



# Breakfast Presentation

25 September 2017



# Agenda

I

Company overview

II

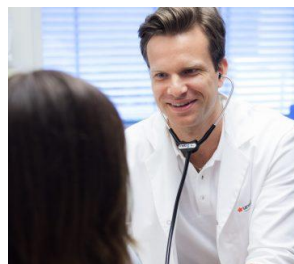
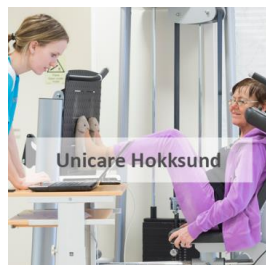
Operational update



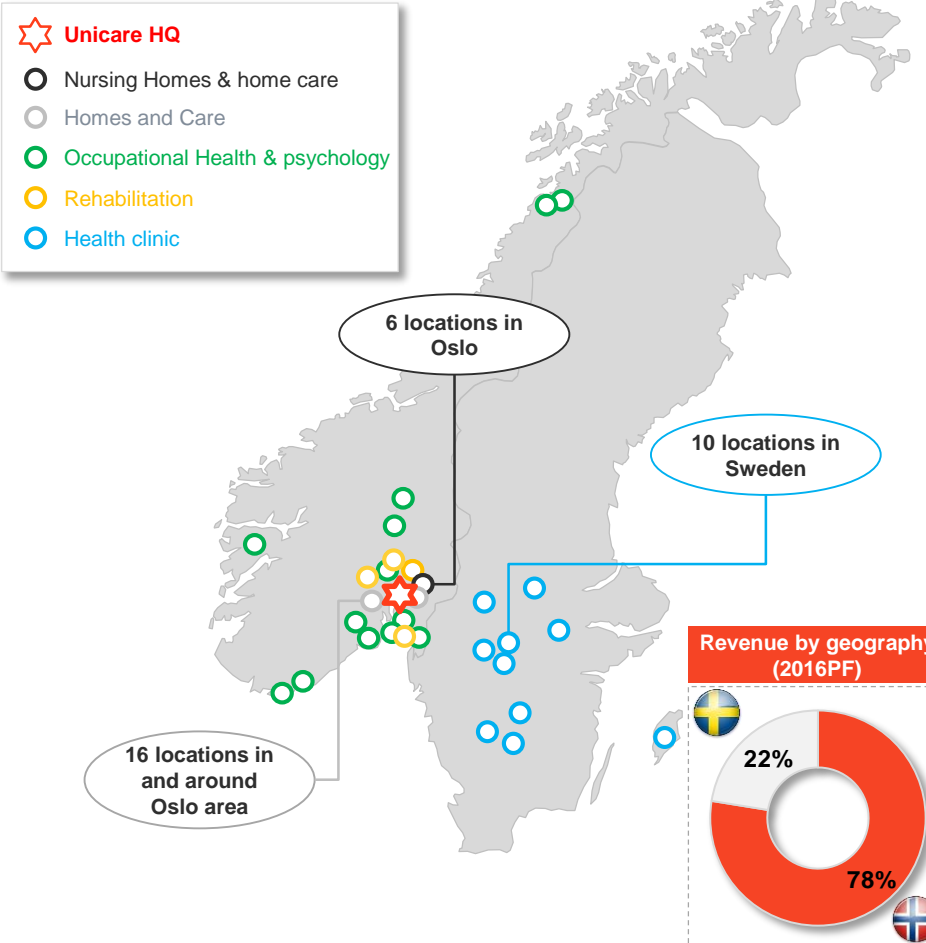
# Company overview

## Business description



















- One of the largest private healthcare and care service providers in Norway
- Headquartered in Oslo, Norway
- Operates 38 locations/units in Norway and 10 units in Sweden with around 2,800 employees
- **Principal activities include:**
  - Nursing homes and home care services
  - Rehabilitation hospitals and clinics
  - Homes and Care (mental health / disabled care)
  - Psychology and occupational health services
  - Primary healthcare
- Substantial portfolio of long term contracts with solid counterparties (e.g., regional health authorities, municipalities) and large corporates
- Strong brand name reflecting the unique position in the public and private health sector and has won several third-party awards for quality



