



We contribute to a better society

AcadeMedia AB (publ)

INTERIM REPORT

July 2016 – September 2016

11% growth for the quarter

Strong development in adult education

Three successful new establishments in Norway

AcadeMedia

Academedia

Interim report first quarter

First quarter (July 2016 – September 2016)

- Net sales increased by 10.9 percent to SEK 1,862 million (1,679).
- Operating profit (EBIT) increased by 119.4 percent to SEK 68 million (31). Adjusted for items affecting comparability the operating profit was SEK 69 million (34).
- Profit for the period was SEK 41 million (2).
- Cash flow from operating activities amounted to SEK 131 million (-13).
- The average number of children and students in preschool, compulsory school and upper secondary school during the quarter was 65,143 (62,103), which was an increase of 4.9 percent.
- Basic earnings per share amounted to 0.44 (0.02) SEK and after dilution 0.44 (0.02).

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	First quarter			Full year
	2016/17	2015/16	Change	2015/16
Net sales, SEK m	1,862	1,679	10.9%	8,611
EBITDA, SEK m	111	72	54.2%	721
EBITDA margin	6.0%	4.3%	1.7 p.p.	8.4%
Operating profit	68	31	119.4%	535
EBIT margin	3.7%	1.8%	1.9 p.p.	6.2%
Adjusted operating profit (EBIT)*. SEK m	69	34	102.9%	568
Adjusted EBIT margin	3.7%	2.0%	1.7 p.p.	6.6%
Total financial items, SEK m	-18	-37	51.4%	-127
Income before taxes, SEK m	50	-6	n/a	408
Profit/loss for the period, SEK m	41	2	1950.0%	319
Number of children and students	65,143	62,103	4.9%	63,151
Number of FTEs	10,144	9,325	8.8%	9,714

*) For definitions see page 24



CEO's comments

AcadeMedia has started the financial year in a stable way with robust growth. Sales increased by over ten percent during the first quarter of 2016. Growth is driven by the increased number of students and the continued solid performance of the Adult Education segment. Preschool operations expanded during the quarter with the opening of three new preschools in Norway and one in Sweden, and through the acquisition of one preschool in Norway.

Growth in school operations

The best evidence that our units provide good quality is that more people choose our schools. When the fall term began this year, over 3,000 more children and students enrolled in AcadeMedia's preschools, compulsory schools and upper secondary schools, an increase of 4.9 percent for the first quarter. The average number of students in the first quarter of 2016/17 was 65,143, compared to 62,103 in the first quarter of 2015/16. We see a steadily growing need for preschools and schools. Many new schools need to be built. There is also potential for continued growth through acquisitions.

Each year, about 100,000 students apply for admission to upper secondary school. Although the Upper Secondary Schools segment is at its lowest level demographically, enrollment at AcadeMedia schools has reached new highs. Student year groups in upper secondary schools will grow over the next few years and with its strong brand strategy AcadeMedia is well-positioned to continue to capture market share.

New establishment strategy yielding continued growth

Many of the new children and students at AcadeMedia's schools attend one of our newly opened units or one of last year's newly acquired units. We opened a total of 14 new units in 2015/16. In addition, one new preschool in Sweden and three preschools in Norway opened at the start of the 2016 fall semester. Several of our units have also increased their capacity and are admitting more children. We are actively pursuing possible new establishments. Currently one new establishment in Sweden during the fiscal year 2016/17 and one in Norway in the fall of 2017 have been approved.

20 percent growth in Adult Education segment

AcadeMedia's Adult Education segment holds a leading position in essentially all its market subsectors. This quarter revenue increased by over 20 percent with stable and good profitability. We have a broad contract portfolio and are doing well with our integration projects. Our internal evaluation also shows that an investment in adult education is producing beneficial results for society.

Currently many new contracts are being tendered. The outcome of these tenders will affect the development of

the Adult Education segment, which has a faster pupil turnover than school operations due to shorter education periods. Irregular seasonality in Adult Education also makes it difficult to compare financial performance with corresponding quarter last year.

AcadeMedia is Sweden's leading language education provider. Sweden's integration challenge will require continued investments in education – both within Swedish as a second language, and in the form of various initiatives for higher studies where immigrants often need to supplement their foreign education.

Education helps society to develop

In Sweden, everyone has the right to their choose school, regardless of where they live or their financial standing. Norway and Germany have similar systems for preschools. The opportunity for citizens to influence their own future in this way is vital for society.

Many parents believe that it is so important for their children to attend a good school that they are willing to pay substantially, or even to move, in order to achieve this objective. In Sweden this is not necessary.

It is very satisfying to see that year after year, parents, young people and adults choose our education programs. One important reason for this is our systematic quality management, combined with our desire to constantly improve our operations. Our mission is to create the best possible conditions for everyone who chooses our services, in order that each student can achieve the objectives of the program, irrespective of whether it is a family needing child care, or an adult enrolled in higher vocational education courses in preparation for a career change.

We express this by declaring our aim to be: "100% goal achievement" for our students. This may be too ambitious; not everyone will succeed. But everyone should have a chance at success and this goal in itself drives quality. Setting a lower standard is not an option.

The education system is perhaps the most important component of all social systems.

Marcus Strömberg

President and CEO

AcadeMedia AB (publ)



Development for the first quarter

Volume development and revenues

Net sales in the first quarter amounted to SEK 1,862 million (1,679), which is an increase of 10.9 percent compared to the similar period last year. The increase was primarily driven by increased volumes in the adult education, along with a 4.9 percent increase in the number of students in all three school segments to 65,143 (62,103), including a boost from several new starts and acquisitions this year and last fiscal year.

Operating profit/loss (EBIT) and adjusted operating profit/loss

Operating profit (EBIT) for the first quarter July-September amounted to SEK 68 million (31), representing an operating margin of 3.7 percent (1.8).

Adjusted operating profit (EBIT) amounted to SEK 69 million (34), which represented an adjusted EBIT margin of 3.7 percent (2.0).

The profit improvement in the first quarter compared to the same period last year is due to increased volumes. Increased expenses for higher social security contributions for young people had a negative impact of SEK 6 million, which mostly affected the Pre- and Compulsory School segment. School vouchers have to date not been adjusted to reflect this cost increase.

Items affecting comparability

Operating profit (EBIT) for the first quarter includes items affecting comparability SEK -1 million (-3) as shown in adjacent table.

Net financial items

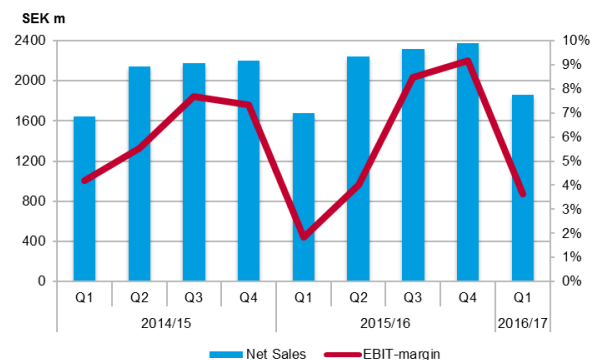
Net financial items for the quarter amounted to SEK -18 million (-37). Interest expense for the quarter was SEK -19 million (-31). The decrease in interest expense is mainly due to the share issue in June, which was used to repay loans of SEK 334 million. Interest expense on these loans amounted to SEK 40 million for full year 2015/16. Interest expense is also lower

because of ongoing repayment of bank loans and because the interest margin to banks was lowered by 0.25 percent as a result of the IPO.

