AcadeMedia AB (publ)

INTERIM REPORT July 2015 – March 2016

- Number of children and students increased with 4,0% in the third quarter
- German acquisition lays the foundation for continued growth abroad
- 9 units added in the quarter through bolt-on acquisitions and new starts

AcadeMedia

AcadeMedia

Interim Report 3rd Quarter

3rd quarter (Jan 2016 – March 2016)

- Net sales increased by 6.4 percent to SEK 2,316 million (2,177).
- Operating profit (EBIT) increased by 17.4 percent to SEK 196 million (167). Adjusted for non-recurring items, operating profit was SEK 199 million (168).
- Net profit for the period was SEK 129 million (94).
- Cash flow from operating activities amounted to SEK 128 million (197).
- The average number of children and students in preschool, compulsory school and upper secondary school during the quarter was 63,716 (61,269), which was an increase of 4.0 percent.
- Earnings per share amounted to SEK 1.60 (1.18) before/after dilution.
- Acquisition of a preschool company in Germany with annual sales of EUR 8 million in 2015 and with around 450 children was completed on February 1.

Nine months (July 2015 – March 2016)

- Net sales increased by 4.5 percent to SEK 6,233 million (5,964).
- Operating profit (EBIT) decreased by 10.7 percent to SEK 317 million (355). Adjusted for non-recurring items, operating profit was SEK 330 million (358).
- Net profit for the period amounted to SEK 179 million (142).
- Cash flow from operating activities amounted to SEK 382 million (486).
- The average number of children and students in preschool, compulsory school and upper secondary school amounted to 62,754 (60,764), which was an increase of 3.3 percent.
- Earnings per share amounted to SEK 2.24 (1.78) before/after dilution.

Significant events after the end of the reporting period

No significant events have occurred since the end of the reporting period.

The group in figures

The quarter in figures	Third quarter			9 months		
	2015/16	2014/15	Change	**2015/16**	2014/15	Change
Net sales, SEK m	2,316	2,177	6.4%	6,233	5,964	4.5%
EBITDA, SEK m	244	220	10.9%	456	505	-9.7%
EBITDA margin	10.5%	10.1%	0.4 pp	7.3%	8.5%	-1.2 pp
Operating profit (EBIT), SEK m	196	167	17.4%	317	355	-10.7%
EBIT margin	8.5%	7.7%	0.8 pp	5.1%	6.0%	-0.9 pp
Adjusted operating profit (EBIT)*, SEK m	199	168	18.5%	330	358	-7.8%
Adjusted EBIT margin	8.6%	7.7%	0.9 pp	5.3%	6.0%	-0.7 pp
Total financial items, SEK m	-29	-48	-39.6%	-94	-173	-45.7%
Income before taxes, SEK m	167	120	39.2%	223	182	22.5%
Profit/loss for the period	129	94	37.2%	179	142	26.1%
Number of children and students	63,716	61,269	4.0%	62,754	60,764	3.3%
Number of FTEs	9,783	9,205	6.3%	9,551	9,081	5.2%

**For definitions see page 26*

CEO's comments

AcadeMedia has continued the financial year with a healthy growth in good student numbers, and the third quarter was an improvement compared to the previous year. However, financial development has been hampered by investments in new establishments and by the fact that contracts within Adult education were delayed due to appeals. The underlying earnings remain strong. We see supportive macroeconomic trends within our business areas, with a number of new initiatives in the spring budget by both the government and municipalities. We are also pleased by a large number of new establishments planned in Norway for the autumn and a strategic acquisition in Germany.

AcadeMedia contributes to important social issues

One of AcadeMedia's pillars is contributing to society in various ways. Our size gives us the resources to develop both people and methods, which is an important part of our quality developement work. During the third quarter AcadeMedia won two important awards. The first, "Better School 2015", was awarded to Vittra Vallentuna by the Swedish Institute for Quality (SIQ). The school improved its students' exam results substantially by systematically monitoring student achievements. Another compulsory school, Brevik Skola in Tyresö, was recognized via their principal, Anna Hansson-Bittár, receiving the Director of Education Prize, by the Swedish Association of School Principals and Directors of Education.

We play an active part in the public debate on how to develop Swedish schools, a debate that often concerns the funding of the public education system. We see the involvement of independent corporates in the welfare sector as an important contribution to society. One of the major advantages of Swedish society is the access to public welfare services. The freedom of choice that exists with respect to schools and the student voucher system enables everyone to opt for better quality schools. AcadeMedia has put forward a proposal to make school selection mandatory at compulsory school level. The problem is not that some people choose schools; the problem is that not everyone does.

Strategic acquisition of Joki in Germany

Following the acquisition of Espira in Norway in 2014 we have continued to seek other countries to expand into. We found that Swedish and Norwegian preschools with their proficiency-based teaching for the youngest children are highly respected outside the Nordic region. AcadeMedia has had its eye on Germany for some time where there is a political ambition to increase the proportion of young children attending preschool. We are therefore pleased that AcadeMedia, in February, completed the acquisition of Munich-based preschool company Joki. The aim is that Joki will be a platform for continued growth in Germany. Joki has seven preschools, and revenues in 2015 amounted to approximately EUR 8 million.

Effective as of this quarter, Preschools Germany will be reported jointly with Preschools Norway in the interim reports. We have decided to call this Preschools International and we have presented a five-year growth plan for Germany.

Q3 better than last year

Following contract delays within Adult education and many new establishments that had a negative impact on results in the autumn, the result for the third quarter now shows improvement compared to the previous year.

All three school segments had higher student numbers and revenue than in the same period last year. During the autumn, a number of non-recurring costs associated with expansion hampered profits, but this spring we are now seeing improved profits – despite the fact that high social security contributions continue to burden the Pre- and compulsory schools segment. Adult education volumes increased in the third quarter compared to the previous quarter and also compared to the same period last year. Staff and cost adjustments that were made during the autumn also contributed to improved results in Adult education.

Earnings year-to-date are however still impacted by last autumn's results. The decrease in profits last autumn was mainly due to investments of SEK -19 million associated with new establishments and the expansion within the Pre- and compulsory schools segment, and to SEK -17 million in relation to higher social security contributions for young people, mainly affecting the Pre- and compulsory schools segment. Delays in contract volumes within Adult education had a negative impact on the Adult education segment, while higher rental costs and less favorable exchange rates impacted results from the Preschools International segment. The Adult Education segment now shows healthy volumes and this trend seems continue into the fourth quarter.

Overall, operating profit (EBIT) increased in the third quarter by 17.4 percent to SEK 196 million (167). Year to date, revenues have increased by 4.5 percent to SEK 6,233 million (5,964). Operating profit year-to-date for the financial year amounted to SEK 317 million (355) and remains affected by the factors stated above.

Operating profit year to date is also burdened by non-recurring items of SEK -13 million (-4), mainly relating to IPO expenses and costs associated with acquisition activities. Adjusted operating profit for the period July 2015 up to and including March 2016 amounted to SEK 330 million (358).

Conclusion

Education is an important key to successful integration. We will continue to see major investments in education within this area. Preschools will play an ever greater role in Europe's development, and AcadeMedia has a leading preschool concept.

Marcus Strömberg

President and CEO

AcadeMedia AB (publ)

Development in the third quarter (Jan 2016 – Mar 2016)

Volume development and revenues

Net sales in the third quarter amounted to SEK 2,316 million (2,177), which is an increase of 6.4 percent year on year. The increase is driven primarily by the fact that the number of students in all three school segments together increased by 4.0 percent to 63,716 (61,269). The acquisition of the operations in Germany also had a positive effect. Revenue per student increased by 1.9 percent on average for the three comparable school segments excluding Germany.

Operating profit

Operating profit (EBIT) for the third quarter (January – March) increased by 17.4 percent to SEK 196 million (167), representing an operating margin of 8.5 percent (7.7). The improvement in profits compared to the same period last year is mainly due to growth in number of students and margin improvement within the Pre- and compulsory schools and the Upper secondary schools segments. However, increased expenses for higher social security contributions for young people had a negative effect on results in the Pre- and compulsory schools segment of around SEK -5 million compared to the previous year.

Adjusted EBIT amounted to SEK 199 million (168), corresponding to an adjusted EBIT margin of 8.6 percent (7.7).

Non-recurring items

Operating profit (EBIT) for the third quarter includes non-recurring items of SEK -4 million (-1) as illustrated in the table below. The majority of this refers to acquisition related expenses.

Total financial items

Net financial items for the quarter amounted to SEK -29 million (-48). Interest expenses for external loans were SEK -27 million (-56), of which SEK -17 million (-46) related to loans from credit institutions. Interest expenses decreased as a result of lower interest margins in the new loan agreement that took effect on July 7, 2015.

