

Brado AB Q4 interim report 2018: Continued focus on optimization and improved margins

Q4 2018 Highlights

- Revenues for Q4'18 ended at SEK 565,5 million and EBITA at SEK -6,8 million (-1,2 %).
- Churn within Personal Assistance shows signs of improvement and the number of prospects is increasing.
- Occupancy within Disability is lower than expected in some units. Sales efforts initiated in the end of the quarter.
- Weak performance within Individual & Family. High cost levels primarily driven by units with low occupancy and extraordinary expenses related to restoration of properties. One new unit started operations during Q4'18.
- Improved performance within Elderly Care as a result of continued focus on staffing optimization in combination with increased occupancy.
- Cash flow was stable during the quarter due to improvements in working capital. At the end of Q4'18, total available cash including RCF was SEK 122.7 million.
- Unaudited full year 2018 revenue ended at SEK 2 318.3 million, with EBITDA of SEK 25.2 million, EBITA SEK 9.6 million and EBT of SEK 127.8 million.
- In 2018, EBITDA was negatively affected by SEK -14.4 million in transaction costs, implying an operational EBITDA of SEK 39.6 million.
- In 2018, EBT is positively affected by SEK 168.5 million due to reduction in the seller's credit. The Group's equity increases correspondingly.

Comment by Kristoffer Lorck, CEO of Brado AB and Frösunda Omsorg AB:

”The numbers for Q4'18 are disappointing and we are not satisfied with the performance. A general challenge during the second half of 2018 has been the decrease in occupancy, driven by the loss of some customers combined with slow start-up on full responsibility units. Fundamentals remain solid and occupancy is expected to improve gradually. During the fourth quarter of 2018 the Group continued to work on improving internal routines, quality systems and optimization of operations. We have started to see results from this work and expect to see improvements on margins throughout 2019. The cash position in the Group is healthy and we remain confident about the business case.”

The Q4 interim report 2018 is available at:

<https://www.brado.se>

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