Items affecting comparability SEK m	First quarter	
	2016/17	2015/16
Gains from the sale of properties, Norway	-	6
Restructuring expenses	-	-
Operating expenses affecting comparability	-	-2
Transaction related expenses	-1	-1
IPO expenses	0	-6
Total	-1	-3

Acquisitions, divestments, new units and discounted operations

One new preschool opened in Sweden and three preschools opened in Norway during the period. Several units also expanded their capacity. One small preschool was acquired in Norway. Three preschools in Sweden closed at the end of July but had been active and had students during the quarter, which meant that they have been included in the number of active units during the period. Six upper secondary school units are being restructured and therefore have fewer students.



First quarter in summary by segment

	Number of students (average)		Net sales, SEK m		Adjusted EBIT, SEK m		Adj,EBIT margin		Operating profit/loss (EBIT), SEK m		EBIT margin	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
Pre- and Compulsory Schools (Sweden)	30,613	29,286	717	661	8	2	1.1%	0.3%	8	2	1.1%	0.3%
Upper Secondary Schools (Sweden)	25,802	25,244	501	485	26	22	5.2%	4.5%	26	22	5.2%	4.5%
Adult Education (Sweden)	-*	-*	332	274	41	14	12.3%	5.1%	41	12	12.3%	4.4%
Preschool International (Sweden)	8,727	7,573	311	259	7	8	2.3%	3.1%	7	13	2.3%	5.0%
Group adj., parent company	-	-	0	0	-13	-12	-	-	-14	-18	-	-
Total	65,143	62,103	1,862	1,679	69	34	3.7%	2.0%	68	31	3.7%	1.8%

*) The volume of adult education is not measured based on the number of participants since the length of the programs varies



Cash flow

Cash flow from operating activities before changes in working capital in the first quarter totaled SEK 127 million (49). The change in working capital during the quarter was SEK 4 million (-62) and was positively impacted by a payment from a large municipality that was received earlier than during the corresponding period last year. Municipalities mostly pay quarterly in advance. Cash flow from operating activities for the quarter amounted to SEK 131 million (-13).

Cash flow from investing activities during the quarter amounted to SEK -87 million (-35). The difference between the years is attributable to the sale of property in Norway during the first quarter last year which had a positive impact of SEK 62 million. Cash flow from financing activities totaled SEK -17 million (-210). Cash outflow was lower in the quarter compared with the previous year due to high loan repayments during the corresponding period last year in connection with refinancing of bank loans.

Financial position

Consolidated equity amounted to SEK 3,013 million (2,302) as of September 30, 2016 and the equity/assets ratio was 40.8 percent (32.9). The increase in equity and the improvement in the equity ratio are the result of a positive financial performance and the new share issue of SEK 350 million conducted in connection with the IPO, which raised SEK 334 million equity net of issue expenses.

Consolidated interest-bearing net debt as of September 30, 2016 amounted to SEK 2,356 million (2,681). Net debt declined because the new share issue proceeds were used to repay external loans. Excluding real estate loans, which finance building assets, adjusted net debt amounted to SEK 1,836 million (2,358). The purpose of the alternative performance measure adjusted net debt is to show the portion of the loans that finance the business, while real estate loans are linked to building assets that can be separated and sold. The real estate loans, which consist of both non-current loans in the Norwegian State Housing Bank (Norw. *Husbanken*) and current construction loans, increased over the past year by SEK 198 million to SEK 521 million (323). Building assets increased during the equivalent period by SEK 262 million to SEK 693 million (431). The increase is attributable to expansion in preschools in Norway.

Non-current liabilities to credit institutions amounted to SEK 2,151 million (2,137) and consist of loans from banks and the Norwegian State Housing Bank. Current interest-bearing liabilities consist of bank overdrafts, current portions of long-term loans and construction loans, amounting to SEK 560 million (665).

Net debt in relation to adjusted EBITDA (rolling 12 months) amounted to 3.0 (3.5 as of September 30, 2015), compared with the Group's long-term target of a maximum of 3.0. The improvement is an effect of debt reduction, but also reflects an improvement in adjusted EBITDA (12month) SEK 790 million (755). To clarify which part of net debt that funds operations the property-related loans are subtracted to obtain adjusted net debt. The property-adjusted net debt divided with adjusted EBITDA (12 months) amounted to 2.3 (3.1). This alternative performance measure aims to show the portion of net debt that finances operations in relation to a rolling 12-month adjusted EBITDA (see definitions below).

Parent company

The parent company AcadeMedia AB (publ) is the listed parent company of the Group with certain management functions. The CEO has been employed by the parent company since May 1, 2016 and the CFO since July, 2016. Sales during the first quarter amounted to SEK 2 million (-), the operating result (EBIT) amounted to SEK -6 million (-1) and profit after tax amounted to SEK -5 million (-12). The parent company's assets principally consist of participations in Group companies. The business is financed primarily by equity contributed by the owners. Equity in the parent company as of September 30, 2016 was SEK 2,287 million (1,897).

Owners and share capital

Number of shares	Ordinary shares	Ordinary class C	Total shares
Opening balance, July 1, 2016	94,100,000	-	94,100,000
Rights issue Sep 26, 2016		165,000	165,000
Closing balance, September 30, 2016	94,100,000	165,000	94,265,000
<i>Whereof repurchased shares</i>		<i>165,000</i>	<i>165,000</i>

AcadeMedia AB (publ) is a public limited company that was listed on Nasdaq Stockholm since June 15, 2016. Share capital as of September 30, 2016 was SEK 94,265,000, an increase since June 30, 2016 as a result of the issuance of 165,000 class C shares in September. The number of shares totaled 94,265,000 shares divided into 94,100,000 ordinary shares and 165,000 Class C shares. The quota value is SEK 1.00 per share.

The company has two incentive programs, a share-matching plan and a warrant program, as resolved at the shareholders' meeting in June, 2016. As part of the effort to secure delivery of shares to participants in the share-matching plan, the Board resolved on September 26, 2016, to issue 165,000 new Class C shares and to subsequently repurchase all of the Class C shares, as authorized by the shareholders' meeting.

The fund EQT V indirectly owns 56.5 percent of AcadeMedia AB via the holding company Marvin Holding Ltd., which holds 64.5 percent of the shares in AcadeMedia AB as of September 30, 2016.



Pre- and Compulsory Schools (Sweden)

- The number of children and students increased by 4.5 percent to 30,613 (29,286) in the first quarter.
- Sales increased by 8.5 percent.
- Operating profit (EBIT) increased SEK 6 million to SEK 8 million (2) during the quarter.
- One new preschool opened during the quarter.

AcadeMedia's Pre- and Compulsory School segment runs preschools and compulsory schools in a large number of municipalities throughout Sweden under the brands *Pysslingen Förskolor*, *Pysslingen Skolor* and *Vittra*. The schools are run entirely based on the school voucher system. The segment had 227 units with an average of 30,613 children and students during the quarter.

First quarter results

The average number of children and students increased by 4.5 percent compared with the previous year and amounted to 30,613 (29,286) for the first quarter. The increase is driven by acquisitions and new establishments carried out during the previous year, as well as growth in existing units. Last year's acquisitions and many of the new establishments were carried out during the last three quarters of the fiscal year meaning that the full impact on growth is only in the first quarter this year. Net sales increased by 8.5 percent to SEK 717 million (661). The increase is due to an increase in the number of children and students and to higher revenue per student, primarily as a result of the annual voucher price adjustment.