Non-recurring items	Third quarter	
SEK m	2015/16	2014/15
Gains from the sale of properties, Norway	0	-
Restructuring expenses	-	-
Non-recurring operating expenses	-	-
Transaction related expenses	-4	-1
IPO expenses	0	-
Total	**-4**	**-1**

Profit and comprehensive income for the period

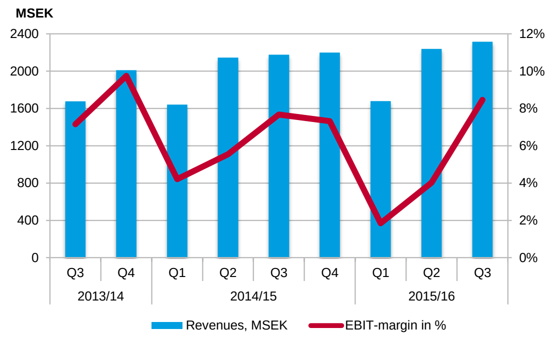
Profit for the period after tax amounted to SEK 129 million (94). Tax for the quarter amounted to SEK -38 million (-25). Comprehensive income for the period was SEK 138 million (100).

Acquisitions and divestments

During the period four units were acquired within the Pre- and compulsory schools segment in Sweden, while two units in Norway and seven units in Germany (Joki) were acquired within the Preschools International segment. One unit within the Upper secondary schools segment was divested during the period, but is included as a unit since it conducted operations during the period. For details, see page 20.

New units and discontinued operations

Two new preschools were established within the Pre- and compulsory schools segment and one preschool was established in Norway.



Third quarter in summary by segment

	Number of students (avg)		Net Sales, SEK m		Adjusted EBIT, SEK m		Adj. EBIT margin		Op. profit (EBIT), SEK m		EBIT margin	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
Pre- and compulsory schools (Sweden)	30,471	28,953	933	844	79	61	8.5%	7.2%	79	61	8.5%	7.2%
Upper secondary schools (Sweden)	24,917	24,676	641	625	63	51	9.8%	8.2%	63	51	9.8%	8.2%
Adult education (Sweden)	–*	–*	364	338	46	40	12.6%	11.8%	46	40	12.6%	11.8%
Preschools International	8,328	7,640	376	368	28	32	7.4%	8.7%	28	32	7.4%	8.7%
Group adj., parent company	-	-	2	1	-17	-16	-	-	-21	-17	-	-
Total	63,716	61,269	2,316	2,177	199	168	8.6%	7.7%	196	167	8.5%	7.7%

**The volume of adult education is not measured based on the number of participants since the length of the programs varies from individual occasions to academic years*

Development in the first nine months (Jul 2015 – Mar 2016)

Volume development and revenues

Net sales in the first nine months amounted to SEK 6,233 million (5,964), which is an increase of 4.5 percent year on year. The increase is driven primarily by the number of students in all the school segments which together increased by 3.3 percent to 62,754 (60,764). However, lower number of participants in the Adult education segment during the autumn had a negative effect compared to the same period in the previous year. Revenue per student increased by 1.9 percent on average for the three school segments excluding Germany.

Operating profit

Operating profit (EBIT) for the first nine months (July 2015 – March 2016) decreased by -10.7 percent to SEK 317 million (355), representing an operating margin of 5.1 percent (6.0). The decrease compared to the same period last year is mainly due to developments within the Adult education operations and to expenses associated with relocations and new establishments within the Pre- and compulsory schools segment in the autumn of 2015. However, increased expenses for higher social security contributions for young people impacted results in the Pre- and compulsory schools segment in the first nine months by around SEK -13 million compared to the previous year.

Adjusted EBIT amounted to SEK 330 million (358), corresponding to an adjusted EBIT margin of 5.3 percent (6.0).

Non-recurring items

Operating profit (EBIT) for the first nine months includes non-recurring items of SEK -13 million (-3), as illustrated in the table below. The majority, SEK -9 million, refers to IPO related expenses and SEK -7 million refers to acquisition related activities. Integration costs of SEK -3 million for the Adult education segment's acquisition of Hermods and SEK +6 million in capital gains on the sale of property in Norway are also included.

Total financial items

Net financial items for the first nine months amounted to SEK -94 million (-173). Interest expenses for external loans were SEK -89 million (-162), of which SEK -57 million (-132) related to loans from credit institutions. Interest expenses decreased as a result of lower interest margins in the new loan agreement from July 7, 2015, and to a certain extent also because interest rates were at a low level.

Non-recurring items	9 months	
SEK m	2015/16	2014/15
Gains from the sale of properties, Norway	6	0
Restructuring expenses	-	-
Non-recurring operating expenses	-3	-
Transaction related expenses	-7	-3
IPO expenses	-9	-
Total	**-13**	**-3**

Profit and comprehensive income for the period

Profit after tax for the period amounted to SEK 179 million (142), representing an improvement of 26.1 percent. Tax for the period amounted to SEK -44 million (-40). Comprehensive income for the period amounted to SEK 170 million (131).

Acquisitions and divestments

The sale of three properties in Norway to Hemfosa was completed on September 24, 2015.

Seven units have been acquired during the year (five in the Pre- and compulsory schools segment in Sweden and two in Norway). Another seven units (Joki) have been acquired that are now included in the Preschools International segment. For details, see page 20.

New units and discontinued operations

In the financial year to date, 14 units have been established (nine units in the Pre- and compulsory schools segment in Sweden, one upper secondary school in Sweden and four preschools in Norway). In total, two preschool units and one compulsory school in Sweden have been disposed of during the year, along with one upper secondary unit that is however included in Q3 since it conducted operations during the quarter.

First nine months in summary by segment

	Number of students (avg)		Net sales, SEK m		Adjusted EBIT, SEK m		Adj. EBIT margin		Op. profit (EBIT), SEK m		EBIT margin	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
Pre- and compulsory schools (Sweden)	29,793	28,543	2,483	2,288	116	111	4.7%	4.9%	116	111	4.7%	4.9%
Upper secondary schools (Sweden)	25,102	24,864	1,766	1,719	128	111	7.2%	6.5%	128	111	7.2%	6.5%
Adult education (Sweden)	–*	–*	990	986	95	128	9.6%	13.0%	93	128	9.4%	13.0%
Preschools International	7,859	7,357	991	970	38	51	3.8%	5.3%	43	51	4.3%	5.3%
Group adj., parent company	-	-	3	1	-48	-42	-	-	-63	-45	-	-
Total	62,754	60,764	6,233	5,964	330	358	5.3%	6.0%	317	355	5.1%	6.0%

The volume of adult education is not measured based on the number of participants since the length of the programs varies from individual occasions to academic years

Cash flow

Cash flow from operating activities before changes in working capital in the first nine months of the financial year amounted to SEK 393 million (446). The change in working capital was SEK -11 million (40). Cash flow from operating activities in the first nine months of the financial year amounted to SEK 382 million (486).

The cash flow from investing activities in the first nine months of the financial year was SEK -222 million (-206) and the change was mainly due to the acquisition of Joki and a number of smaller preschool acquisitions. Cash flow from financing activities amounted to SEK -324 million (-265) due to increased repayments in conjunction with the new loan agreement that took effect on July 7, 2015.

Financial position

Consolidated equity amounted to SEK 2,507 million (2,320) as of March 31, 2016 and the equity/assets ratio was 34.6 percent (31.8).

The consolidated interest-bearing net debt as of March 31, 2016 amounted to SEK 2,613 million (2,863). Excluding real estate loans, which finance properties, the adjusted net debt amounted to SEK 2,232 million (2,425). This is the share of the loans that represents financing of the operations.

Non-current interest-bearing liabilities to credit institutions amounted to SEK 2,115 million (2,563) and consist of loans from banks and the Norwegian State Housing Bank (Norw. *Husbanken*). Loans from credit institutions were reduced significantly in the past 12 months thanks to cash flows during the year that allowed repayments to be made and due to the sale of properties in Norway. The property sales in Norway enabled repayments of SEK 230 million.

Current interest-bearing liabilities consist of overdraft facilities and short-term portions of loans, and amounted to SEK 663 million (242). The increase in current interest-bearing liabilities is due to the fact that a larger share of the loans has been arranged as overdraft facilities in order to provide greater flexibility to adjust the loans to cash flow. For a transitional period, a greater percentage of this short-term credit has been utilized compared with previously.

Net debt in relation to adjusted EBITDA (rolling 12 months) amounted to 3.4 (3.7 as of March 31, 2015), compared to the group's long-term target of a maximum of 3.0. Adjusted for property-related loans, the property-adjusted net debt/EBITDA for the rolling 12 months amounted to 2.9 (3.1). The figure measured places the portion of net debt that finances operations in relation to a rolling 12-month adjusted EBITDA (see under definitions below).

