



## Interim Report H1 2018

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### **Falck takes important first step in turnaround**

Earlier today, Falck released its financial results for the first half of 2018. The company took an important first step in its turnaround as both reported and underlying EBITA margins improved.

Falck's efficiency and cost optimisation programme completed 1,150 optimisation initiatives in the first half of 2018. In total 2,371 initiatives are planned for 2018. In the reporting period, the programme delivered an EBITA improvement of DKK 95 million.

## Financial highlights for the first half of 2018:

- Reported revenue was DKK 6,733 million (H1 2017: DKK 7,234 million) – underlying revenue growth at 3.5%<sup>1</sup>.
- Reported operating profit (EBITA) was DKK 145 million (H1 2017: DKK 94 million loss) for an EBITA margin of 2.2% (H1 2017: negative at 1.3%). The underlying EBITA was DKK 280 million and margin at 4.2% (H1 2017: 2.8%).<sup>12</sup>
- The free cash flow was DKK 216 million (H1 2017: DKK 258 million). Investments in a new training facility and in global dispatch, planning and fleet management IT systems impacted cash flow by DKK 195 million.
- A loan and credit facility agreement of DKK 3,871 million was extended and secured Falck a stable financial base.
- Falck expects to further restore profitability in 2018 and 2019 as more initiatives in its efficiency and cost optimisation programme are completed.

<i>In DKK '000</i>	<b>Revenue H1 2018</b>	<b>H1 2018 Y/Y<sup>1</sup></b>	<b>EBITA H1 2018</b>	<b>Margin H1 2018<sup>1 2</sup></b>	<b>Margin H1 2017<sup>1 2</sup></b>
Ambulance	3,827	5.3%	141	4.2%	1.9%
Employee Healthcare	882	-5.9%	-101	-1.5%	3.4%
Assistance	1,555	-0.1%	204	13.1%	4.7%
Portfolio business	589	3.3%	27	4.5%	2.9%
Non-recurring			-135		
<b>Total</b>	<b>6,733</b>	<b>3.5%</b>	<b>280<sup>3</sup></b>	<b>4.2%</b>	<b>2.8%</b>

1. Adjusted for adverse impact of currency translation and changes under the IFRS 15 financial reporting standard totalling DKK 746 million.

2. Adjusted for software impairment charges, write-downs of trade receivables and other non-recurring items related to Falck's turnaround in 2017 and 2018.

3. Underlying EBITA. Reported EBITA was DKK 145 million.

President & CEO Jakob Riis said:

*“2018 is a critical turnaround year at Falck. The margin has deteriorated for several years.*

*Our overriding priority is to restore profitability by reducing complexity and implementing global operating models. I am pleased that our underlying*

*profitability improved in the first half of 2018. It is an important first step in our turnaround.”*

*“We have a long way to go to achieve our long-term financial goals. We are making significant progress in terms of restoring profitability, reducing complexity and implementing global operating models. Our frontline colleagues continue to deliver high quality services in their dedication to save and improve lives.”*

Falck signed significant new contracts in the H1 2018 reporting period. The contracts relate to its Ambulance and Assistance businesses, both of which are well into their turnarounds.

The newly awarded and renewed contracts include ambulance contracts in Stockholm, London, Bonn and the Central and North Denmark Regions, personal assistance services at Copenhagen Airport, fire-fighting service contracts with three Danish emergency management agencies and roadside assistance-related contracts with Mercedes as well as the insurance companies Topdanmark and Frende.

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Falck is an international leader in the ambulance and healthcare markets. With more than 100 years of experience, Falck works together with local and national authorities to prevent accidents, illness and emergency situations, to rescue and assist people in emergencies quickly and competently and to rehabilitate people after illness and injury.

Falck operates in 35 countries and has more than 37,300 employees.

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