

Region Stockholm Year-End Report

2022



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Throughout the year, the healthcare providers in Region Stockholm have worked hard to maintain high quality healthcare services. A high level of Covid-19 contagion in combination with seasonal RSV led to a higher number of severely ill patients. Work continued on catching up with the healthcare that needed to be postponed due to the pandemic. Vaccinations for Covid-19 have gradually been incorporated into regular operations.

THROUGHOUT THE YEAR efforts to get people to return to using public transport continued. Travel on public transport has slowly recovered but at year-end, it was at a level corresponding to 80 percent of pre-pandemic levels. New travel patterns, such as more people working remotely, have led to a decline in passenger numbers.

PROFIT/LOSS

Region Stockholm reported a profit of SEK 4,965 million for 2022, compared to the budgeted profit of SEK 142 million. This corresponds to 5.4 percent of overall tax revenue.

The surplus can be explained by the fact that total tax revenue exceeded the budget by SEK 3,072 million. In addition, operating revenue increased by SEK 1,841 million compared to budget, which is

primarily due to an increase in targeted government grants. The result also includes lower ticket revenue in public transport by SEK -1,757 million compared to budget, as a consequence of declining passenger numbers. Also, the year's additional healthcare costs for managing Covid-19 amounted to SEK 765 million.

In 2022, Region Stockholm reported a balance requirement of SEK 928 million. This was calculated by adjusting the surplus of SEK 4,965 million downwards by SEK 155 million for capital gains, as well as by SEK 3,882 million in provision of funds for Region Stockholm's profit equalization reserve. The Local Government Act requirement for balanced finances is thereby fulfilled.

BALANCE SHEET

The balance sheet total increased in 2022 and at year-end amounted to SEK 156 billion. Region Stockholm's debt-equity ratio, or long-term solvency, increased by 2.4 percentage points compared to the previous year, which is mainly due to the positive financial result. At year-end, the debt-equity ratio was 17.3 percent, excluding the pension obligations reported as contingent liabilities. If the pensions reported as contingent liabilities are included, the debt-equity ratio was 3.3 percent.

Investments for the year amounted to SEK 13 billion, which is SEK five billion below budget. Managing the pent-up demand for healthcare in the wake of the pandemic led to a refocusing of our investment needs and that any tenant



adaptations had to be postponed. In addition, a supply shortage of semi-conductors and other material impacted the availability of medical devices. Investments in public transport had to be deferred due to appeals and review procedures, and the situation in the world led to delays in the supply of vehicles.

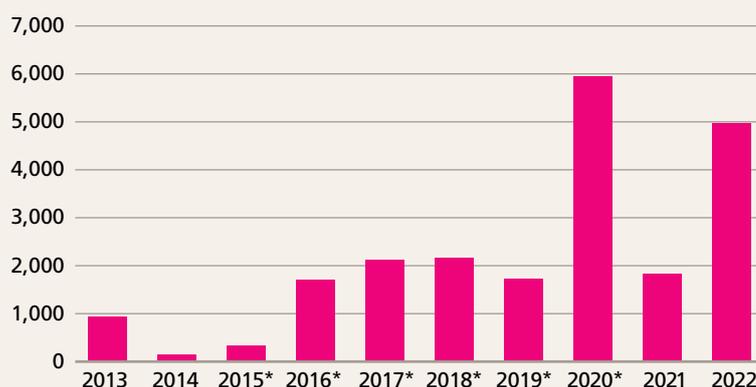
Region Stockholm's interest-bearing liabilities decreased during the year by SEK five billion and at year-end amounted to SEK 48 billion.

THE FUTURE

The geopolitical situation with heightened tension in Sweden's proximity impacted 2022, as did the uncertain situation for both the global and the Swedish economy. However, this situation mainly creates uncertainty about the future. Economic conditions for Region Stockholm will deteriorate, both as a consequence of increased fees for municipal equalisation and the cessation of government grants for the pandemic. Furthermore, the high inflation in 2023 and 2024 is expected to lead to considerably higher pension costs.

But Region Stockholm's financial position has been strengthened, in line with good financial management, and Region Stockholm is thus better equipped to handle a recession. Positive financial results provide a foundation for tackling a fluctuating economy, handling unexpected costs and developing our operations. They also improve our capacity to finance any investments with our own funds, which reduces our vulnerability to interest rate hikes. Region Stockholm allocates parts of the surplus from 2022 in a profit equalisation reserve in order to compensate for any future decline in tax revenue.

Results over 10 years (MSEK)



*The result does not include conversion costs

Profit/loss

MSEK	Profit/loss 2022	Budget 2022	Deviation from budget	Profit/loss 2021
Operating revenue	30,358	28,517	1,841	31,376
Operating expenditure	-109,126	-108,347	-779	-108,098
Depreciation	-6,890	-7,146	256	-7,024
Net operating costs	-85,658	-86,977	1,318	-83,746
Tax revenue, general government subsidies and equalisation	92,760	89,688	3,072	87,970
Net financial income/expense	-2,137	-2,570	433	-2,403
Profit/loss for the year	4,965	142	4,824	1,821

Balance sheet

MSEK	2022	2021	Change
Assets			
Fixed assets	139,201	131,484	7,716
Current assets	16,630	16,429	200
Total assets	155,831	147,914	7,917
Equity, provisions and liabilities			0
Equity	27,001	22,036	4,965
Provisions	36,638	34,933	1,706
Non-current liabilities	62,351	59,744	2,607
Current liabilities	29,841	31,201	-1,361
Total equity, provisions and liabilities	155,831	147,914	7,917

Investments

MSEK	Profit/loss 2022	Budget 2022	Deviation from budget	Profit/loss 2021
Healthcare services	2,369	3,537	-1,168	2,069
Public transport	10,432	14,018	-3,586	8,789
Other	212	362	-150	168
Total investment				
The Regional Group	13,013	17,917	-4,904	11,026