## Geographical presence




















# Unicare has a leading position in a fragmented market

Business segments	Market position	YTD Q2'17 revenue	Other large private operators
 <p><b>Nursing Homes &amp; home care services</b></p> <ul style="list-style-type: none"> <li>Nursing homes</li> <li>Home care (nursing care and home services)</li> </ul>	 <p><b>#1</b> unicare</p>	<p>Share of revenue</p>  <p><b>36%</b></p>	 <p>norlandia Aleris Attendo</p>
 <p><b>Homes &amp; care</b></p> <ul style="list-style-type: none"> <li>Institutional care</li> <li>Day care</li> <li>User personalised assistance (UPA)</li> </ul>	<p><b>Top 5</b> unicare</p>	 <p><b>14%</b></p>	 <p>norlandia team:olivia Aleris Humana</p>
 <p><b>Health clinics Sweden</b></p> <ul style="list-style-type: none"> <li>Medical centres offering GP &amp; midwife, child care and rehabilitation services</li> </ul>	<p><b>Top 5</b> unicare</p>	 <p><b>21%</b></p>	 <p>Capio Praktikertjänst</p>
 <p><b>Rehabilitation</b></p> <ul style="list-style-type: none"> <li>Outpatient services</li> <li>Inpatient services</li> </ul>	 <p><b>#1</b> unicare</p>	 <p><b>23%</b></p>	 <p>stamina</p>
 <p><b>Psychology &amp; occupational health</b></p> <ul style="list-style-type: none"> <li>Physiological treatment</li> <li>Occupational healthcare</li> </ul>	 <p><b>#3</b> unicare</p>	 <p><b>6%</b></p>	 <p>Aleris Synergi Helse stamina</p>

# Seasoned management team supported by strong owners specialised in healthcare investments

## Management team

	Years of relevant experience	Previous experience
 <b>Chairman / BD / Responsible for Rehab and Nursing homes</b> Tom Tidemann	16	
 <b>CEO</b> Johan Sward	11	
 <b>CFO</b> Rolf Erik Myklebust	7	
 <b>CMO</b> Christian Henrik Bergh	19	
 <b>Manager of Nursing Homes</b> Janne Sonerud	25	
 <b>Manager of Sweden</b> Anders Olofsson	10	
 <b>Manager of Occupational health &amp; Psychology</b> Per-Anders Green	10	
 <b>Manager of Rehabilitation</b> Trine Berntsen	6	
 <b>Manager of Homes &amp; Care (TBA)</b> Currently one manager for each business unit;		Will be announced before the end of 2017

## Overview of owners

Ownership share

~67%

G Square

- In 2016, G Square acquired a 67% ownership share in Unicare from Icon Capital and the founders
- G Square is a private equity firm dedicated to investing in mid-market healthcare companies in Europe
- More than EUR 550m under management
- Has invested in nine companies across Europe
- Control majority, with 3 board seats



~31%

Founders

- The founders of Unicare remain significant investors, with Tom Tidemann holding 18.55% of the shares and Una Aas holding ~12.4% of the shares
- Tom Tidemann is the Chairman of Unicare and is actively involved in business development
- Una Aas is actively involved through her position on the board

~2%

Others

- Approximately 2% of the shares are held by the Unicare management team



# Unicare has a recurring revenue model with strong contract counterparties

## The main counterparties



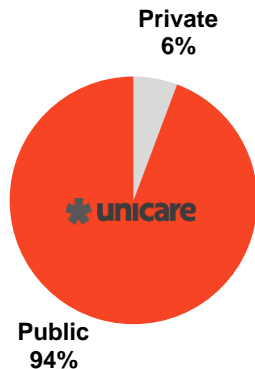
## The service provider



## The end users



## Revenue by counterparty 2016



## Standard contract length

Nursing homes	4 - 6y + 2y options
Homes & care	3 - 4y
Rehabilitation	Continuing frame agreement
Psychology & occupational health	Frame agreement/ 4 + 1 + 1y
Health centres	Continuing frame agreement

