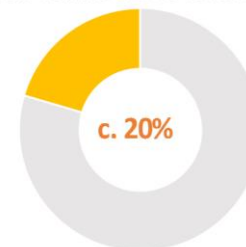
EBITA FY17: adjusted margin 13.1% (7.8)

- Prism impact 5.9 MEUR
- Improved gross margin
- Synergies 2.1 MEUR
- Limited Other specified items

SBU share of Group revenue (2017)



Homecare share of SBU revenue (2017)



Puls

Puls MEUR	October - December			January - December		
	2017	2016	Δ%	2017	2016	Δ%
Revenue	5.0	5.4	-7.3 %	19.5	19.7	-1.1 %
Operating costs	-4.8	-5.0	n/a	-19.0	-18.9	n/a
Adjusted EBITDA	0.2	0.3	-50.5 %	0.5	0.8	-39.2 %
Depreciation	0.0	0.0	n/a	0.0	0.0	n/a
Adjusted EBITA	0.2	0.3	-50.0 %	0.5	0.8	-38.8 %
Other specified items	-	-0.2	n/a	-	-0.3	n/a
EBITA	0.2	0.1	106.3 %	0.5	0.5	4.0 %

KPIs

Organic revenue growth	1.0 %	n.i.	0.2 %	n.i.
Adjusted EBITDA margin	3.4 %	6.3 %	2.6 %	4.2 %
Adjusted EBITA margin	3.3 %	6.1 %	2.6 %	4.2 %
EBITA margin	3.3 %	1.5 %	2.6 %	2.4 %

Revenue Q4: organic growth 1.0%

- Decreased project revenue
- New organisation following BD divestment

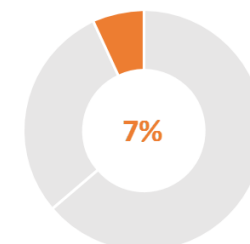
EBITA Q4: adjusted margin: 3.3% (6.1)

- Unfavourable product mix had negative impact on gross margin
- New MD in Puls appointed from 1st of January 2018 will have organisational impact in 2018

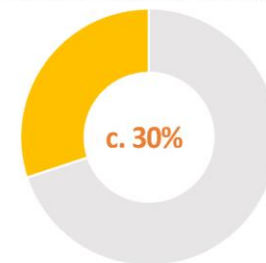
Revenue FY17: Organic revenue unchanged

- Divestments of BD-business in August
- ### EBITA FY17: adjusted margin 2.6% (4.2)
- Revenue decline
 - Lower gross margin
 - Inventory write-down 0.2 MEUR
 - No Other specified items

SBU share of Group revenue (2017)

