AcadeMedia AB (publ)

INTERIM REPORT July 2016 – December 2016

12% growth in the quarter

Continued strong development in adult education

Adult participants in Sweden and preschool parents
in Norway increasingly satisfied

AcadeMedia

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Interim report second quarter

Second quarter (October – December 2016)

- Net sales increased by 12.0 percent to SEK 2,508 million (2,239).
- Operating profit (EBIT) increased by 57.8 percent to SEK 142 million (90). Adjusted for non-recurring items, operating profit was SEK 142 million (97).
- Net profit for the period was SEK 89 million (48).
- Cash flow from operating activities amounted to SEK 260 million (267).
- The average number of children and students in preschool, compulsory school and upper secondary school during the quarter was 65,633 (62,443), which was an increase of 5.1 percent.
- Earnings per share amounted to SEK 0.95 (0.57) before/after dilution.

First six months (July – December 2016)

- Net sales increased by 11.5 percent to SEK 4,370 million (3,918).
- Operating profit (EBIT) increased by 73.6 percent to SEK 210 million (121). Adjusted for non-recurring items, operating profit was SEK 211 million (131).
- Net profit for the period amounted to SEK 130 million (50).
- Cash flow from operating activities amounted to SEK 391 million (254).
- The average number of children and students in preschool, compulsory school and upper secondary school amounted to 65,388 (62,273), which was an increase of 5.0 percent.
- Earnings per share amounted to SEK 1.38 (0.60) before/after dilution.

Significant events after the end of the reporting period

On January 11, it was announced that Martin Sandgren, deputy CEO and COO will leave the company on June 30. Martin will remain as chairman of the board of Schoolido, a company partially owned by AcadeMedia. Kristofer Hammar has assumed a new role as Business Development Director and joined the Group Management team as of February 1st.

Preliminary voucher increases in Sweden for 2017 amount to 2.3 percent. Voucher increases in Norway will amount to 1.9 percent. The voucher increases are based on municipality announcements to date and are calculated as a weighted average based on AcadeMedia's student mix in each country.

The group in figures

The quarter in figures	Second quarter			Half year			Full year
	2016/17	2015/16	Change	**2016/17**	2015/16	Change	2015/16
Net sales, SEK m	2 508	2 239	12,0%	4 370	3 918	11,5%	8 611
EBITDA, SEK m	200	140	42,9%	311	212	46,7%	721
EBITDA margin	8,0%	6,3%	1,7 p.e.	7,1%	5,4%	1,7 p.e.	8,4%
Operating profit	142	90	57,8%	210	121	73,6%	535
EBIT margin	5,7%	4,0%	1,7 p.e.	4,8%	3,1%	1,7 p.e.	6,2%
Adjusted operating profit (EBIT)*. SEK m	142	97	46,4%	211	131	61,1%	568
Adjusted EBIT margin	5,7%	4,3%	1,4 p.e.	4,8%	3,3%	1,5 p.e.	6,6%
Total financial items, SEK m	-25	-28	10,7%	-42	-65	35,4%	-127
Income before taxes, SEK m	117	62	88,7%	167	56	198,2%	408
Profit/loss for the period, SEK m	89	48	85,4%	130	50	160,0%	319
Number of children and students**	65 633	62 443	5,1%	65 388	62 273	5,0%	63 151
Number of FTEs	10 450	9 588	9,0%	10 297	9 456	8,9%	9 714

**) For definitions see page 26. **) Excl. Adult education*

CEO's comments

AcadeMedia's second quarter 2016/17 continues to show solid revenue growth of 12 percent (11.5 percent year to date). In Adult education, participant numbers continue to be stable and are noticeably higher than the previous year. The growth is also driven by the increasing number of students, acquisitions and new establishments that largely took place in the spring of 2016

Growth in all segments

The stable growth is partly due to acquisitions and new establishments in the spring and fall of 2016. We opened four new preschools and acquired three preschools in Sweden and Norway during the first half of the financial year. We have also enrolled more children and students in existing preschools and schools. Acquisitions and new establishments during January-July 2016 have also boosted the growth figures which as a result will decline in the spring of 2017. Another reason for the favorable financial development is the adult education segment, where participant numbers have been significantly higher than the weak fall in 2015. Operating profit in adult education has also improved as a result of the capacity adjustment measures that were implemented about a year ago. The improved results that followed in the adult education segment in the spring of 2016 will impact the comparable numbers over the coming periods. The Group's adjusted operating profit improved substantially and totaled SEK 142 million (97).

Demand for new schools as well as demand for adult education, is strong in the three countries where AcadeMedia operates. Our German preschool operation, Joki, is adapting the Norwegian preschool concept, Espira, to the German market and sees opportunities for continued growth, both by launching Espira in Germany and through complementary acquisitions.

Quality

In Norway growth is also based on opening new preschools and carrying out complementary acquisitions. In addition, growth is supported by strong quality performance and high parent satisfation, as shown in the results of Espira's annual parent survey, which was published during the second quarter. Over the past four years, the survey has shown increasing satisfaction levels. This positive trend continues and the rating is now 5.3 on a six-point scale.

In the Swedish school segments, a lot of focus in the quarter has been to meet with inspectors from the Swedish Schools Inspectorate. The outcome of these inspections is positive.

PISA-survey

An important event for compulsory schools in the second quarter was the publication of the PISA survey results on December 6. The PISA survey is carried out by the OECD and assesses the knowledge of 15-year-olds in math, science and reading. The downward trend which Sweden has experienced, was broken in the survey that was reported in December, and Sweden now ranks above OECD average in math and reading, and average in science. While the improvement in results is both gratifying and relevant, we cannot be satisfied with average or slightly above average scores. Pysslingen Skolor (compulsory schools) have implemented a reading-writing-math guarantee, a concept which the Swedish government is also proposing throughout the Swedish school system. This is just one of many ways to improve student performance.