Parent company

The parent company AcadeMedia AB (publ) (formerly Svensk Utbildning Intressenter Final Holding AB) does not have any operations and is a pure holding company. Revenues in the first nine months of the financial year amounted to SEK 0 million (0), operating loss amounted to SEK -11 million (0) and loss after tax was SEK -42 million (-29). The parent company's assets principally consist of participations in group companies. The business is financed primarily by equity contributed by the owners. The parent company equity as of March 31, 2016 amounted to SEK 1,899 million (1,859).

Related party transactions

Related party transactions are described in detail in Note 1 in the 2014/15 Annual Report. The scope and nature of these transactions have not changed in any material respect during the year.

Owners and share capital

Number of shares	Ordinary shares	Ordinary series B	Ordinary series D	Ordinary series E	Preference series A	Preference series C1–C10
Opening balance, July 1, 2015	**0**	**71,456**	**10,963**	**1**	**7,435,624**	**507,208**
Redemption of ordinary series E Jan 4, 2016				-1		
Conversion Jan 4, 2016	8,025,251	-71,456	-10,963	0	-7,435,624	-507,208
Bonus issue Jan 4, 2016	71,974,749					
Non-cash issue Feb 1, 2016	676,092					
Closing balance, March 31, 2016	**80,676,092**	**0**	**0**	**0**	**0**	**0**

AcadeMedia AB (publ) is a public limited liability company that has not yet been listed. On January 4, 2016, an extraordinary shareholders' meeting was held at which all of the shares were converted into ordinary shares. The share conversion took place via a bonus issue. On February 1, a non-cash issue of shares was made to the owners of Joki as part of the consideration for the acquisition. Following these two transactions the share capital amounted to SEK 80,676,092 as per March 31, 2016, which is an increase of SEK 72,650,840 since June 30, 2015. The increase in the share capital is a result of the bonus issue and the non-cash issue during the quarter. The number of shares amounted to 80,676,092 ordinary shares as of March 31, 2016. The quota value is SEK 1.00 per share.

EQT V indirectly owns 80.0 percent of AcadeMedia via the holding company Marvin Holding Ltd., which holds 91.6 percent of the shares in AcadeMedia AB.

Segment reporting

AcadeMedia was previously organized into four segments (Pre- and compulsory schools Sweden, Upper secondary schools Sweden, Adult education and Preschools Norway). With the acquisition of the operations in Germany, Preschools Germany and Preschools Norway are being reported together in the segment Preschool International.

Pre- and compulsory schools (Sweden) segment

- The number of students increased by 5.2 percent to 30,471 (28,953) and revenues increased by 10.5 percent
- Operating profit (EBIT) increased by 29.5 percent to SEK 79 million (61)
- Two new units were opened and two acquisitions were made during the quarter

AcadeMedia's Pre- and compulsory schools segment operates pre- and compulsory schools in a large number of municipalities throughout Sweden under the brands Pysslingen Förskolor, Pysslingen Skolor and Vittra. The schools are operated entirely based on the school voucher system. The segment had 222 units with an average of 30,471 children and students during the quarter.

Outcome for the third quarter

The average number of children and students increased by 5.2 percent compared to the previous year and amounted to 30,471 (28,953) for the third quarter. The increase is mainly driven by growth at existing units, but also by acquisitions and new establishments. Revenues increased by 10.5 percent to SEK 933 million (844). The increase is mainly due to an increase in the number of children and students and to higher revenue per student compared to the same quarter the previous year. The average increase in revenue per student compared with Q2 2015/16 was 2.0 percent.

Operating profit (EBIT) for the third quarter increased by 29.5 percent to SEK 79 million (61), corresponding to an operating margin of 8.5 percent (7.2). The increase in profit and margin was positively impacted by non-recurring revenue from the City of Gothenburg of SEK 9 million. Growth in number of students and higher revenue per student also contributed to the increase in profit. However, higher employer contributions that were introduced on August 1, 2015 had an impact of around SEK -5 million in the quarter.

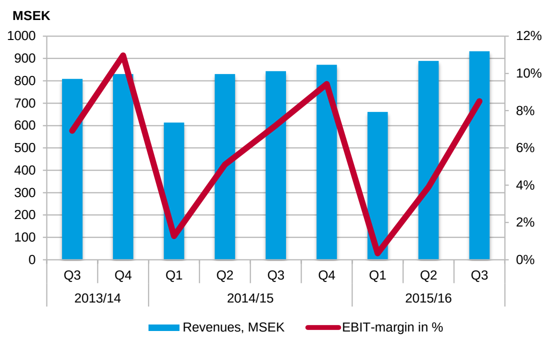
Outcome for the first nine months

The average number of children and students increased by 4.4 percent compared to the previous year and amounted to 29,793 (28,543) for the third quarter. The increase is mainly driven by growth at existing units, but also by eight acquired units and nine new establishments. Revenues increased by 8.5 percent to SEK 2,483 million (2,288). The increase is mainly due to an increase in the number of children and students and to higher revenue per student.

Operating profit (EBIT) for the first nine months increased by 4.5 percent to SEK 116 million (111), representing an operating margin of 4.7 percent (4.9). The decline in margin is mainly a result of new established units which are loss making and the costs of expansion during the autumn. Higher employer contributions for young people that were introduced on August 1, 2015 had an impact on profit of around SEK -13 million during the period.

Development and significant events during the first nine months

One preschool and one compulsory school were divested as of July 1, 2015 and one unit was divested at the end of November. The divestments had a positive effect on profits of SEK 1 million compared with the previous year. During the period one compulsory school, two integrated preschools and six independent preschools were opened. Two compulsory schools moved to new premises during the period. New openings and school relocations had a negative effect on profit of SEK -19 million during the period compared with the previous year. Five preschools were acquired during the period and contributed SEK 2 million to profit for the period.



Pre- and compulsory schools (Sweden)	Third quarter			9 months		
	2015/16	2014/15	Change	2015/16	2014/15	Change
Net sales, SEK m	933	844	10.5%	2,483	2,288	8.5%
EBITDA, SEK m	92	74	24.3%	153	149	2.7%
EBITDA margin, %	9.9%	8.8%	1.1 p/e	6.2%	6.5%	-0.3 p/e
Depreciation/amortization	-13	-13	0.0%	-37	-38	2.6%
Operating profit (EBIT), SEK m	79	61	29.5%	116	111	4.5%
EBIT margin, %	8.5%	7.2%	1.3 p/e	4.7%	4.9%	-0.2 p/e
Non-recurring items, SEK m	0	-	-	0	-	-
Adjusted operating profit (EBIT), SEK m	79	61	29.5%	116	111	4.5%
Adjusted EBIT margin, %	8.5%	7.2%	1.3 p/e	4.7%	4.9%	-0.2 p/e
Number of children and students	30,471	28,953	5.2%	29,793	28,543	4.4%
Number of units	222	208	6.7%	217	208	4.3%

Upper secondary schools (Sweden) segment

- The number of students increased by 1.0 percent and revenues increased by 2.6 percent in the third quarter compared to the previous year
- Operating profit increased by 23.5 percent to SEK 63 million (51)
- One unit (FTG Västerås) was divested during the period to Praktiska Gymnasiet (but is included in the number of units below)

AcadeMedia's Upper secondary schools segment provides upper secondary education throughout Sweden under 16 different brands, offering both university preparatory and vocationally-oriented programs. The segment's brands include Klaragymnasierna, NTI, LBS, ProCivitas and Rytmus. The schools are operated entirely based on the school voucher system. The segment had 106 units with a total of 24,917 students during the quarter.

Outcome for the third quarter

The number of students increased by 1.0 percent compared to the previous year and amounted to 24,917 (24,676). Revenues increased by 2.6 percent to SEK 641 million (625). The increase is due to an increased number of students and higher revenue per student, primarily as a result of annual price adjustment. The average increase in revenue per student compared with Q2 2015/16 was 1.1 percent.

Operating profit (EBIT) for the third quarter increased by 23.5 percent compared to the same quarter the previous year to SEK 63 million (51), representing an operating margin of 9.8 percent (8.2).

There were no non-recurring items in the third quarter this year or the previous year. Accordingly, EBIT and adjusted EBIT are the same.

Outcome for the first nine months

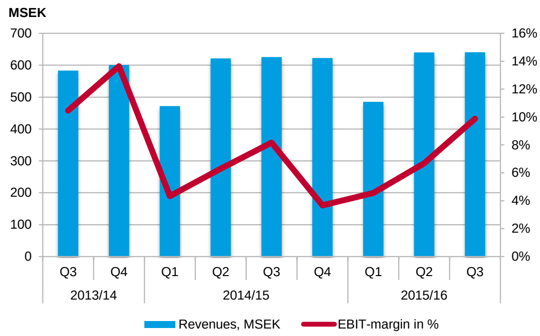
The number of students increased by 1.0 percent compared to the previous year and amounted to 25,102 (24,864). Revenues increased by 2.7 percent to SEK 1,766 million (1,719). The increase is due to an increased number of students and higher revenue per student.