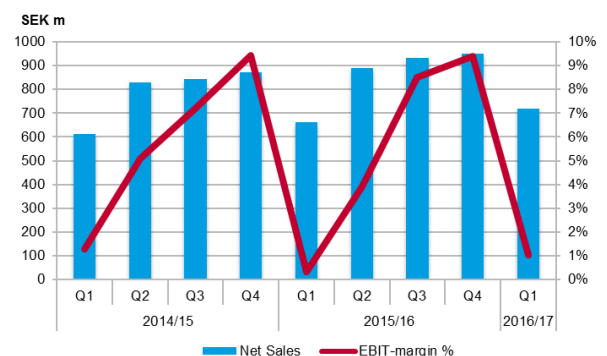
Operating profit (EBIT) for the first quarter increased SEK 6 million to SEK 8 million (2), corresponding to an operating margin of 1.1 percent (0.3). The increase in employer contributions for young people, which was

implemented in two phases, from August 2015 and from June 2016, had a negative impact on profit for the quarter of SEK -4 million compared with the same period the previous year.

There were no items affecting comparability in the quarter or in the same period last year, thus adjusted operating profit/loss (EBIT) is the same as operating profit/loss (EBIT).

Development and key events

Three small preschools closed late July but had students and revenues during the quarter and are counted as active units in the quarter. One new preschool opened in Järfälla Municipality in August. The number of units in the period was 227 (212). Capacity at a few compulsory schools increased at the start of the academic year as a result of rebuilding and expansion projects. One additional preschool is approved to be opened in fiscal year 16/17. For the moment there are no further decisions for new establishments during the fall 2017.



Pre- and Compulsory Schools (Sweden)	First quarter			Full year
	2016/17	2015/16	Change	2015/16
Net sales, SEK m	717	661	8.5%	3,434
EBITDA, SEK m	19	13	46.2%	255
EBITDA margin	2.6%	2.0%	0.6 p.p.	7.4%
Depreciation/amortization	-12	-11	-9.1%	-49
Operating profit (EBIT), SEK m	8	2	300.0%	206
EBIT margin, %	1.1%	0.3%	0.8 p.p.	6.0%
Items affection comparability, SEK m	-	-	-	3
Adjusted operation profit (EBIT), SEK m	8	2	300.0%	203
Adjusted EBIT margin, %	1.1%	0.3%	0.8 p.p.	5.9%
Number of children and students	30,613	29,286	4.5%	30,081
Number of units	227	212	7.1%	226



Upper Secondary Schools (Sweden)

- The number of students increased by 2.2 percent in the first quarter, amounting to 25,802 (25,244).
- Sales increased by 3.3 percent during the first quarter compared with the previous year.
- Operating profit (EBIT) increased by 18.2 percent to SEK 26 million (22), driven in part by volume, but also due to increased capacity utilization.

AcadeMedia's Upper Secondary School 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 run entirely based on the school voucher system. The segment had 103 units with a total of 25,802 students during the quarter.

First quarter results

The number of students increased by 2.2 percent compared to the previous year and amounted to 25,802 (25,244). Net sales increased by 3.3 percent to SEK 501 million (485). The increase is due to an increased number of students and higher revenue per student, primarily as a result of annual price adjustment.

Operating profit (EBIT) for the first quarter increased by 18.2 percent compared to the same quarter the previous year to SEK 26 million (22), representing an operating margin of 5.2 percent (4.5). The improvement is primarily due to increased capacity utilization in existing units.

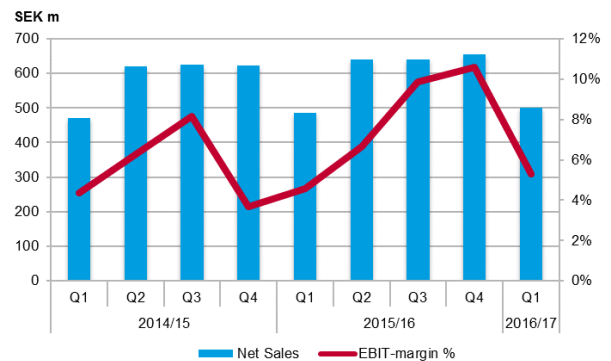
There were no items affecting comparability in the quarter or in the same period last year, for which reason adjusted operating profit/loss (EBIT) is the same as operating profit/loss (EBIT).

Development and key events

Jens Eriksson joined as head of Upper Secondary School segment in August 2016.

AcadeMedia's upper secondary schools had a good start for the fall term 2016. The number of enrolled first-year students was all-time-high and amounted to 9,295 (8,917) at the end of the period.

Decisions during the 2015/2016 financial year to initiate closure of eight units entails a gradual winding down and will result in more efficient operation of the segment in the long term. Six of these eight units will operate in 2016/17, while two were sold or had the last student in the previous year.



Upper Secondary Schools (Sweden)	First quarter			Full year
	2016/17	2015/16	Change	2015/16
Net sales, SEK m	501	485	3.3%	2,421
EBITDA, SEK m	47	44	6.8%	298
EBITDA margin	9.4%	9.1%	0.3 p.p.	12.3%
Depreciation/amortization	-21	-22	4.5%	-100
Operating profit (EBIT), SEK m	26	22	18.2%	198
EBIT margin, %	5.2%	4.5%	0.7 p.p.	8.2%
Items affection comparability, SEK m	-	-	-	0
Adjusted operation profit (EBIT), SEK m	26	22	18.2%	198
Adjusted EBIT margin, %	5.2%	4.5%	0.7 p.p.	8.2%
Number of children and students	25,802	25,244	2.2%	25,014
Number of units	103	106	-2.8%	105



Adult Education (Sweden)

- Sales increased by 21.2 percent during the first quarter compared with the previous year.
- Operating profit (EBIT) for the quarter surged and amounted to SEK 41 million (12).
- An interim agreement was signed with the City of Stockholm in the fourth quarter of 2015/16 that entailed the opportunity for new adult education programs as of July 1, 2016.

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 approximately 150 locations around the country. The segment includes the brands Hermods, NTI-skolan, Plushogskolan, Eductus and KompetensUtvecklingsInstitutet.

First quarter results

Net sales for the first quarter were 21.2 percent higher than the corresponding period the previous year and amounted to SEK 332 million (274). The increase can mainly be attributed to higher participant volumes within the areas of Hermods and the basic modules contract, but also to Eductus and the Vocational Swedish agreement.

The Eductus business area, which had been very weak in the first quarter of 2015/16, implemented a comprehensive down-sizing program during the last financial year to balance staffing levels with actual volumes in agreements with the National Employment Agency. The action program had the desired effect, which contributed strongly to the segment's improved result in the first quarter compared with the previous year.

Operating profit (EBIT) for the first quarter thereby sharply increased to SEK 41 million (12), corresponding

to an operating margin of 12.3 percent (4.4). The improvement in profits and margin is largely due to the volume increase, but also to the down-sizing plan within Eductus.

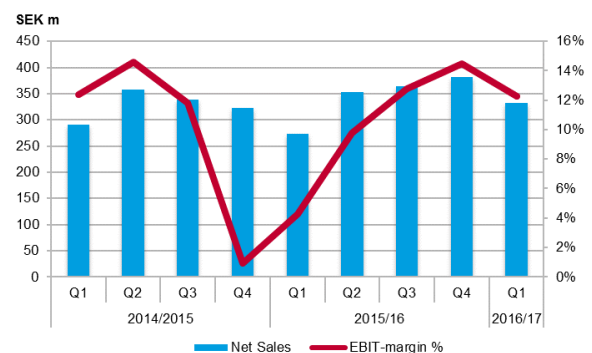
There were no items affecting comparability in the quarter in contrast to the same period last year, when items relating to the merger of AcadeMedia Adult Education and Hermods had a negative impact on earnings of SEK -2 million.

Adjusted operating profit was SEK 41 million (14).

Development and key events

The term of the Interim Agreement related to the City of Stockholm started on July 1, 2016. As a result, several Adult Education programs (Swedish for Immigrants, upper secondary school for adults and post-upper secondary vocational programs) could open for new admissions, which contributed positively to growth in the segment in the first quarter.