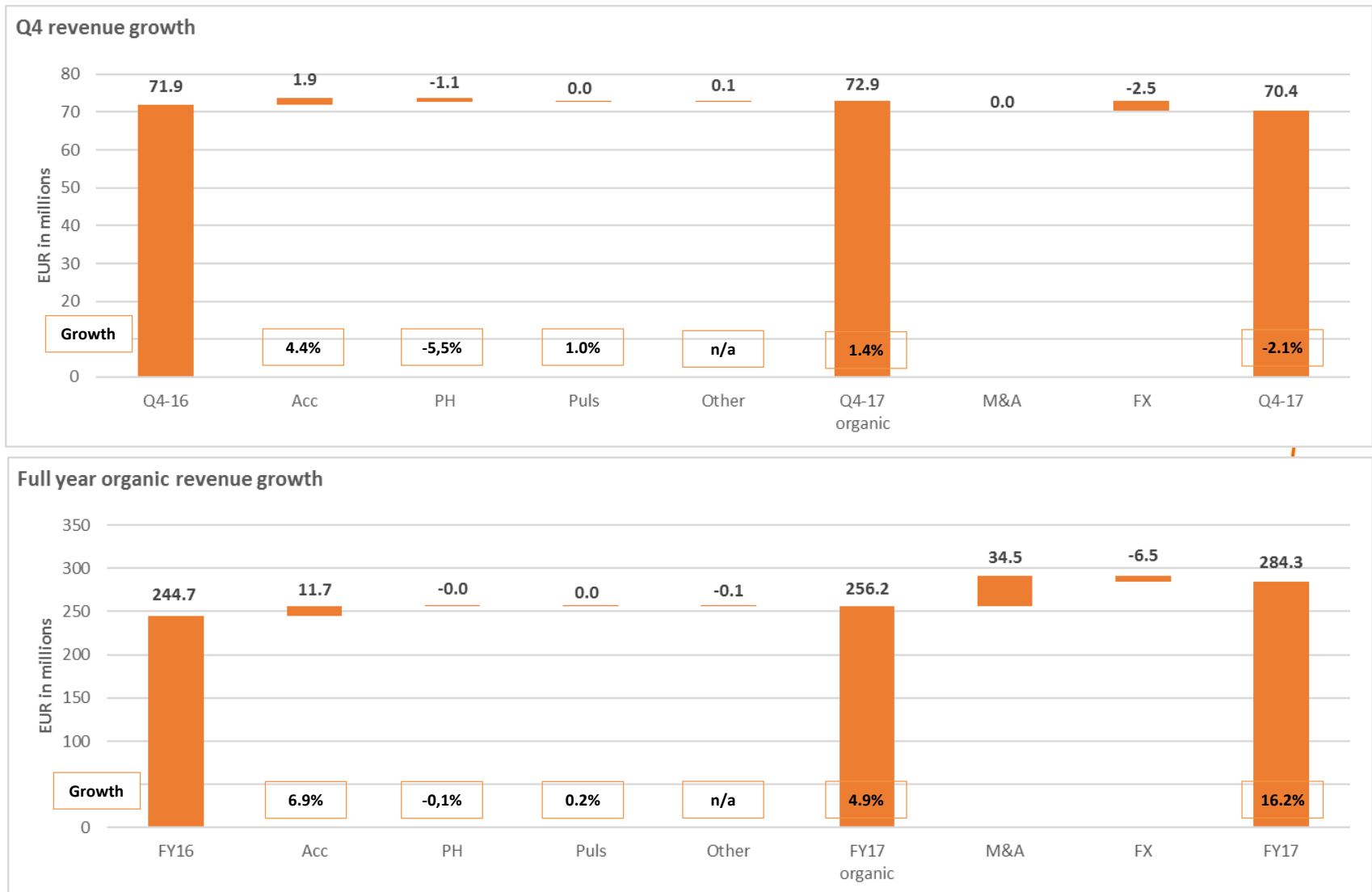


Homecare share of SBU revenue (2017)

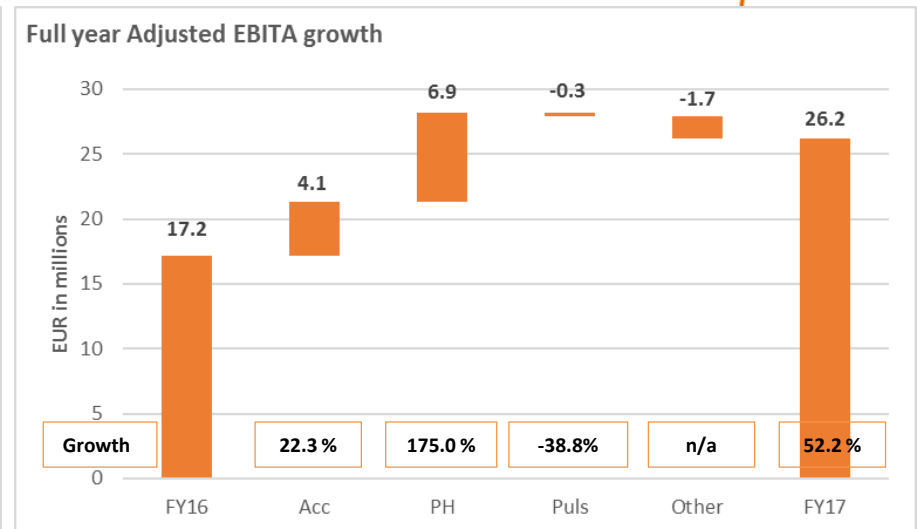
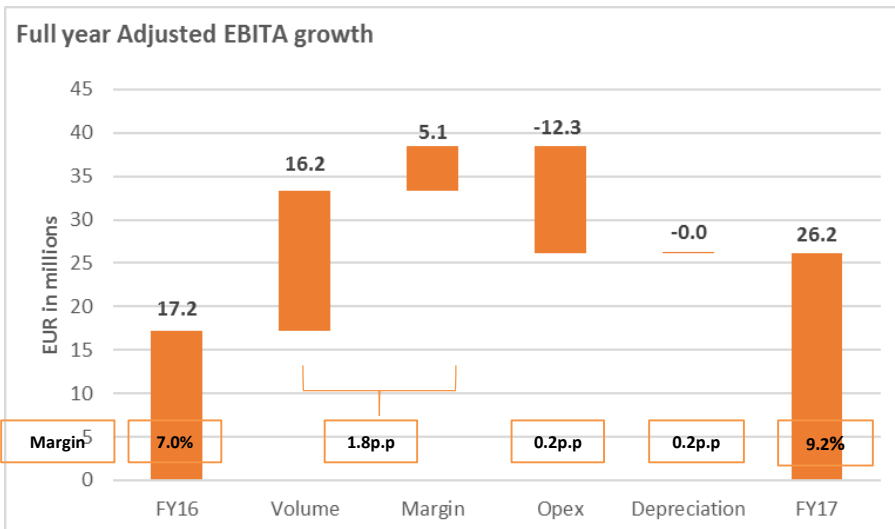
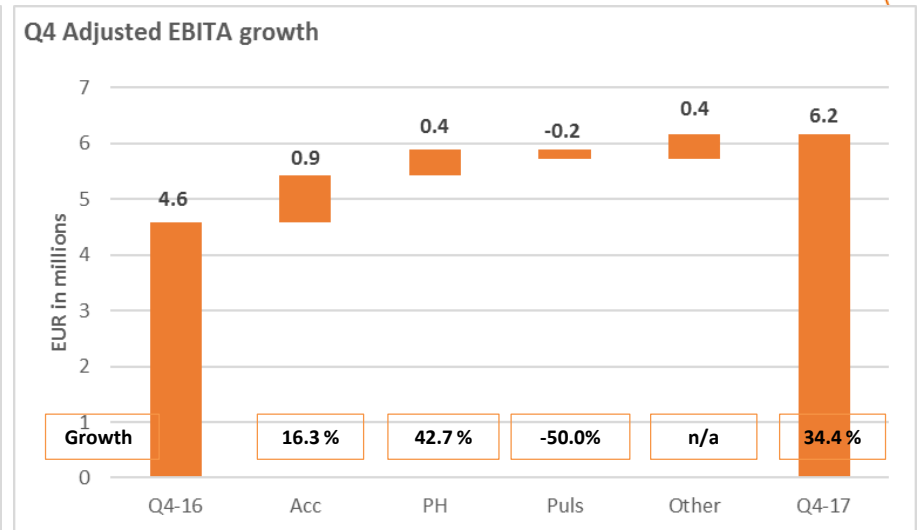
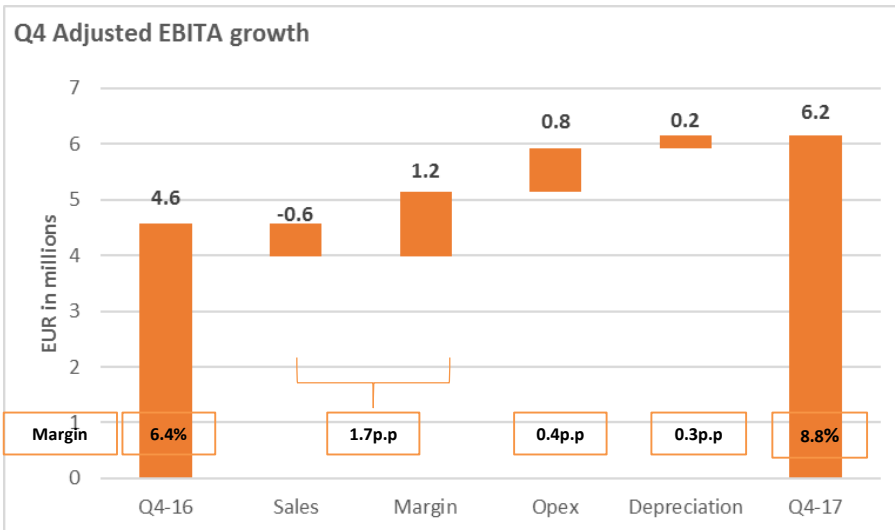