Operating profit (EBIT) for the first nine months increased by 15.3 percent compared to the same period the previous year and amounted to SEK 128 million (111), representing an operating margin of 7.2 percent (6.5).

Development and significant events during the first nine months

Decisions on stopping the intake to grade 1 at seven units have been implemented and the units will be disposed gradually over the next two years. The reason for the closures was challenges in terms of attractiveness and student enrollment numbers. One of these units (FTG Västerås) was divested during the quarter to Praktiska Gymnasiet.

One upper secondary school from the LBS brand opened in Linköping in connection with the start of the new semester.



Upper secondary schools (Sweden)	Third quarter			9 months		
	2015/16	2014/15	Change	**2015/16**	2014/15	Change
Net sales, SEK m	641	625	2.6%	1,766	1,719	2.7%
EBITDA, SEK m	90	78	15.4%	205	187	9.6%
EBITDA margin, %	14.0%	12.5%	1.5 p/e	11.6%	10.9%	0.7 p/e
Depreciation/amortization	-27	-27	0.0%	-77	-76	-1.3%
Operating profit (EBIT), SEK m	63	51	23.5%	128	111	15.3%
EBIT margin, %	9.8%	8.2%	1.6 p/e	7.2%	6.5%	0.7 p/e
Non-recurring items, SEK m	-	-	-	-	-	-
Adjusted operating profit (EBIT), SEK m	63	51	23.5%	128	111	15.3%
Adjusted EBIT margin, %	9.8%	8.2%	1.6 p/e	7.2%	6.5%	0.7 p/e
Number of children and students	24,917	24,676	1.0%	25,102	24,864	1.0%
Number of units	106	106	0.0%	106	106	0.0%

Adult Education (Sweden) segment

- Action plan within Eductus had the desired effects at the end of Q3
- Revenues increased by 7.7 percent in the third quarter compared to the previous year as a result of increased volumes, primarily within the Basic Modules contract
- Operating profit for the quarter amounted to SEK 46 million (40), an increase of 15.0 percent

AcadeMedia's Adult education segment is Sweden's largest provider of adult education. AcadeMedia has been providing adult education since 1898 (via Hermods) and has solid expertise in working with, integrating and educating adults. Every year around 80,000 students and participants attend one of our programs. AcadeMedia works in close cooperation with the National Employment Agency, other authorities and municipalities in the 150 locations where we operate. The segment includes the brands Hermods, NTI-skolan, Plushögskolan, Eductus and KompetensUtvecklingsInstitutet.

Outcome for the third quarter

Net sales for the third quarter were 7.7 percent higher than the corresponding period the previous year and amounted to SEK 364 million (338). The increase is mainly explained by higher participant volumes within the areas of Language & Integration (Hermods) and the Basic Modules contract, but also within Sfi (Swedish for immigrants) courses.

During the autumn, the preparatory programs business area (Eductus) conducted an extensive action plan aimed at balancing staffing levels with current volumes within contracts with the National Employment Agency. The action plan has had the desired effect, which contributed strongly to the segment's improved result compared to the previous year.

Operating profit (EBIT) for the third quarter increased by 15.0 percent to SEK 46 million (40), representing an operating margin of 12.6 percent (11.8). The improvement in profits and margin is largely due to the volume increase within the Language & Integration business area, but also to the action plan implemented within Eductus. Within higher vocational education operations, margins within Plushögskolan decreased, mainly due to the need for increased staffing.

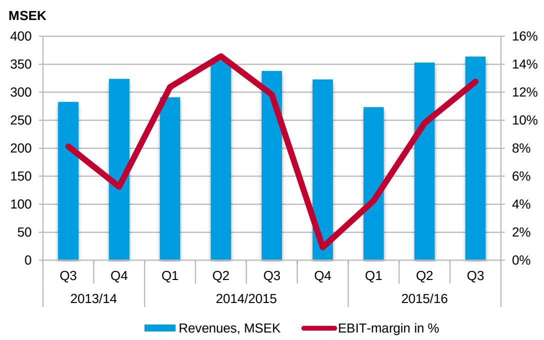
Outcome for the first nine months

Revenues for the first nine months amounted to SEK 990 million (986), corresponding to an increase of 0.4 percent. The moderate increase is due to the weak start to the financial year. Operating profit amounted to SEK 93 million (128), which is a decrease of 27.3 percent, and the operating margin was 9.4 percent (13.0). The decrease in profit is mainly due to weak volumes for Eductus during the autumn.

Development and significant events during the first nine months

Christer Hammar took up his position as the new head of the Adult education segment and is a member of AcadeMedia's executive management team. Christer joins the company from Humana, and he also has considerable previous experience in the staffing and recruitment sector.

Increasing immigration and the continued challenges relating to unemployment are resulting in long-term demand and growth opportunities in the market, and will likely result in more resources being invested in this area. AcadeMedia regards its Adult education segment as an important player in helping new arrivals and others secure employment as quickly as possible.



Adult education (Sweden)	Third quarter			9 months		
	2015/16	2014/15	Change	**2015/16**	2014/15	Change
Net sales, SEK m	364	338	7.7%	990	986	0.4%
EBITDA, SEK m	48	43	11.6%	97	136	-28.7%
EBITDA margin, %	13.2%	12.7%	0.5 p/e	9.8%	13.8%	-4 p/e
Depreciation/amortization	-2	-3	33.3%	-5	-8	37.5%
Operating profit (EBIT), SEK m	46	40	15.0%	93	128	-27.3%
EBIT margin, %	12.6%	11.8%	0.8 p/e	9.4%	13.0%	-3.6 p/e
Non-recurring items, SEK m	-	-	-	-3	-	-
Adjusted operating profit (EBIT), SEK m	46	40	15.0%	95	128	-25.8%
Adjusted EBIT margin, %	12.6%	11.8%	0.8 p/e	9.6%	13.0%	-3.4 p/e

Preschool International segment

- In the third quarter the number of children increased by 9.0 percent and revenues increased by 2.2 percent
- Operating profit decreased by 12.5 percent to SEK 28 million (32)
- Seven units were acquired in Germany, two units in Norway and a new unit was opened in Norway during the quarter

AcadeMedia's Preschool International segment operates preschools in Norway under the Espira brand and in Germany under the Joki brand. The segment was established through the acquisition of Espira in spring 2014 and was expanded in 2016 by the acquisition of Joki in Germany. Espira is Norway's second largest preschool provider and has around 80 units, mainly in western and southern Norway and in the Oslo area. Joki operates seven preschools in the area around Munich under the Joki brand.

Outcome for the third quarter

The average number of children in the third quarter increased by 9.0 percent to 8,328 (7,640). The large increase mainly relates to the acquisition of the German Joki operations. The segment's revenues increased by 2.2 percent to SEK 376 million (368), or NOK 369 million (342). The increase in revenues does not entirely match the increase in the number of children due to an unfavorable development of the SEK/NOK exchange rate.

The operating profit (EBIT) for the third quarter amounted to SEK 28 million (32), or NOK 28 million (29), which was a decrease in SEK of 12.5 percent. This resulted in an operating margin of 7.4 percent (8.7).

The decrease in profits and margin compared to the previous year is mainly explained by increased rental expenses relating to properties sold, amounting to SEK 3 million for the quarter. Again, profits here were affected by a less favorable SEK/NOK exchange rate compared to the previous year.

Outcome for the first nine months

The average number of children in the first nine months increased by 6.8 percent to 7,859 (7,357). The segment's revenues increased by 2.2 percent to SEK 991 million (970), or NOK 976 million (891). Retroactive reimbursement in Norway during the period decreased to NOK 3 million (7).

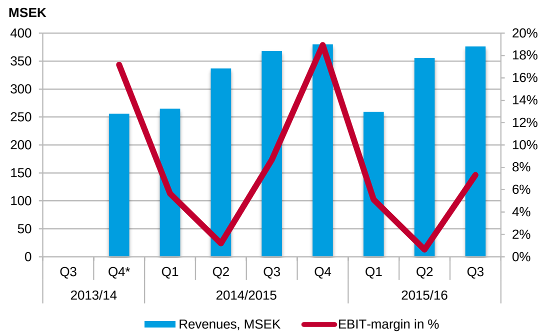
The operating profit (EBIT) for the first nine months was SEK 43 million (51), or NOK 37 million (47), which is a decrease in SEK of 15.7 percent and corresponds to an operating margin of 4.3 percent (5.3).