Adult education does not have recurring seasonal patterns in the same way as the school segments, illustrated in the graph below. Seasonal variation is influenced instead by the contract portfolio and community initiatives. Quarterly developments in 2016/17 compared with the previous year are influenced by these factors.



Adult Education (Sweden)	First quarter			Full year
	2016/17	2015/16	Change	2015/16
Net sales, SEK m	332	274	21.2%	1,372
EBITDA, SEK m	42	13	223.1%	154
EBITDA margin	12.7%	4.7%	8.0 p.p.	11.2%
Depreciation/amortization	-2	-2	0.0%	-6
Operating profit (EBIT), SEK m	41	12	241.7%	148
EBIT margin, %	12.3%	4.4%	7.9 p.p.	10.8%
Items affection comparability, SEK m	-	-2	n/a	-3
Adjusted operation profit (EBIT), SEK m	41	14	192.9%	150
Adjusted EBIT margin, %	12.3%	5.1%	7.2 p.p.	10.9%



Preschool International

- The number of children increased by 15.2 percent to 8,727 (7,573) in the first quarter.
- Sales increased by 20.1 percent during the first quarter compared with the first quarter the previous year.
- Operating profit (EBIT) was SEK 7 million (13).
- One small unit was acquired and three new units 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 February 2016 by the acquisition of Joki in Germany. Espira is Norway's second largest preschool provider and has 91 units, mainly in western and southern Norway and in the Oslo area. Joki runs seven preschool units in the area around Munich.

First quarter results

The average number of children in the first quarter increased by 15.2 percent and amounted to 8,727 (7,573). The large increase mainly relates to the acquisition of the German Joki operations, as well as establishments and acquisitions in Norway. The segment's net sales for the quarter increased by 20.1 percent to SEK 311 million (259).

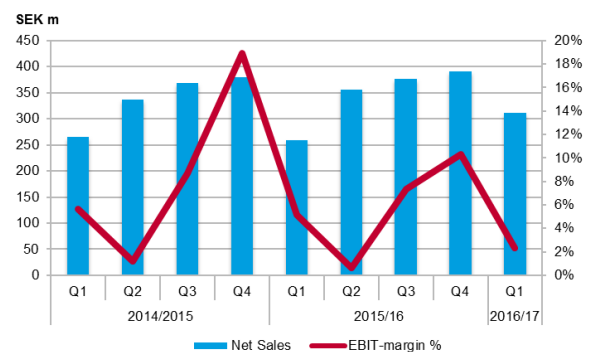
Operating profit (EBIT) for the first quarter amounted to SEK 7 million (13), which was a decrease in SEK of 46.2 percent. This resulted in an operating margin of 2.3 percent (5.0). The decline in earnings and margin compared with the previous year can mainly be attributed to capital gains on the sale of real estate in

Norway, which had a positive impact on last year's first quarter amounting to SEK 6 million.

There were no items affecting comparability in the quarter, while items relating to capital gains on property sales had a positive impact of SEK 6 million on the corresponding period last year. Adjusted operating profit was SEK 7 million (8), which is a decrease with SEK 1 million. Unlike the first quarter of 2015/16, Joki in Germany, which was acquired in February 2016, is included with a positive result for the segment.

Development and key events

During the quarter Espira in Norway opened three new preschools and acquired one small unit. There is an active list of ongoing establishments due to long lead times related to construction. For the moment one new establishment in Norway has been approved for the fall of 2017 and none in Germany during the coming year.



Preschool International	First quarter			Full year
	2016/17	2015/16	Change	2015/16
Net sales, SEK m	311	259	20.1%	1,381
EBITDA, SEK m	15	19	-21.1%	110
EBITDA margin	4.8%	7.3%	-2.5 p.p.	8.0%
Depreciation/amortization	-8	-6	-33.3%	-26
Operating profit (EBIT), SEK m	7	13	-46.2%	83
EBIT margin, %	2.3%	5.0%	-2.7 p.p.	6.0%
Items affection comparability, SEK m	-	6	-100.0%	6
Adjusted operation profit (EBIT), SEK m	7	8	-12.5%	78
Adjusted EBIT margin, %	2.3%	3.1%	-0,8 p.p.	5.6%
Number of children and students	8,727	7,573	15.2%	8,055
Number of units	98	81	21.0%	94



Employees

The average number of full-time employees was 10 144 (9,325), which represents an increase of 8.8 percent. The proportion of women in the Swedish operation was 69.8 (70.6). Employee turnover, measured as the number of individuals leaving the company, increased compared to previous year and amounted to 10.0 percent accumulated over 3 months July-September compared to 9.6 percent corresponding period the previous year for the Swedish operation. Absence due to illness for Academedi employees in Sweden (cumulative average short-term absence <90 days) increased somewhat to 3.5 percent (3.3).

Risk factors

Significant operation, external and financial risks are described in detail in AcadeMedia AB's 2015/16 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 of qualified employees and payroll expense, risk relating to quality deficiencies, AcadeMedia's reputation and brand, permits, and liability and property risk. External risk include risk relating to school voucher funding and the general economy, political risk, include introduction of an upper secondary school guarantee-fee, change in VAT-component in school vouchers or some form of limit on profits or dividends. A common factor for various political proposals is that the processes are usually long and proposals must be in legally enforceable proposals and must also pass approval in the Swedish parliament (Riksdag) vote. In addition, there are also financial risks as credit and currency risks.

Seasonality

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. Personnel expenses are also lower since staff are on vacation. This also applies to preschools in Norway. Within the Adult Education segment the level of activity is also lower during the summer months, as are revenues, and this is also the case over the Christmas and New Year period. During these periods, 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 adjusted at the end of the calendar 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 decline to the same extent. Within the Pre- and Compulsory School segment the positive development 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 fall, the older children transfer to school and new younger children are admitted. This leads to increased staffing in order to meet the personnel density requirements. At the start of the calendar year the voucher sizes increase and the staff density levels can be adjusted to reflect that the younger children are deemed to be one year older. The consequence 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.



Calendar

February 7, 2017	Q2
May 10, 2017	Q3
August 30, 2017	Q4, year-end report 2016/2017

For further information please refer to <https://corporate.academedias.se>

This report has not been reviewed by the company's auditors

Stockholm November 8, 2016

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Consolidated statement of comprehensive income

SEK m	First quarter		Rolling 12 months	Full year
	2016/17	2015/16	oct 15-sep 16	2015/16
Net Sales	1,862	1,679	8,794	8,611
	1,862	1,679	8,794	8,611
Cost of goods sold	-177	-171	-808	-802
Other external expenses	-460	-446	-1,890	-1,876
Personnel expenses	-1,112	-986	-5,305	-5,179
Depreciation/amortization	-43	-42	-187	-186
Items affecting comparability *	-1	-3	-31	-32
	-1,794	-1,648	-8,221	-8,076
OPERATING INCOME	68	31	573	535
Interest income and similar profit/loss items	5	2	8	7
Interest expense and similar profit/loss items	5	-20	-116	-134
	-18	-37	-109	-127
INCOME BEFORE TAX	50	-6	464	408
Tax	-9	8	-106	-89
PROFIT/LOSS FOR THE PERIOD	41	2	358	319
Other comprehensive income				
<i>Items that will not be reclassified to profit/loss</i>				
Remeasurement of defined benefit pension plans	-57	20	-61	16
Deferred tax relating to defined benefit pension plans	14	-5	15	-4
	-43	15	-46	12
<i>Items that may be reclassified to profit/loss</i>				
Translation differences	25	-19	32	-12
Other comprehensive income for the period	-18	-4	-15	0
COMPREHENSIVE INCOME FOR THE PERIOD	23	-2	343	319
Profit for the period attributable to:				
Stockholders of the parent company	41	2	358	319
Non-controlling interests	-	-	-	-
Comprehensive income for the period attributable to:				
Stockholders of the parent company	23	-2	343	319
Non-controlling interests	-	-	-	-
Earnings per share basic/diluted (SEK)	0.44 / 0.44	0.02 / 0.02		3.74 / 3.74