## Percent of options exercised<sup>1</sup>

~100%

## Contracted revenue 2017<sup>2</sup>

>95%

6 1) Historically ~100% of options have been declared across business segments. The municipality of Oslo has publicly stated that the option for Ammerudlunden and Manglerudhjemmet will not be declared when the fixed contract expire in April and June 2019 respectively. The four remaining nursing home contracts will expire in 2020 and 2021 2) management estimates including budgeted revenue from framework agreements

# G Square Capital – investment thesis



- **Diversified business in a large and growing market with strong macro fundamentals**
  - ✓ Unicare operates business lines with an addressable market of >NOK206bn
  - ✓ Norway's total healthcare expenditure has been increasing at a 7% CAGR since 1998
  - ✓ As other Nordic countries, Norway is facing a demographic shift (ageing population) which will significantly increase the number of care homes needed in the future
  - ✓ Aside from Switzerland and Luxembourg, Norway consistently has the highest spend per capita in OECD countries
  - ✓ Lagging in terms of privatisation of healthcare compared to other Nordic countries
- **Experienced and motivated founder and management team**
  - ✓ Entrepreneurial founder has re-invested a significant portion of proceeds into the new structure
  - ✓ Significant experience within the healthcare space and wants to create a leader in Norway
  - ✓ A strong management team has been assembled around him so that he can focus on the business development aspects and accelerate the buy-and-build strategy
- **Buy-and-build strategy to expand across the Nordics**
  - ✓ Strong track record of making and integrating acquisitions
  - ✓ Significant pipeline of identified targets across Norway and Sweden
  - ✓ Growth opportunities to win new contracts and open new homes/clinics
- **An attractive financial profile**
  - ✓ Long-term contracts with highly visibility on revenues (e.g. >90% of revenues in 2016A)
  - ✓ High cash generation business as advantageous working capital (i.e. positive cash flow) from contracts and limited capex requirements (asset-light business)

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## Key events since the bond issue

- ✓ Employment of new CMO Christian Henrik Bergh and new manager of Rehabilitation, Trine Berntsen
- ✓ Acquisition of 2 new rehabilitation centers
- ✓ Winning new 8 years (incl. option) rehab contract with Helse Midt Norge
- ✓ A restructuring of the top management
- ✓ Implemented a new IT system for better reporting and monitoring
- ✓ Launched local marketing campaigns in Sweden to increase no. of listed patients
- ✓ Bond listed on Oslo Børs 21 September 2017