The decrease in the profit and margin compared to the previous year is mainly related to increased rental expenses of SEK 9 million in connection with the sale of properties, but also to a less favorable SEK/NOK exchange rate and lower retroactive reimbursement.

Non-recurring items amounted to SEK +6 million (0), which related to capital gains on the property divestment in Q2, and adjusted EBIT amounted to SEK 38 million (51).

Development and significant events during the first nine months

The German preschool company Joki, with seven operating units, was acquired as of February 1. During the first nine months Espira in Norway opened four new preschools and also acquired two units.



*Q4 13/14 Two months only

Preschool International	Third quarter			9 months		
	2015/16	2014/15	Change	**2015/16**	2014/15	Change
Net sales, SEK m	376	368	2.2%	991	970	2.2%
EBITDA, SEK m	33	41	-19.5%	61	75	-18.7%
EBITDA margin, %	8.8%	11.1%	-2.3 p/e	6.2%	7.7%	-1.5 p/e
Depreciation/amortization	-6	-9	33.3%	-18	-24	25.0%
Operating profit (EBIT), SEK m	28	32	-12.5%	43	51	-15.7%
EBIT margin, %	7.4%	8.7%	-1.3 p/e	4.3%	5.3%	-1 p/e
Non-recurring items, SEK m	0	-	-	6	-	-
Adjusted operating profit (EBIT), SEK m	28	32	-12.5%	38	51	-25.5%
Adjusted EBIT margin, %	7.4%	8.7%	-1.3 p/e	3.8%	5.3%	-1.5 p/e
Number of children and students	8,328	7,640	9.0%	7,859	7,357	6.8%
Number of units	91	78	16.7%	84	77	9.1%

Employees

The average number of annual employees in the Swedish operations in the quarter was 7,779 (6,760), of which 69.1 percent (69.3) were women. The number of pedagogues decreased to 77.9 percent (81.2) as a result of Hermods employees now being included in the statistics, which were not available in the last financial year. Employee turnover, measured as the number of individuals leaving the company, amounted to 6.6 percent accumulated over the three months from January to March compared with 5.3 percent accumulated in the same period the previous year. Absence due to illness (cumulative average for three months, short-term absence < 90 days) increased somewhat to 5.4 percent (5.2).

Risk factors

Significant operating, external and financial risks are described in detail in AcadeMedia AB's 2014/2015 Annual Report. Apart from the risks described in the Annual Report, no other significant risks are deemed to have emerged.

Operating risks include variations in demand and number of students, risk relating to the access qualified employees and payroll expenses, risk relating to quality deficiencies, AcadeMedia's reputation and brand, permits, and liability and property risk. External risks include risk relating to school voucher funding and the general economy, political risk, changes in laws and regulations, and dependence on national authorities in the educational sector. Other risks include financial risks such as credit and exchange rate risk.

Seasonal variations

The first quarter of the group's financial year includes the schools' summer vacations. During this period, when no operations are conducted, the group's revenues are lower than in the other quarters. Expenses are also lower since staff is on vacation. This also applies to preschools in Norway. Within the Adult education segment the level of activity is again lower during the summer months, as are revenues, and this is also the case over the Christmas and New Year period. During the same periods a large amount of leave and vacation entitlement is taken, resulting in lower personnel expenses.

The salaries of the group's employees are adjusted annually. The largest proportion of the group's employees are teaching staff, whose salaries are adjusted as of September 1 each year, after which date personnel expenses increase without a corresponding increase in school voucher funding. This means that margins are usually lower in the second quarter of the financial year. The school vouchers are not adjusted until the end of the year, in both Norway and Sweden. As a consequence, revenues increase without any actual change in the cost base during the third and fourth quarters. The fourth quarter is usually the strongest in terms of profit, partly for the above reason and partly since there are decreases in direct costs, such as for school meals, and the vacation period begins, while revenues do not reduce at the same rate. Within the Pre- and compulsory schools segment the positive effect in the fourth quarter is reinforced by the fact that children join on an ongoing basis during the year, particularly in May and June, which increases revenues accordingly.

Seasonal variations are somewhat different for Preschools in Norway, partly because of the Norwegian rules on personnel density that require greater personnel density for younger children than for older children. At the beginning of the autumn, the older children transfer to compulsory school and younger children come into the units. This leads to increased staffing in order to meet the personnel density requirements. At the end of the year, the child welfare funding increases and the personnel density requirement is lower, since the younger children are now considered to be one year older. The consequence of this is that the second quarter of the financial year is the year's weakest quarter within this segment, with zero profit or even a slightly negative result.

Accounting principles

AcadeMedia applies the International Financial Reporting Standards (IFRS) as adopted by the EU. The accounting principles applied are the same as those described in AcadeMedia's 2014/15 Annual Report, which is available at www.academedia.se. No new accounting principles effective from 2015/16 have had any material impact on AcadeMedia. This Interim Report is prepared in accordance with IAS 34 Interim Financial Reporting, as well as the Annual Accounts Act. The parent company applies the Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR 2, Accounting for Legal Entities.

The same accounting principles, definitions of key figures and calculation methods are applied as in the most recent Annual Report.

Financial instruments

AcadeMedia's financial instruments consist of accounts receivable, other receivables, accrued income, cash and cash equivalents, accounts payable, accrued trade payables, interest-bearing liabilities and currency derivatives. Since loans with credit institutions attract variable interest, which is essentially deemed to correspond to current market interest rates, the book value excluding loan expenses is considered to essentially correspond to fair value. Currency derivatives are valued at fair value based on input data corresponding to level 2 of IFRS 13. Other financial assets and liabilities have short terms. It is therefore judged that the fair values of all of the financial instruments are approximately equal to their book values.

Calendar

August 30, 2016 (prel.)	Q4, Year-End Report 2015/2016
September 30, 2016 (prel.)	Publication of the 2015/2016 Annual Report
November 8, 2016 (prel.)	Q1
February 7, 2017 (prel.)	Q2
May 10, 2017 (prel.)	Q3
August 30, 2017 (prel.)	Q4, Year-End Report 2016/2017

For further information please refer to AcadeMedia's website: www.academedia.se

The undersigned confirms that the interim report provides a fair and true overview of the parent company's and the group's operations, financial position and results, and describes any significant risks and uncertainties faced by the parent company and the companies in the group.

Stockholm, May 25, 2016

Marcus Strömberg

President and CEO

AcadeMedia AB (publ)

Corp. reg. no. 556846-0231

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tel. +46 8 794 42 00

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Review report

AcadeMedia AB (publ), corporate identity number 556846-0231

Introduction

We have reviewed the condensed interim report for AcadeMedia AB (publ) as at March 31, 2016 and for the nine-month period then ended. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the group, and in accordance with the Swedish Annual Accounts Act regarding the parent company.

Stockholm, May 25, 2016

Ernst & Young AB

Staffan Landén Authorized Public Accountant	Oscar Wall Authorized Public Accountant

Consolidated statement of comprehensive income in summary

SEK m	Third quarter 2015/16	Third quarter 2014/15	9 months 2015/16	9 months 2014/15	Rolling 12 months Apr 2015–Mar 2016	Full year 2014/15
Net Sales	2,316	2,177	6,233	5,964	8,432	8,163
	2,316	**2,177**	**6,233**	**5,964**	**8,432**	**8,163**
Cost of goods sold	-204	-178	-594	-519	-779	-705
Other external expenses	-464	-460	-1,390	-1,367	-1,828	-1,805
Personnel expenses	-1,401	-1,319	-3,780	-3,571	-5,065	-4,854
Depreciation/amortization	-48	-52	-139	-149	-193	-203
Non-recurring items[1]	-4	-1	-13	-3	-89	-79
	-2,120	**-2,009**	**-5,916**	**-5,609**	**-7,954**	**-7,646**
OPERATING INCOME	**196**	**167**	**317**	**355**	**478**	**517**
Interest income and similar profit/loss items	0	11	3	12	16	24
Interest expense and similar profit/loss items	-29	-59	-98	-185	-205	-293
	-29	**-48**	**-94**	**-173**	**-189**	**-269**
INCOME BEFORE TAX	**167**	**120**	**223**	**182**	**289**	**248**
Tax for the current period	-38	-25	-44	-40	-30	-26
PROFIT/LOSS FOR THE PERIOD	**129**	**94**	**179**	**142**	**259**	**222**
Other comprehensive income						
Items that will not be reclassified to profit/loss						
Remeasurement of defined benefit pension plans	-	-	19	-	-104	-123
Deferred tax relating to defined benefit pension plans	-	-	-5	-	28	33
	0	**0**	**14**	**0**	**-76**	**-90**
Items that may be reclassified to profit/loss						
Translation differences	9	6	-23	-11	-30	-18
Other comprehensive income for the period	**9**	**6**	**-9**	**-11**	**-106**	**-108**
COMPREHENSIVE INCOME FOR THE PERIOD	**138**	**100**	**170**	**131**	**153**	**115**
Profit for the period attributable to:						
Stockholders of the parent company	129	94	179	142	259	222
Non-controlling interests	-	-	-	-	-	-
Comprehensive income for the period attributable to:						
Stockholders of the parent company	138	100	170	131	153	115
Non-controlling interests	-	-	-	-	-	-
Earnings per share before/after dilution (SEK)	1.60	1.18	2.24	1.78	3.24	2.77