Appendices

Revenue bridge Q4 and Full year 2017



EBITA bridge Q4 and full year 2017



Cash flow

Group MEUR	October - December		January - December	
	2017	2016	2017	2016
EBITDA	6.8	-3.5	22.6	2.5
Inventory	-0.2	2.1	-2.5	1.2
Accounts receivable	0.0	-1.1	0.3	-8.5
Accounts payable	0.1	5.7	-3.6	3.1
Other receivables/liabilities	-1.8	5.8	-6.6	9.8
Change in NWC	-1.8	12.5	-12.4	5.6
Fixed assets	-0.5	-3.2	-2.3	-4.8
Intangible assets	-0.7	-2.4	-3.3	-6.3
Total capex	-1.2	-5.7	-5.6	-11.1
Operating cash flow	3.7	3.3	4.5	-3.0

Adjusted EBITDA	7.1	5.7	29.7	20.7
Adjusted operating cash flow	4.0	12.5	11.6	15.1
Paid tax	0.1	0.9	-0.4	-0.7
Net debt	89.0	193.4	89.0	193.4

KPI:s				
EBITDA margin	9.6%	-4.8%	7.9%	1.0%
Adjusted EBITDA margin	10.0%	8.0%	10.4%	8.4%
OCF / EBITDA	54.6%	n/a	20.1%	-120%
Adjusted OCF / Adjusted EBITDA	56.5%	218.3%	39.2%	73.3%
Net debt / Adjusted LTM EBITDA	3.0	9.4	3.0	9.4

OCF impacted by paid Other specified items

- Q4-17 4.2 MEUR
- FY17 8.3 MEUR

FY17 capex of 5.6 MEUR (2.0% of revenue)

- New ERP system 1.6 MEUR (4.8)

Net debt / adjusted EBITDA 3.0x

- IPO related cost not yet paid at year end c.2 MEUR
- Purchase price for the new distributor in US settled in Q1-18
- RCF of 40 MEUR undrawn at year end