*) Items affecting comparability are specified on page 3, definitions on page 24



Consolidated statement of financial position in summary

SEK m	Note	Sep 30, 2016	Sep 30, 2015	June 30, 2016
ASSETS				
Intangible non-current assets		5,130	4,911	5,077
Buildings		693	431	638
Other property, plant and equipment		408	348	392
Other non-current assets		51	99	33
Total non-current assets		6,282	5,789	6,141
Current receivables		741	786	697
Cash and cash equivalents		368	425	331
Total current assets		1,109	1,211	1,028
TOTAL ASSETS		7,391	7,000	7,169
EQUITY AND LIABILITIES				
Total equity		3,013	2,302	2,990
Non-current liabilities to credit institutions		2,151	2,137	2,084
Provisions and other non-current liabilities		200	473	145
Total non-current liabilities	4	2,351	2,610	2,229
Current interest-bearing liabilities		560	665	568
Other current liabilities		1,466	1,424	1,382
Total current liabilities	4	2,027	2,088	1,950
TOTAL EQUITY AND LIABILITIES		7,391	7,000	7,169

Consolidated statement of changes in equity in summary

SEK m	July 1, 2016 Sep 30, 2016	July 1, 2015 Sep 30, 2015	July 1, 2015 June 30, 2016
Opening balance	2,990	2,304	2,304
Profit/loss for the period	41	2	319
Other comprehensive income	-18	-4	0
Total profit/loss for the group	23	-2	319
Transactions with owners	0	-	367
Closing balance	3,013	2,302	2,990



Consolidated cash flow statement in summary

SEK m	Note	First quarter		Full year
		2016/17	2015/16	2015/16
Operating profit/loss (EBIT)		68	31	535
Adjustment for items affecting cash flow		51	29	172
Tax paid		8	-11	-95
Cash flow from operating activities before changes in working capital		127	49	612
Cash flow from changes in working capital		4	-62	-70
Cash flow from operating activities		131	-13	542
Cash flow from investing activities	3	-87	-35	-386
Cash flow from financing activities		-17	-210	-512
CASH FLOW FOR THE PERIOD		27	-258	-355
Cash and cash equivalents at beginning of period		331	695	695
Exchange-rate differences in cash and cash equivalents		10	-12	-8
Cash and cash equivalents at end of period		368	425	331



Parent company income statement in summary

SEK m	First quarter		Full year
	2016/17	2015/16	2015/16
Net sales	2	-	0
Operation expenses	-8	-1	-21
OPERATING PROFIT/LOSS (EBIT)	-6	-1	-21
Interest expense and similar profit/loss items	0	-11	-42
PROFIT/LOSS BEFORE TAX	-6	-12	-63
Year-end appropriations	-	-	84
Tax	1	-	-5
PROFIT/LOSS FOR THE PERIOD	-5	-12	16

Parent company other comprehensive income

SEK m	First quarter		Full year
	2016/17	2015/16	2015/16
Profit/Loss for the period	-5	-12	16
Other comprehensive income for the period	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-5	-12	16

Parent company balance sheet in summary

SEK m	Sep 30, 2016	Sep 30, 2015	June 30, 2016
ASSETS			
Participations in Group companies	2,219	2,186	2,219
Deferred tax assets	1	1	1
Total non-current assets	2,220	2,187	2,220
Current receivables	88	65	85
Cash and bank balances	7	13	15
Total current assets	95	78	100
TOTAL ASSETS	2,315	2,265	2,320
EQUITY AND LIABILITIES			
Restricted equity	94	8	94
Non-restricted equity	2,193	1,889	2,198
Total equity	2,287	1,897	2,292
Non-current liabilities	0	289	0
Current liabilities	27	79	28
TOTAL EQUITY AND LIABILITIES	2,315	2,265	2,320



Parent company statement of changes in equity

SEK m	July 1, 2016 Sep 30, 2016	July 1, 2015 Sep 30, 2015	July 1, 2015 June 30, 2016
Opening balance	2,292	1,909	1,909
Profit/loss for the period	-5	-12	16
Other comprehensive income	-	-	-
Total profit/loss for the group	-5	-12	16
Transactions with owners	0	-	367
Closing balance	2,287	1,897	2,292



Notes and accounting policies

Note 1: Accounting policies

AcadeMedia applies the International Financial Reporting Standards (IFRS) as adopted by the EU. The accounting policies applied are the same as those described in AcadeMedia's 2015/16 Annual Report, which is available at www.academedia.se. No new accounting policies 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.

IFRS 15 Revenue from Contracts with Customers enters into force on January 1, 2018 to replace all previously issued standards and interpretations that address revenue. It will be applicable for the Group as of July 1, 2018. The EU is expected to approve the standard in the fourth quarter 2016. The Group has not yet evaluated the effects of the introduction of the standard.

IFRS 16 Leases goes into effect on January 1, 2019 and will replace IAS 17. The standard will require that the lessee recognizes assets and liabilities attributable to all leases, with the exception of contracts shorter than 12 months and/or those pertaining to minor amounts. The EU is expected to approve the standard in 2017. The Group has not evaluated the standard, but believes it will lead to recognition of significant assets and liabilities attributable to the Group's leases.

The same accounting policies are applied as in the most recent annual report. See 2015/2016 Annual report for details.

Note 2: Related party transactions

Related party transactions are described in detail in the 2015/2016 Annual report. The scope and nature of these transactions has not changed in any material respect during the year.

Note 3: Acquisitions

Acquiring company	Acquired company	Acquisition date	Segment
Espira Barnehager AS	Skånetoppen Barnehage	01-jul-16	Preschool International
Espira Barnehager AS	Espira Rødknappen AS	01-sep-16	Preschool International

The acquisitions in total represent a value of less than 5 percent of the group wherefore they are not specified separately. Voting rights in all acquisitions amounts to 100 percent.

Acquisition Skånetoppen Barnehage mentioned above is an acquisition of a minor operation, an asset acquisition, which was part of one of the new starts during the fall.

In all of the acquisitions, the purchase consideration was in the form of a cash payment and no agreement with a conditional or deferred consideration exists.

Details of the net assets and goodwill acquired are given below. Goodwill attributed to company value exceeding net assets is not tax-deductible where-as goodwill attributed to assets in asset based acquisitions is tax-deductible.

Acquisition effects of acquisitions made	2016/2017
Purchase consideration including transaction expenses	14
Purchase consideration excluding transaction expenses	14
Fair value of acquired net assets excluding goodwill	-2
Total goodwill	12



Fair values acquired	2016/2017
Intangible non-current assets	-
Property, plant and equipment	3
Financial non-current assets	-
Current assets	0
Cash and cash equivalents	2
Non-current loans	-3
Other current liabilities	-1
Current tax liability	0
Deferred tax liability	-
Net assets acquired	2

Goodwill that has arisen in connection with acquisitions consists of synergies with existing business, resources such as personnel, education programs, recruitment and personnel development and service organization, which can be streamlined as a result of the acquisitions.