1 Non-recurring items are specified on pages 3–4; definitions on page 26

Consolidated statement of financial position in summary

SEK m	Mar 31, 2016	Mar 31, 2015	June 30, 2015
Intangible non-current assets	5,013	4,941	4,941
Buildings	498	667	502
Other tangible non-current assets	411	368	340
Other non-current assets	109	58	101
Total non-current assets	**6,031**	**6,034**	**5,884**
Current receivables	704	690	671
Cash and cash equivalents	517	574	695
Total current assets	**1,220**	**1,264**	**1,366**
TOTAL ASSETS	**7,251**	**7,298**	**7,250**
Total equity	**2,507**	**2,320**	**2,304**
Total non-current liabilities[1]	**2,644**	**3,299**	**2,806**
Total current liabilities[1]	**2,100**	**1,679**	**2,140**
TOTAL EQUITY AND LIABILITIES	**7,251**	**7,298**	**7,250**

[1] ***See specification on page 21***

Consolidated statement of changes in equity

SEK m	Share capital	Other capital contributed	Translation reserves	Retained earnings	Total equity
EQUITY, OPENING BALANCE, JULY 1, 2014	**8**	**1,903**	**-2**	**280**	**2,189**
Profit/loss for the year				222	222
Other comprehensive income			-18	-90	-108
Comprehensive income for the year					**115**
EQUITY, CLOSING BALANCE, JUNE 30, 2015	**8**	**1,903**	**-20**	**413**	**2,304**

SEK m	Share capital	Other paid-in capital	Translation reserves	Retained earnings	Total equity
EQUITY, OPENING BALANCE, JULY 1, 2014	**8**	**1,903**	**-2**	**280**	**2,189**
Profit/loss for the period				142	142
Other comprehensive income			-11		-11
Comprehensive income for the period					**131**
EQUITY, CLOSING BALANCE, MARCH 31, 2015	**8**	**1,903**	**-13**	**422**	**2,320**

SEK m	Share capital	Other capital contributed	Translation reserves	Retained earnings	Total equity
EQUITY, OPENING BALANCE, JULY 1, 2015	**8**	**1,903**	**-20**	**413**	**2,304**
Profit/loss for the period				179	179
Other comprehensive income			-23	14	-9
Comprehensive income for the period					**170**
Redemption of shares	0	0			0
Bonus issue	72	-72			0
Non-cash issue	1	32			32
EQUITY, CLOSING BALANCE, MARCH 31, 2016	**81**	**1,863**	**-43**	**606**	**2,507**

Consolidated cash flow statement in summary

SEK m	Third quarter 2015/16	Third quarter 2014/15	9 months 2015/16	9 months 2014/15	Full year 2014/15
Operating profit/loss (EBIT)	196	167	317	355	517
Adjustment for items not affecting cash flow	12	51	124	137	160
Tax paid	-13	-25	-48	-46	-54
Cash flow from operating activities before change in working capital	**195**	**193**	**393**	**446**	**623**
Cash flow from change in working capital	-67	4	-11	40	61
Cash flow from operating activities	**128**	**197**	**382**	**486**	**684**
Cash flow from investing activities	**-101**	**-47**	**-222**	**-206**	**-68**
Cash flow from financing activities	**78**	**-80**	**-324**	**-265**	**-476**
CASH FLOW FOR THE PERIOD	**105**	**70**	**-164**	**15**	**140**
Cash and cash equivalents at beginning of period	407	502	695	562	562
Exchange-rate differences in cash and cash equivalents	5	2	-14	-4	-7
Cash and cash equivalents at end of period	**517**	**574**	**517**	**573**	**695**

Parent company income statement in summary

SEK m	Third quarter 2015/16	Third quarter 2014/15	9 months 2015/16	9 months 2014/15	Full year 2014/15
Revenues	**-**	**-**	**-**	**-**	**-**
Operating expenses	**-9**	**0**	**-11**	**0**	**-1**
OPERATING PROFIT/LOSS	**-9**	**0**	**-11**	**0**	**-1**
Interest expense and similar profit/loss items	**-9**	**-10**	**-31**	**-29**	**-38**
PROFIT/LOSS BEFORE TAX	**-18**	**-10**	**-42**	**-29**	**-39**
Year-end appropriations	-	-	-	-	65
Tax	-	-	-	-	-6
PROFIT/LOSS FOR THE PERIOD	**-18**	**-10**	**-42**	**-29**	**21**

Parent company other comprehensive income

MSEK	Third quarter 2015/16	Third quarter 2014/15	9 months 2015/16	9 months 2014/15	Full year 2014/15
Other comprehensive income					
Items that will not be reclassified to profit/loss	-	-	-	-	-
Items that may be reclassified to profit/loss	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	**-18**	**-10**	**-42**	**-29**	**21**

Parent company balance sheet in summary

SEK m	Mar 31, 2016	Mar 31, 2015	June 30, 2015
Participations in group companies	2,219	2,120	2,186
Deferred tax assets	1	7	1
Total non-current assets	**2,220**	**2,127**	**2,187**
Current receivables	**4**	**-**	**-**
Cash and bank balances	**11**	**15**	**15**
Total current assets	**15**	**15**	**15**
TOTAL ASSETS	**2,235**	**2,142**	**2,202**
Restricted equity	81	8	8
Non-restricted equity	1,818	1,850	1,901
Total equity	**1,899**	**1,858**	**1,909**
Non-current liabilities	**309**	**270**	**288**
Current liabilities	**27**	**14**	**5**
TOTAL EQUITY AND LIABILITIES	**2,235**	**2,142**	**2,202**

Parent company statement of changes in equity

	Restricted equity		Non-restricted equity		
SEK m	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Total equity
Opening balance, July 1, 2014	8		1,903	-23	1,888
Profit/loss for the year / Comprehensive income				21	21
New share issue					
Closing balance, June 30, 2015	8		1,903	-2	1,909

	Restricted equity		Non-restricted equity		
SEK m	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Total equity
Opening balance, July 1, 2014	8		1,903	-23	1,888
Profit/loss for the period / Comprehensive income				-29	-29
New share issue					
Closing balance, March 31, 2015	8		1,903	-52	1,859

	Restricted equity		Non-restricted equity		
SEK m	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Total equity
Opening balance, July 1, 2015	8		1,903	-2	1,909
Profit/loss for the period / Comprehensive income				-42	-42
Redemption of shares	0		0		0
Bonus issue	72		-72		0
Non-cash issue	1		32		32
Closing balance, March 31, 2016	81		1,863	-44	1,899

Notes

Acquisitions

During the financial year, Pysslingen Förskolor och Skolor AB has made four acquisitions. In three cases all of the shares were acquired: WanWett AB was acquired on November 1, 2015, Landborgen Prästgatan Förskolor AB on February 1, 2016 and Lärkträdets Förskola AB on March 1, 2016. On July 13, 2015 the assets and liabilities of a preschool in Stockholm were acquired. These acquisiitons are included in the Preschool segment. On February 1, 2016 ACM 2001 AB acquired all the shares in Harlaching GmbH and Pasing GmbH (jointly named Joki) through the wholly owned subsidiary AcadeMedia GmbH, which is part of the Preschool International segment. There were also two small company acquisitions in Norway. Together the acquisitions represent a value of less than 5% of the group, and consequently the tables are not broken down into figures for each acquisition.

In all of the acquisitions, the purchase consideration takes the form of a cash payment as well as a non-cash issue of shares in AcadeMedia AB (publ). There are no agreements concerning contingent or deferred considerations.

Details of the net assets and goodwill acquired are given below. No part of the goodwill will be tax-deductible.

The acquisition analyses for all acquisitions made during the financial year are preliminary.

Acquisition effects of acquisitions made	2015/2016
Purchase consideration including transaction expenses	124
Purchase consideration excluding transaction expenses	121
Fair value of acquired net assets excluding goodwill	-10
Total goodwill	**111**

Fair values acquired	2015/2016
Property, plant and equipment	8
Current assets	11
Cash and cash equivalents	11
Non-current loans	-
Other current liabilities	-18
Current tax liability	-1
Deferred tax liability	0
Net assets acquired	**10**

The fair value of acquired receivables is included in current assets and amounts to SEK 11 million. The receivables are expected to be received in full. Goodwill that has arisen through acquisitions consists of synergy effects with existing operations. In addition to synergy effects, the following components are included in goodwill: personnel, training programs, recruitment and personnel development, service organization and relationships with authorities.