***New key  
personnel***

***Acquisition of  
2 new rehab  
centres***

***New 8 year  
contract with  
Helse Midt N.***

***YTD EBITDA  
NOK 44.1m<sup>1</sup>  
(+5.1m)***

# Key trends per business segment

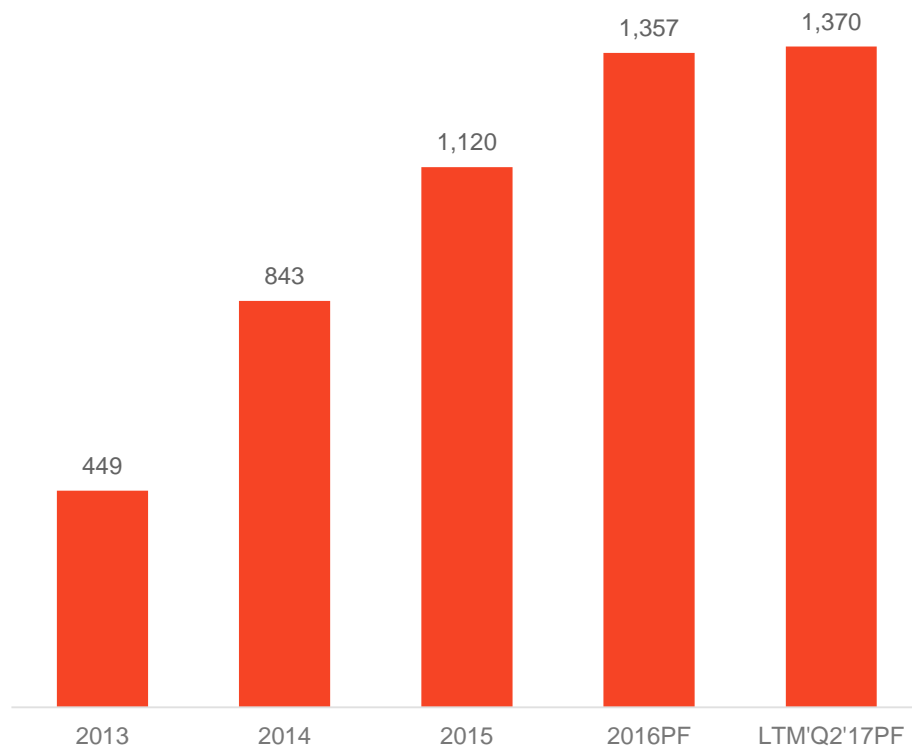
Business segments	Key trends	Comments
 <p><b>Nursing Homes &amp; home care services</b></p>		<ul style="list-style-type: none"> <li>▪ Stable revenues and operational improvements in existing portfolio</li> <li>▪ No new tenders in the market but the new conservative government has indicated a strong interest in further outsourcing and privatisation</li> <li>▪ Disappointing performance in Home Care</li> </ul>
 <p><b>Homes &amp; care</b></p>		<ul style="list-style-type: none"> <li>▪ Struggling with profitability due to inefficient resource management</li> <li>▪ New manager in place from July - redeployment of resources and new work schedules in place - hope to see positive trend from this fall</li> <li>▪ A lot of projects in the market, and some price pressure</li> <li>▪ Strong performance from childcare (mental health)</li> </ul>
 <p><b>Health clinics Sweden</b></p>		<ul style="list-style-type: none"> <li>▪ Successfully hired full time doctors – reduce the use of consultant and temp doctors</li> <li>▪ Experienced loss of some listed patients</li> <li>▪ Marketing campaign launched to recruit new patients</li> </ul>
 <p><b>Rehabilitation</b></p>		<ul style="list-style-type: none"> <li>▪ Positive development with improving EBITDA</li> <li>▪ New tenders this autumn means increased possibilities for add on business for most units, but also risk of losing some business for 3 units</li> <li>▪ Several independent institutions targeted</li> </ul>
 <p><b>Psychology &amp; occupational health</b></p>		<ul style="list-style-type: none"> <li>▪ Declining market and falling utilisation rate for occupational health lead to losses</li> <li>▪ New tender for Psychology means increased business opportunities but also risk for losing part of the existing business</li> </ul>

# Revenue and EBITDA development

## Revenue

NOKm

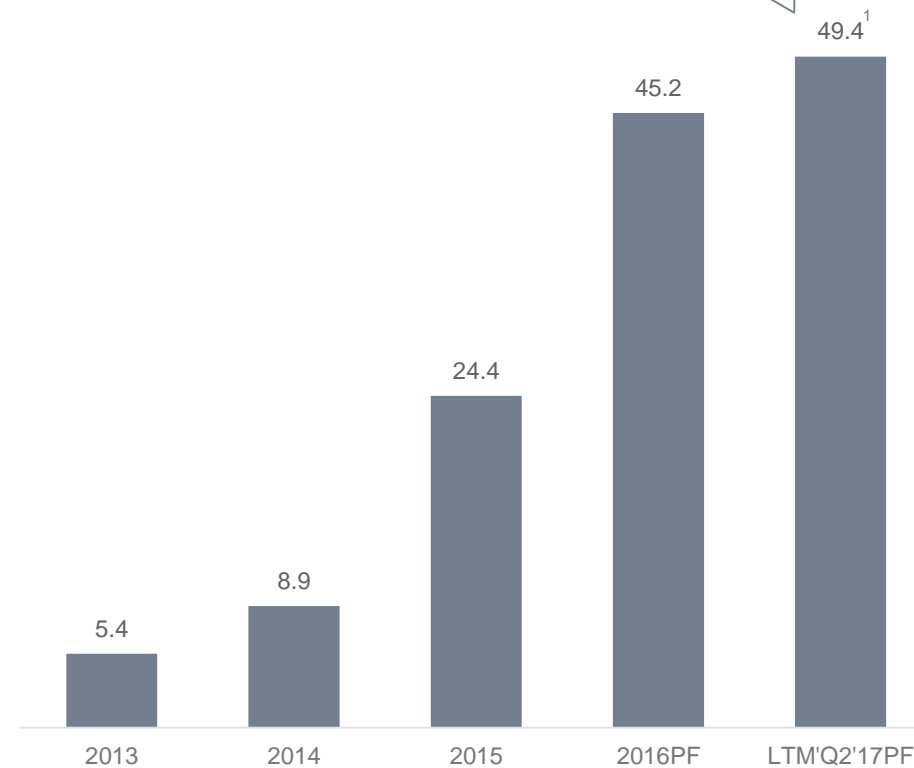
Revenue not including the two latest rehabilitation acquisitions