Impact of the acquisitions on the Group's cash and cash equivalents	2016/2017
Purchase consideration agreed	14
Less purchase consideration that has not been settled in cash as of June 30, 2016.	-
Cash and cash equivalents at time of acquisition	-2
Impact on the Group's cash and cash equivalents	12

Contribution of acquisitions to consolidated profit	2016/2017
Net sales	1
Operating profit (EBIT)	0

If the units had been included in consolidated profit from July 1, 2016 the contribution would have been	2016/2017
Net sales	2
Operating profit (EBIT)	0

Note 4: Specification of liabilities

SEK m	Sep 30, 2016	Sep 30, 2015	June 30, 2016
Non-current liabilities			
Non-current liabilities to credit institutions excl. property loans	1,821	1,918	1,806
Non-current interest-bearing liabilities - properties	330	219	278
Non-current liabilities (interest-bearing)	24	304	32
Non-current liabilities (non-interest-bearing)	176	169	113
TOTAL Non-current liabilities	2,351	2,610	2,229
Current liabilities			
Liabilities to credit institutions and other current interest-bearing liabilities	369	561	370
Current interest-bearing liabilities - properties	191	104	197
Accounts payable and other current non-interest-bearing liabilities	463	607	545
Accrued expenses and deferred income	1,003	817	837
TOTAL current liabilities	2,027	2,088	1,950



Note 5: Specification of financial income and expenses

SEK m	First quarter		Full year
	2016/17	2015/16	2015/16
Interest income and similar profit/loss items			
Interest income	1	0	6
Derivatives	0	0	1
Foreign exchange gains	1	-	-
Other	0	0	0
Interest income and similar profit/loss items	2	0	7
Interest expense and similar profit/loss items			
Interest expense	-19	-31	-121
Borrowing costs *	-1	-1	-6
Foreign exchange losses	-	-4	-3
Other	0	-1	-4
Interest expense and similar profit/loss items	-20	-37	-134

*) Handling charges for new loans are expensed over the term of the loan using the effective interest method.

Note 6: Financial instruments

AcadeMedia's financial instruments consist of accounts receivable, other receivable, 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 measured 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 deemed that the fair values of all of the financial instruments are approximately equal to their book values.



Multi-year review

SEK million, unless otherwise stated	First quarter		Full year			
	2016/17	2015/16	2015/16	2014/15	2013/14	2012/13
Profit/loss items, SEK m						
Net sales	1,862	1,679	8,611	8,163	6,372	5,125
Items affecting comparability	-1	-3	-32	-79	-35	-14
EBITDA	111	72	722	720	614	514
Depreciation/amortization	-43	-42	-187	-203	-164	-139
Operating profit/loss (EBIT)	68	31	535	517	449	376
Net financial items	-18	-37	-127	-269	-209	-255
Profit/loss for the period before tax	50	-6	408	248	240	121
Profit/loss for the period after tax	41	2	319	222	189	128
Balance sheet items, SEK m						
Non-current assets	6,282	5,789	6,141	5,884	5,945	4,151
Current receivables and inventories	741	786	697	670	654	537
Cash and cash equivalents	368	425	331	695	562	338
Non-current interest-bearing liabilities	2,175	2,441	2,116	2,609	3,020	2,308
Non-current non-interest-bearing liabilities	176	169	113	197	131	88
Current interest-bearing liabilities	560	665	568	715	469	207
Current non-interest-bearing liabilities	1,466	1,424	1,382	1,425	1,352	857
Equity	3,013	2,302	2,990	2,304	2,189	1,566
Total assets	7,391	7,000	7,169	7,250	7,161	5,026
Capital employed	5,748	5,407	5,674	5,628	5,679	4,082
Net debt	2,356	2,681	2,342	2,629	2,927	2,178
Property adjusted net debt	1,836	2,358	1,866	2,295	2,563	2,178
Key ratios						
Operating margin (EBIT), %	3.7%	1.8%	6.2%	6.3%	7.1%	7.3%
Adjusted EBIT, SEK m	69	34	567	596	485	389
Adjusted EBIT margin, %	3.7%	2.0%	6.6%	7.3%	7.6%	7.6%
Adjusted EBITDA, SEK m	112	75	754	799	649	528
Adjusted EBIT margin, %	6.0%	4.5%	8.8%	9.8%	10.2%	10.3%
Net margin, %	2.2%	0.1%	3.7%	2.7%	3.0%	2.5%
Return on capital employed, %, (12 months)	10.9%	10.4%	10.1%	10.8%	10.0%	9.8%
Return on equity, %(12 months)	13.5%	9.8%	12.1%	9.9%	10.1%	8.5%
Equity/assets ratio, %	40.8%	32.9%	41.7%	31.8%	30.6%	31.2%
Interest coverage ratio, times	5.7	3.1	4.8	2.8	2.7	1.8
Net debt/Adjusted EBITDA (12 months)	3.0	3.5	3.1	3.3	4.5	4.1
Adjusted net debt/adjusted EBITDA (12 months)	2.3	3.1	2.5	2.9	3.9	4.1
Cash flow from investing activities	-87	-35	-386	-68	-864	-95
Number of full-time employees	10,144	9,325	9,714	9,159	6,997	6,087



Quarterly data, Group

Quarterly data SEK million, unless otherwise stated	2016/17		2015/16			2014/15			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	1,862	2,378	2,316	2,239	1,679	2,199	2,177	2,146	1,641
EBITDA	111	265	244	140	72	215	220	168	117
Depreciation/amortization	-43	-46	-48	-50	-42	-54	-52	-48	-48
Items affecting comparability	-1	-19	-4	-7	-3	-76	-1	-2	-1
Operating income (EBIT)	68	218	196	90	31	161	167	119	69
Total financial items	-18	-33	-29	-28	-37	-95	-48	-60	-65
Income before taxes	50	185	167	62	-6	66	120	59	3
Tax for the current period	-9	-45	-38	-14	8	14	-25	-14	-1
Profit/loss for the period	41	140	129	48	2	80	94	45	3
Number of children/students, schools	65,143	64,342	63,716	62,443	62,103	61,295	61,269	60,570	60,452
Number of full-time employees	10,144	10,161	9,783	9,588	9,325	9,394	9,205	9,157	8,881
Number of education units	428	425	419	404	399	394	392	391	391
Key ratios									
Operating margin (EBIT), %	3.7%	9.2%	8.5%	4.0%	1.8%	7.3%	7.7%	5.5%	4.2%
Adjusted EBIT	69	238	199	97	34	237	168	121	69
Adjusted EBIT, %	3.7%	10.0%	8.6%	4.3%	2.0%	10.8%	7.7%	5.6%	4.2%
Net margin, %	2.2%	5.9%	5.6%	2.1%	0.1%	3.6%	4.3%	2.1%	0.2%
Return on equity, % (12 months)	13.5%	12.1%	10.8%	9.9%	9.8%	9.9%	12.0%	10.7%	10.4%
Return on capital employed, % (12 Months)	10.9%	10.1%	10.1%	10.0%	10.4%	10.8%	11.4%	10.9%	10.6%
Equity/assets ratio, %	40.8%	41.7%	34.6%	33.7%	32.9%	31.8%	31.8%	31.0%	30.7%
Net debt/Adjusted EBITDA (12 months)	3.0	3.1	3.4	3.6	3.5	3.3	3.7	4.1	4.3
Interest coverage ratio	5.7	4.8	4.0	3.2	3.1	2.8	2.7	2.6	2.6
Other									
Cash flow from operating activities	131	160	128	267	-13	197	197	193	96
Cash flow from investing activities	-87	-164	-101	-85	-35	138	-48	-77	-81