Impact of the acquisitions on the group's cash and cash equivalents	2015/2016
Purchase consideration agreed	121
Less purchase consideration settled through non-cash issue	-32
Cash and cash equivalents at time of acquisition	-14
Impact on the group's cash and cash equivalents	**75**

Contribution of acquisitions to consolidated profit	2015/2016
Net sales	28
Net profit/loss	-1

If the units had been included in consolidated profit from July 1, 2015 the contribution would have been	2015/2016
Net sales	99
Operating profit (EBIT)	5

Specification of liabilities

SEK m	Mar 31, 2016	Mar 31, 2015	Jun 30, 2015
Non-current liabilities			
Non-current liabilities to credit institutions	2 115	2 563	2 299
Non-current liabilities (interest-bearing)	352	632	310
Non-current liabilities (non-interest-bearing)	177	104	197
TOTAL non-current liabilities	**2 644**	**3 299**	**2 806**
Current liabilities			
Liabilities to credit institutions and other current interest-bearing liabilities	663	242	715
Accounts payable and other current non-interest-bearing liabilities	544	466	545
Accrued expenses and deferred income	893	971	880
TOTAL current liabilities	**2 100**	**1 679**	**2 140**

Key figures for the group, multi-year overview

SEK million, unless otherwise stated	Third quarter		9 months		Full year			
	2015/16	2014/15	**2015/16**	2014/15	**2014/15**	2013/14	2012/13	2011/12
Net sales	2,316	2,177	6,233	5,964	8,163	6,372	5,125	4,718
EBITDA	244	220	456	505	720	614	514	419
Depreciation/amortization	-48	-52	-139	-149	-203	-164	-139	-126
Non-recurring items (included in EBITDA)	-4	-1	-13	-3	-79	-35	-14	-87
Operating profit (EBIT)	196	167	317	355	517	449	376	294
Total financial items	-29	-48	-94	-173	-269	-209	-255	-267
Income before tax	167	120	223	182	248	240	121	27
Profit/loss for the period	129	94	179	142	222	189	128	-11
Balance sheet items, SEK m								
Total non-current assets	6,031	6,034	6,031	6,034	5,884	5,945	4,151	4,075
Current receivables	704	690	704	690	671	654	537	484
Cash and cash equivalents	517	574	517	574	695	562	338	294
Non-current interest-bearing liabilities	2,467	3,195	2,467	3,195	2,609	3,020	2,308	2,292
Non-current non-interest-bearing liabilities	177	104	177	104	197	131	88	122
Current interest-bearing liabilities	663	242	663	242	715	469	207	158
Current non-interest-bearing liabilities	1,437	1,437	1,437	1,437	1,425	1,352	857	842
Total equity	2,507	2,320	2,507	2,320	2,304	2,189	1,566	1,438
Total assets	7,251	7,298	7,251	7,298	7,250	7,161	5,026	4,853
Capital employed	5,637	5,757	5,637	5,757	5,628	5,679	4,082	3,889
Net debt	2,613	2,863	2,613	2,863	2,629	2,927	2,178	2,157
Adjusted net debt	2,232	2,425	2,232	2,425	2,295	2,563	2,178	2,157
Key ratios								
Operating margin (EBIT), %	8.5%	7.7%	5.1%	6.0%	6.3%	7.1%	7.3%	6.2%
Adjusted EBIT, SEK m	199	168	330	358	596	485	389	381
Adjusted EBIT margin, %	8.6%	7.7%	5.3%	6.0%	7.3%	7.6%	7.6%	8.1%
Adjusted EBITDA, SEK m	247	220	469	507	799	649	528	507
Adjusted EBITDA margin, %	10.7%	10.1%	7.5%	8.5%	9.8%	10.2%	10.3%	10.7%
Net margin, %	5.6%	4.3%	2.9%	2.4%	2.7%	3.0%	2.5%	-0.2%
Return on capital employed, %, 12 months	10.1%	11.4%	10.1%	11.4%	10.8%	10.0%	9.8%	11.2%
Return on equity after tax, %, 12 months	10.8%	12.0%	10.8%	12.0%	9.9%	10.1%	8.5%	-1.0%
Equity/assets ratio, %	34.6%	31.8%	34.6%	31.8%	31.8%	30.6%	31.2%	29.6%
Interest cover	4.0	2.7	4.0	2.7	2.8	2.7	1.8	1.8
Net debt/Adjusted EBITDA (12 months)	3.4	3.7	3.4	3.7	3.3	4.5	4.1	4.3
Adjusted net debt/Adjusted EBITDA (12 months)	2.9	3.1	2.9	3.1	2.9	3.9	4.1	4.3
Cash flow from investments	-101	-47	-222	-206	-68	-864	-95	-765
Capital Expenditure	22	24	198	161	185	187	178	142
Number of annual employees	9,783	9,205	9,551	9,081	9,159	6,997	6,087	5,299

Quarterly data, group

Quarterly data	2015/16			2014/15				2013/14	
SEK million, unless otherwise stated	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net sales	2,316	2,239	1,679	2,199	2,177	2,146	1,641	2,011	1,676
EBITDA	**244**	**140**	**72**	**215**	**220**	**168**	**117**	**246**	**160**
Depreciation/amortization	-48	-50	-42	-54	-52	-48	-48	-50	-40
Non-recurring items	-4	-7	-3	-76	-1	-2	-1	-21	-5
Operating income (EBIT)	**196**	**90**	**31**	**161**	**167**	**119**	**69**	**196**	**120**
Total financial items	-29	-28	-37	-95	-48	-60	-65	-65	-48
Income before taxes	**167**	**62**	**-6**	**66**	**120**	**59**	**3**	**131**	**72**
Tax for the current period	-38	-14	8	14	-25	-14	-1	-30	-16
Profit/loss for the period	**129**	**48**	**2**	**80**	**94**	**45**	**3**	**100**	**56**
Number of children/students, schools	63,716	62,443	62,103	61,295	61,269	60,570	60,452	57,623	51,984
Number of annual employees	9,783	9,588	9,283	9,394	9,205	9,157	8,881	9,174	7,063
Number of education units	419	404	399	394	392	391	391	394	319
Key ratios									
Operating margin (EBIT), %	8.5%	4.0%	1.8%	7.3%	7.7%	5.6%	4.2%	9.7%	7.2%
Adjusted EBIT	199	97	34	237	168	121	69	217	125
Adjusted EBIT, %	8.6%	4.3%	2.0%	10.8%	7.7%	5.6%	4.2%	10.8%	7.5%
Net margin, %	5.6%	2.2%	0.1%	3.6%	4.3%	2.1%	0.2%	5.0%	3.4%
Return on equity, % (12 months)	10.8%	9.9%	9.8%	9.9%	12.0%	10.7%	10.4%	10.1%	11.0%
Return on capital employed, % (12 months)	10.1%	10.0%	10.4%	10.8%	11.4%	10.9%	10.6%	10.0%	9.5%
Equity/assets ratio, %	34.6%	33.7%	32.9%	31.8%	31.8%	31.0%	30.7%	30.6%	30.4%
Net debt/Adjusted EBITDA (12 months)	3.44	3.57	3.55	3.30	3.71	4.13	4.33	4.51	4.53
Interest cover	4.02	3.23	3.05	2.83	2.70	2.63	2.61	2.70	2.37
Other									
Cash flow from operating activities	140	267	-13	197	197	193	96	208	170
Cash flow from investments	-101	-85	-35	138	-48	-77	-81	-305	-430

Quarterly data, segment

SEK million, unless otherwise stated	2015/16			2014/15				2013/14	
Pre-school and Compulsory School (Sweden)	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Number of children/students (average)	30,471	29,622	29,286	29,208	28,953	28,477	28,198	28,743	28,531
Net sales	933	889	661	872	844	831	613	830	809
EBITDA	92	48	13	95	74	56	19	103	69
EBITDA, %	9.9%	5.4%	2.0%	10.9%	8.8%	6.7%	3.1%	12.4%	8.5%
Depreciation/amortization	-13	-13	-11	-12	-13	-14	-12	-12	-13
EBIT	79	35	2	82	61	42	8	91	56
EBIT, %	8.5%	3.9%	0.3%	9.4%	7.2%	5.1%	1.3%	11.0%	6.9%
Non-recurring items, SEK m	0	-	-	-19	-	-	-	-	-
Adjusted EBIT	79	35	2	101	61	42	8	91	56
Adjusted EBIT, %	8.5%	3.9%	0.3%	11.6%	7.2%	5.1%	1.3%	11.0%	6.9%
Number of education units	222	217	212	211	208	208	208	211	211