## EBITDA

NOKm

Unadjusted EBITDA, not including the two latest rehabilitation acquisitions



11 Note: 1) Due to an error in the newly implemented reporting system, the reported Q2'17 EBITDA was overstated by NOK 2.18m. The reporting system has now been thoroughly reviewed and the error has been corrected

## Strong balance sheet – Q2'17

<b>Cash balance</b>	<b>NOK 165m</b>
<b>Interest bearing debt</b>	<b>NOK 350m</b>
<b>Net Interest Bearing Debt</b>	<b>NOK 185m</b>
<b>Leverage ratio</b>	<b>3.7x</b>
<b>Interest coverage ratio</b>	<b>13.1x</b>

### Key terms for Care Bidco (17/21)

Issued volume	NOK 350m						
Frame work amount	NOK 700m						
Maturity date	24 March 2021 (xx years)						
Status	Sr. secured						
Security	Account pledge, share pledge, subsidiary guarantees, floating charges, pledge in intercompany loans						
Coupon	3M NIBOR + 550bps (currently 6.36%)						
Call options	<table border="0"> <tr> <td>Issue date – 23 Mar 20</td> <td>Make Whole</td> </tr> <tr> <td>24 Mar 20 – 23 Sept 20</td> <td>102%</td> </tr> <tr> <td>24 Sept – 23 Mar</td> <td>101%</td> </tr> </table>	Issue date – 23 Mar 20	Make Whole	24 Mar 20 – 23 Sept 20	102%	24 Sept – 23 Mar	101%
Issue date – 23 Mar 20	Make Whole						
24 Mar 20 – 23 Sept 20	102%						
24 Sept – 23 Mar	101%						
Incurrence test	<ul style="list-style-type: none"> <li>Net interest bearing debt / EBITDA &lt; 4.0x</li> <li>EBITDA / net interest expenses &gt; 3.0x</li> </ul>						
Maintenance covenant	Minimum liquidity of NOK 35m						
Other permitted financial indebtedness	No additional int. bearing debt other than i) tap issues of the bond and ii) finance or capital lease in the ordinary course of business						
Dividend restrictions	No dividend payments						
Listing	Oslo Børs from 21 September 2017						

# Outlook

- **Further improvement of the organisation and IT systems**
  - ✓ Expand management team
  - ✓ Continue to enhance reporting systems and IT systems
- **Continue to build up the acquisition pipeline**
  - ✓ Significant pipeline of targets developed, particularly within the rehabilitation sector
  - ✓ Selected subsectors targeted
- **Enhance operational efficiencies**
  - ✓ Optimisation of staff ratios, overtime usage, and sickness leave to improve the costs of the various business units a key focus to increase overall margins
  - ✓ Portfolio optimisation of the business divisions
- **Growth and Nordic expansion**
  - ✓ Win new contracts for the existing business
  - ✓ Advance the Nordic expansion within Norway and Sweden

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