Quarterly data, segment

SEK million, unless otherwise stated	2016/17				2015/16				2014/15	
Pre- and Compulsory Schools (Sweden)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Number of children/students (average)	30,613	30,946	30,471	29,622	29,286	29,208	28,953	28,477	28,198	
Net sales	717	951	933	889	661	872	844	831	613	
EBITDA	19	102	92	48	13	95	74	56	19	
EBITDA margin, %	2.6%	10.7%	9.9%	5.4%	2.0%	10.9%	8.8%	6.7%	3.1%	
Depreciation/amortization	-12	-13	-13	-13	-11	-12	-13	-14	-12	
Operation profit/loss (EBIT)	8	90	79	35	2	82	61	42	8	
EBIT margin, %	1.1%	9.5%	8.5%	3.9%	0.3%	9.4%	7.2%	5.1%	1.3%	
Items affecting comparability	0	3	0	0	0	-19	0	0	0	
Adjusted operating profit/loss (EBIT)	8	86	79	35	2	101	61	42	8	
Adjusted EBIT margin, %	1.1%	9.0%	8.5%	3.9%	0.3%	11.6%	7.2%	5.1%	1.3%	
Number of education units	227	226	222	217	212	211	208	208	208	

SEK million, unless otherwise stated	2016/17				2015/16				2014/15	
Upper Secondary Schools (Sweden)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Number of children/students (average)	25,802	24,752	24,917	25,144	25,244	24,365	24,676	24,884	25,031	
Net sales	501	655	641	640	485	623	625	621	472	
EBITDA	47	93	90	71	44	50	78	67	42	
EBITDA margin, %	9.4%	14.2%	14.0%	11.1%	9.1%	8.0%	12.5%	10.8%	8.9%	
Depreciation/amortization	-21	-23	-27	-28	-22	-27	-27	-28	-22	
Operation profit/loss (EBIT)	26	69	63	43	22	23	51	39	20	
EBIT margin, %	5.2%	10.5%	9.8%	6.7%	4.5%	3.7%	8.2%	6.3%	4.2%	
Items affecting comparability	0	0	0	0	0	-57	0	0	0	
Adjusted operating profit/loss (EBIT)	26	69	63	43	22	80	51	39	20	
Adjusted EBIT margin, %	5.2%	10.5%	9.8%	6.7%	4.5%	12.8%	8.2%	6.3%	4.2%	
Number of education units	103	105	106	106	106	105	106	106	106	

SEK million, unless otherwise stated	2016/17				2015/16				2014/15	
Adult Education (Sweden)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Net sales	332	381	364	353	274	323	338	357	291	
EBITDA	42	56	48	36	13	7	43	51	42	
EBITDA margin, %	12.7%	14.7%	13.2%	10.2%	4.7%	2.2%	12.7%	14.3%	14.4%	
Depreciation/amortization	-2	-1	-2	-2	-2	-4	-3	1	-6	
Operation profit/loss (EBIT)	41	55	46	35	12	3	40	52	36	
EBIT margin, %	12.3%	14.4%	12.6%	9.9%	4.4%	0.9%	11.8%	14.6%	12.4%	
Items affecting comparability	0	0	0	-1	-2	-15	0	0	0	
Adjusted operating profit/loss (EBIT)	41	55	46	35	14	18	40	52	36	
Adjusted EBIT margin, %	12.3%	14.4%	12.6%	9.9%	5.1%	5.6%	11.8%	14.6%	12.4%	



Quarterly data, segment (cont.)

SEK million, unless otherwise stated	2016/17		2015/16				2014/15			
Preschool International	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Number of children/students (average)	8,727	8,643	8,328	7,677	7,573	7,722	7,640	7,209	7,223	
Net sales	311	390	376	356	259	380	368	337	265	
EBITDA	15	49	33	8	19	82	41	11	23	
EBITDA margin, %	4.8%	12.6%	8.8%	2.2%	7.3%	21.6%	11.1%	3.3%	8.7%	
Depreciation/amortization	-8	-8	-6	-6	-6	-10	-9	-7	-8	
Operation profit/loss (EBIT)	7	40	28	2	13	72	32	4	15	
EBIT margin, %	2.3%	10.3%	7.4%	0.6%	5.0%	18.9%	8.7%	1.2%	5.7%	
Items affecting comparability	0	0	0	0	6	16	0	0	0	
Adjusted operating profit/loss (EBIT)	7	40	28	2	8	56	32	4	15	
Adjusted EBIT margin, %	2.3%	10.3%	7.4%	0.6%	3.1%	14.7%	8.7%	1.2%	5.7%	
Number of preschool units	98	94	91	81	81	78	78	77	77	

SEK million, unless otherwise stated	2016/17		2015/16				2014/15			
Group-OH and adjustments	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Net sales	0	0	2	1	0	1	1	0	0	
EBITDA	-13	-35	-20	-23	-18	-18	-16	-17	-10	
Depreciation/amortization	-1	-1	-1	-1	-1	-1	-1	-1	-1	
Operation profit/loss (EBIT)	-14	-36	-21	-24	-18	-19	-17	-18	-11	
Items affecting comparability	-1	-22	-3	-6	-6	-1	-1	-2	-1	
Adjusted operating profit/loss (EBIT)	-13	-14	-17	-18	-12	-18	-16	-17	-10	

SEK million, unless otherwise stated	2016/17		2015/16				2014/15			
Group	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Number of children/students (average)	65,143	64,342	63,716	62,443	62,103	61,295	61,269	60,570	60,452	
Net sales	1,862	2,378	2,316	2,239	1,679	2,199	2,177	2,146	1,641	
EBITDA	111	265	244	140	72	215	220	168	117	
EBITDA margin, %	6.0%	11.1%	10.5%	6.3%	4.3%	9.8%	10.1%	7.8%	7.1%	
Depreciation/amortization	-43	-46	-48	-50	-42	-54	-52	-48	-48	
Operation profit/loss (EBIT)	68	218	196	90	31	161	167	119	69	
EBIT margin, %	3.7%	9.2%	8.5%	4.0%	1.8%	7.3%	7.7%	5.5%	4.2%	
Items affecting comparability	-1	-19	-4	-7	-3	-76	-1	-2	-1	
Adjusted operating profit/loss (EBIT)	69	238	199	97	34	237	168	121	69	
Adjusted EBIT margin, %	3.7%	10.0%	8.6%	4.3%	2.0%	10.8%	7.7%	5.6%	4.2%	
Net financial items	-18	-33	-29	-28	-37	-95	-48	-60	-65	
Profit/loss after financial items	50	185	167	62	-6	66	120	59	3	
Tax	-9	-45	-38	-14	8	14	-25	-14	-1	
Profit/loss for the period	41	140	129	48	2	80	94	45	3	
Number of full-time employees (period)	10,144	10,161	9,783	9,588	9,325	9,394	9,205	9,157	8,881	
Number of units	428	425	419	404	399	394	392	391	391	



Reconciliation of alternative performance measures

Below are calculations for the alternative performance measures used in the report. See definitions for more details.