SEK million, unless otherwise stated	2015/16			2014/15				2013/14	
Upper Secondary School (Sweden)	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Number of children/students (average)	24,917	25,144	25,244	24,365	24,676	24,884	25,031	23,846	23,453
Net sales	641	640	485	623	625	621	472	601	583
EBITDA	90	71	44	50	78	67	42	108	88
EBITDA, %	14.0%	11.1%	9.1%	8.0%	12.5%	10.8%	8.9%	18.0%	15.1%
Depreciation/amortization	-27	-28	-22	-27	-27	-28	-22	-26	-27
EBIT	63	43	22	23	51	39	20	82	61
EBIT, %	9.8%	6.7%	4.5%	3.7%	8.2%	6.3%	4.2%	13.6%	10.5%
Non-recurring items, SEK m	-	-	-	-57	-	-	-	-	-
Adjusted EBIT	63	43	22	80	51	39	20	82	61
Adjusted EBIT, %	9.8%	6.7%	4.5%	12.8%	8.2%	6.3%	4.2%	13.6%	10.5%
Number of education units	106	106	106	105	106	106	106	108	108

SEK million, unless otherwise stated	2015/16			2014/15				2013/14	
Adult Education (Sweden)	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Net sales	364	353	274	323	338	357	291	324	283
EBITDA	48	36	13	7	43	51	42	24	23
EBITDA, %	13.2%	10.2%	4.7%	2.2%	12.7%	14.3%	14.4%	7.4%	8.1%
Depreciation/amortization	-2	-2	-2	-4	-3	1	-6	-7	0
EBIT	46	35	12	3	40	52	36	17	23
EBIT, %	12.6%	9.9%	4.4%	0.9%	11.8%	14.6%	12.4%	5.2%	8.1%
Non-recurring items, SEK m	-	-1	-2	-15	-	-	-	-	-
Adjusted EBIT	46	35	14	18	40	52	36	17	23
Adjusted EBIT, %	12.6%	9.9%	5.1%	5.6%	11.8%	14.6%	12.4%	5.2%	8.1%

Quarterly data, segment (cont.)

SEK million, unless otherwise stated	2015/16				2014/15			2013/14	
Preschool International	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Number of children (average)	8,328	7,677	7,573	7,722	7,640	7,209	7,223	5,034	-
Net sales	376	356	259	380	368	337	265	256	-
EBITDA	33	8	19	82	41	11	23	49	-
EBITDA, %	8.8%	2.2%	7.3%	21.6%	11.1%	3.3%	8.7%	19.1%	-
Depreciation/amortization	-6	-6	-6	-10	-9	-7	-8	-5	-
EBIT	28	2	13	72	32	4	15	44	-
EBIT, %	7.4%	0.6%	5.0%	18.9%	8.7%	1.2%	5.7%	17.2%	-
Non-recurring items, SEK m	0	0	6	16	-	-	-	-	-
Adjusted EBIT	28	2	8	56	32	4	15	44	-
Adjusted EBIT, %	7.4%	0.6%	3.1%	14.7%	8.7%	1.2%	5.7%	17.2%	-
Number of preschool units	91	81	81	78	78	77	77	75	-

SEK million, unless otherwise stated	2015/16				2014/15			2013/14	
Group-Overhead and adjustments	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Net sales	2	1	0	1	1	0	0	0	1
EBITDA	-20	-23	-18	-18	-16	-17	-10	-38	-20
Depreciation/amortization	-1	-1	-1	-1	-1	-1	-1	0	0
EBIT	-21	-24	-18	-19	-17	-18	-11	-38	-20
Non-recurring items, SEK m	-3	-6	-6	-1	-1	-2	-1	-21	-5
Adjusted EBIT	-17	-18	-12	-18	-16	-17	-10	-17	-15

SEK million, unless otherwise stated	2015/16				2014/15			2013/14	
GROUP	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Number of children (average)	63,716	62,443	62,103	61,295	61,269	60,570	60,452	57,623	51,984
Net sales	2,316	2,239	1,679	2,199	2,177	2,146	1,641	2,011	1,676
EBITDA	244	140	72	215	220	168	117	246	160
EBITDA, %	10.5%	6.3%	4.3%	9.8%	10.1%	7.8%	7.1%	12.2%	9.5%
Depreciation/amortization	-48	-50	-42	-54	-52	-48	-48	-50	-40
EBIT	196	90	31	161	167	119	69	196	120
EBIT, %	8.5%	4.0%	1.8%	7.3%	7.7%	5.5%	4.2%	9.7%	7.2%
Non-recurring items, SEK m	-4	-7	-3	-76	-1	-2	-1	-21	-5
Adjusted EBIT	199	97	34	237	168	121	69	217	125
Adjusted EBIT, %	8.6%	4.3%	2.0%	10.8%	7.7%	5.6%	4.2%	10.8%	7.5%
Net financial items	-29	-28	-37	-95	-48	-60	-65	-65	-48
Income before taxes	**167**	**62**	**-6**	**66**	**120**	**59**	**3**	**131**	**72**
Tax for the current period	-38	-14	8	14	-25	-14	-1	-30	-16
Profit/loss for the period	**129**	**48**	**2**	**80**	**94**	**45**	**3**	**100**	**56**
Number of annual employees (period)	9,783	9,588	9,283	9,394	9,205	9,157	8,881	9,174	7,063
Number of units	419	404	399	394	392	391	391	394	319

Financial definitions

Absence due to illness	Short-term and long-term absence due to illness recalculated to full-time divided by the number of annual employees (FTE).
Adjusted EBIT	Operating profit/loss excluding non-recurring items.
Adjusted EBIT margin	Adjusted EBIT as a percentage of revenues.
Adjusted EBITDA	Operating profit/loss before depreciation/amortization of tangible and intangible non-current assets excluding non-recurring items.
Adjusted net debt	Net debt less property-related loans, i.e. loans from the Norwegian State Housing Bank (Norw. *Husbanken*), construction loans for ongoing construction projects and other property loans in Norway.
Capital employed	Total assets less non-interest-bearing current liabilities and provisions as well as deferred tax liability.
Capital expenditure	It includes expenditures on intangible and tangible non-current assets (excluding properties in Norway) and equipment, including investments financed through leases.
Cash flow from investments	Cash flow from investing activities according to the cash flow statement. This includes investments in buildings, acquisitions and investments in tangible and intangible non-current assets. Investments financed through leases are not included.
Cash flow from operating activities	Cash flow from operating activities including change in working capital and before cash flow from investing and financing activities.
Earnings per share	Profit/loss for the period in SEK divided by the average number of shares outstanding before/after dilution.
EBITDA	Operating profit/loss before depreciation/amortization of tangible and intangible non-current assets.
EBITDA margin	EBITDA as a percentage of revenues.
Employee turnover	The number of employees who left the company during the year, in relation to the average number of employees. (Number of permanent and probationary employees who have left the company) / (Average number of permanent and probationary employees).
Equity/assets ratio	Equity as a percentage of total assets.
General information	All amounts in tables are in SEK million unless otherwise stated. All amounts in parentheses () are comparative figures for the same period the previous year unless otherwise stated.
Interest cover	Adjusted EBIT for the past 12 months plus financial income in relation to interest expense.
Net debt	Interest-bearing liabilities (current and non-current) less cash and cash equivalents.
Net debt/adjusted EBITDA	Net debt (closing balance for the period) divided by adjusted EBITDA for the past 12 months.
Net margin	Profit/loss for the year as a percentage of revenues.
Non-recurring items	Non-recurring items are recognized separately to show development in the underlying operations more clearly. Non-recurring items are property-related items such as capital gains on the sale of properties or property damage that is not covered by corporate insurance policies, consulting expenses in connection with company acquisitions, severance pay for senior executives, large integration expenses relating to acquisitions, and costs relating to strategic decisions and larger restructuring measures that result in divestment of operations.
Number of annual employees	The average number of annual employees during the period – full time equivalents (FTE).
Number of children/students	Average number of enrolled children/students during the period in question. Participants in adult education programs are not included in the group's total number of children/students.
Number of education units	Refers to the number of preschools, compulsory schools and/or upper secondary schools operating during the period. Integrated units where preschools and compulsory schools are combined are counted as two units as they each hold their own permit.
Operating margin (EBIT margin)	Operating profit/loss as a percentage of revenues.
Operating profit/loss (EBIT)	Operating profit/loss before net financial items and tax.
Return on capital employed	Adjusted EBIT + interest income for the past 12 months divided by average working capital (opening balance+closing balance)/2.
Return on equity	Profit/loss for the past 12 months divided by the average equity (opening balance+closing balance)/2.