SEK million, unless otherwise stated	First quarter		2015/16	Full year		
	2016/17	2015/16		2014/15	2013/14	2012/13
Net debt						
Non-current interest-bearing liabilities	2,175	2,441	2,116	2,609	3,020	2,308
+ Current interest-bearing liabilities	560	665	568	715	469	207
- Non-current interest-bearing receivables*	11	0	11	0	0	0
- Cash and cash equivalents	368	425	331	695	562	338
= Net debt	2,356	2,681	2,342	2,629	2,927	2,178
Property-adjusted net debt						
Net debt (as described above)	2,356	2,681	2,342	2,629	2,927	2,178
- non-current property loans	330	219	278	174	288	0
- current property loans	191	104	197	161	76	0
= Property adjusted net debt	1,836	2,358	1,866	2,295	2,563	2,178
Return on capital employed %, 12 months						
Adjusted operating profit EBIT (12 months)	603	559	567	596	485	389
+ Interest income	6	14	6	13	2	3
divided by						
Average equity (12 months)	2,657	2,252	2,647	2,247	1,878	1,502
+ average non-current interest-bearing liabilities (12 months)	2,307	2,896	2,363	2,815	2,664	2,300
+ average current interest-bearing liabilities (12 months)	613	360	641	592	338	182
= Return on capital employed %, 12 months	10.9%	10.4%	10.1%	10.8%	10.0%	9.8%
Return on equity %, 12 months						
Profit/loss after tax (12 months)	358	221	319	222	189	128
divided by						
Average equity (12 months)	2,657	2,252	2,647	2,247	1,878	1,502
= Return on equity %, 12 months	13.5%	9.8%	12.0%	9.9%	10.1%	8.5%

*) Included in Other non-current assets

SEK million, unless otherwise stated	2016/17	2015/16				2014/15			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Interest coverage ratio									
Adjusted operation profit EBIT (12 months)	603	568	567	536	559	596	575	533	511
+ Interest income (12 months)	6	6	8	17	14	13	9	1	1
+ Other financial income (12 months)	3	1	8	10	10	11	4	1	0
divided by									
Interest expense (12 months)	-108	-121	-145	-174	-191	-218	-218	-203	-196
= Interest coverage ratio	5.7	4.8	4.0	3.2	3.1	2.8	2.7	2.6	2.6



Definitions

Other information has been included to align this report to ESMA's (European Securities and Markets Authority's) guidelines on alternative performance indicators.

Key ratio	Definition	Purpose ¹
Absence due to illness	Short-term and long-term absence due to illness recalculated to full-time divided by the number of full-time employees (FTE).	Absence due to illness is used to measure employee absence and provide indications of employee health.
Adjusted EBIT	Operating profit/loss excluding items affecting comparability.	Adjusted EBIT is used to get a better picture of the underlying operating profit.
Adjusted EBIT margin	Adjusted EBIT as a percentage of net revenues.	Adjusted EBIT margin sets underlying operating profit in relation to sales.
Adjusted EBITDA	Operating profit/loss before depreciation/amortization of property, plant and equipment and intangible non-current assets.	Adjusted EBITDA is used to measure underlying profit from operating activities, regardless of depreciation/amortization and excluding items affecting comparability.
Adjusted net debt	Net debt net of property-related loans, i.e. loans in the Norwegian State Housing Bank, building loans for ongoing construction projects and other property loans in Norway.	Adjusted net debt shows the portion of loans that finance the business, while property loans are linked to a building asset that can be separated and sold.
Adjusted net debt/Adjusted EBITDA	Adjusted net debt divided by adjusted EBITDA.	Net debt/adjusted EBITDA is a theoretical measure of how many years it would take, with current earnings excluding items affecting comparability (adjusted EBITDA), to pay off the Company's liabilities, excluding property-related loans.
Adjusted return on capital employed	Adjusted EBIT + interest income for the most recent 12-month period divided by average capital employed (opening balance + closing balance)/2.	Adjusted return on capital employed is used to set adjusted operating profit/loss in relation to total tied up capital regardless of type of financing.
Capital employed	Total assets less non-interest bearing liabilities and provisions as well as deferred tax liabilities. Or: Equity plus non-current and current interest-bearing liabilities.	Capital employed indicates how much capital is needed to run the business regardless of type of financing (borrowed or equity).
Cash flow from investments	Cash flow from investing activities according to the cash flow analysis. This includes acquisitions, investments and divestments of buildings, as well as investments in property, plant and equipment and intangible assets. Investments financed with leases are not included.	Cash flow from investments is used to regularly measure how much cash is used to maintain operations and for expansion.
Cash flow from operating activities	Cash flow from operating activities including changes in working capital and before cash flows from investing and financing activities.	Cash flow from operating activities is used as a measure of the cash flow that the Company generates before investments and financing.
Earnings per share	Profit/loss for the period in SEK, divided by the average number of shares outstanding, basic/diluted calculated according to IAS 33.	Earnings per share is used to clarify the amount of profit for the period to which each share is entitled.
EBITDA	Operating profit/loss before depreciation/amortization and impairment of non-current assets.	EBITDA is used to measure profit (loss) from operating activities, regardless of depreciation/amortization.
EBITDA margin	EBITDA as a percentage of revenues.	EBITDA margin is used to set EBITDA in relation to sales.
Employee turnover	Average 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 quit) / (Average number of permanent and probationary employees).	Employee turnover is used to measure the proportion of employees who leave the company and who must be replaced every year.
Equity/assets ratio	Equity as a percentage of total assets.	The equity ratio shows the proportion of the Company's total assets financed by shareholders' equity. A high equity ratio is a measure of financial strength.
Interest coverage ratio	Adjusted EBIT for the last 12 months plus financial income in relation to interest expense.	Interest coverage ratio is used to measure the company's ability to pay interest costs.
Net debt	Interest-bearing debt (current and non-current) net of cash and cash equivalents and non-current interest-bearing receivables (current and non-current).	Net debt is used to clarify the size of the debt less current cash and cash equivalents (which in theory could be used to repay loans).
Net debt/adjusted EBITDA	Net debt (closing balance for the period) divided by adjusted EBITDA for the past 12 months.	Net debt/adjusted EBITDA is a theoretical measure of how many years it would take, with current earnings (EBITDA), to pay off the Company's liabilities, including property-related loans.
Net margin	Profit/loss for the period as a percentage of revenues.	Net margin is used to measure net earnings in relation to sales.

¹ According to ESMA guidelines on performance measures, each performance measure must be motivated.



Items affecting comparability	Items affecting comparability are items related to property such as capital gains, major property damage not covered by commercial insurance, consulting costs related to acquisitions, severance payments to senior executives, major integration costs resulting from acquisitions, reorganization costs, as well as costs arising from strategic decisions and major restructuring that results in winding up of units.	Items affecting comparability are used to identify items of an irregular nature in order to get a better understanding of underlying development of earnings.
Number of children/students	Average number of children/students enrolled during the specified period. Adult education participants are not included in the Group's total figures for number of children/students.	Number of children/students is the most important driver for revenue.
Number of education units	Refers to the number of preschools, compulsory schools and/or upper secondary schools operating in the period. Integrated units where preschools and compulsory schools are combined are counted as two units as they each hold their own permit.	Number of education units indicates how the Company grows over time through new establishments and acquisitions minus discontinued units.
Number of full-time employees	Average number of employees during the period, full-time equivalent (FTE).	The number of employees is measured regularly as it is the main cost driver for the Company.
Return on equity	Profit/loss for the most recent 12-month period divided by average equity (opening balance + closing balance)/2.	Return on equity is a profitability measure used to set profit (loss) in relation to shareholders' paid-in and earned capital.
Return on capital employed	Adjusted operating profit/loss (EBIT for the most recent 12-month period plus interest income divided by average capital employed (opening balance + closing balance)/2.	Return on equity is a profitability measure used to set profit (loss) in relation to the capital needed to run the business.
Operating margin (EBIT margin)	Operating profit/loss as a percentage of revenues.	The operating margin shows the percentage of sales remaining after operating expenses, which can be allocated to other purposes.
Operating profit/loss (EBIT)	Operating profit/loss before net financial items and tax.	Operating profit/loss (EBIT) is used to measure operating profit before financing and tax.

Other

All amounts in tables are in SEK million unless otherwise stated. All figures in parentheses () are comparative figures for the same period the previous year unless otherwise stated. Totals of amounts in whole figures do not always match reported totals due to rounding. The reported total amounts are correct.