One area where the PISA survey shows negative results for Sweden is the equity in educational outcome. The gap between low-performing and high-performing students is growing. This is a trend that must be reversed. AcadeMedia has a clear strategy for improving equity in educational outcome. We must work together to stop segregation in society and schools are an important part of this effort.

Profits in the welfare sector

A major topic in the Swedish debate during the second quarter was Ilmar Reepalu's government-commissioned report on profits in the welfare sector. The report was submitted to the government on November 8. The report's key proposal is a cap on operating profit in relation to working capital amounting to 7 percentage points plus the risk-free rate multiplied by operating net assets. However, in practice, this would mean a ban on profits since working capital in service based firms like AcadeMedia usually is very low. If implemented, the strongly criticized model would have major consequences for Swedish society, as well as for diversity and freedom of choice for the residents of Sweden.

Conclusion

The number one priority for AcadeMedia is to provide a good education to everyone who chooses to attend one of our preschools, compulsory schools, upper secondary schools or adult education units, each and every day. We also want to improve Swedish schools, which we have been doing since Hermods began in 1898. We are convinced that we will continue to do so for many years to come.

Marcus Strömberg

President and CEO

AcadeMedia AB (publ)

Development in the second quarter

Volume development and revenues

Net sales in the first quarter amounted to SEK 2,508 million (2,239), which is an increase of 12.0 percent compared to the same period last year. The increase was driven by a 5.1 percent increase in the number of students in all three school segments to 65,633 (62,443), where several new starts and acquisitions contributed positively. Increased volumes within adult education also contributed to the higher sales. The SEK/NOK exchange rate has had a positive impact on net sales of SEK 25 million.

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

Operating profit (EBIT) for the second quarter improved significantly and amounted to SEK 142 million (90) representing an operating margin of 5.7 percent (4.0).

Adjusted operating profit (EBIT) also increased to SEK 142 million (97) which represented an adjusted EBIT margin of 5.7 percent (4.3).

The profit improvement in the second quarter compared to the same period last year was due to increased volumes within all segments. There is also a substantial profit improvement in the adult education where the margins are improving significantly. However, increased higher social security fees for young people, had a negative impact of SEK 4 million, which mostly affected the Pre- and Compulsory School segment.

Items affecting comparability

Operating profit (EBIT) for the second quarter includes items affecting comparability SEK 0 million (-7) as shown in the adjacent table.

Net financial items

Net financial items for the quarter amounted to SEK -25 million (-28). Interest expense for the quarter was SEK -20 million (-30). Interest expense is lower due to repayment of bank loans and because the interest margin on bank loans was lowered by 0.25 percent as a result of the IPO. An impairment loss of SEK 8 million related to a financial claim also had a negative impact on net financial items during the quarter (see Note 5).

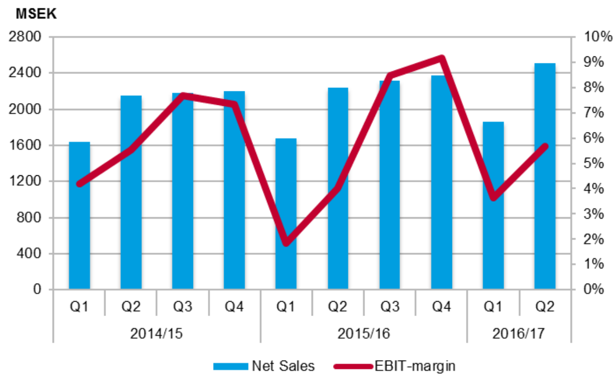
Items affecting comparability	Second quarter	
SEK m	2016/17	2015/16
Gains from the sale of properties, Norway	-	0
Restructuring expenses	-	-
Operating expenses affecting comparability	-	-1
Transaction-related expenses	0	-2
IPO expenses	0	-4
Total	**0**	**-7**

Acquisitions, divestments, new units and discounted operations

One preschool was acquired in Sweden as well as one in Norway in the quarter. Three preschools in Sweden closed during the first quarter. Six upper secondary school units are in ramp down mode and therefore have fewer students compared to the previous year.

Profit and comprehensive income for the period

Profit for the period after tax amounted to SEK 89 million (48). Tax for the second quarter amounted to SEK -28 million (-14). Comprehensive income for the period, which affects equity, amounted to SEK 136 million (35).



Second 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)	30,951	29,622	964	889	43	35	4.5%	3.9%	43	35	4.5%	3.9%
Upper Secondary Schools (Sweden)	25,707	25,144	678	640	47	43	6.9%	6.7%	47	43	6.9%	6.7%
Adult Education (Sweden)	-*	-*	417	353	59	34	14.1%	9.6%	59	35	14.1%	9.9%
Preschool International (Sweden)	8,975	7,677	449	356	14	2	3.1%	0.6%	14	2	3.1%	0.6%
Group adj. parent company	-	-	0	1	-21	-18	-	-	-21	-24	-	-
Total	65,633	62,443	2,508	2,239	142	97	5.7%	4.3%	142	90	5.7%	4.0%

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

Development for the first six months

Volume development and revenues

Net sales in the first half year amounted to SEK 4,370 million (3,918), which is an increase of 11.5 percent compared to the same period last year. The increase is driven by a 5 percent increase in student numbers from all school segments combined to 65,388 (62,273). Increased volumes in adult education also contributed to the higher net sales. The SEK/NOK exchange rate has had a positive impact on net sales of SEK 22 million.

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

Operating profit (EBIT) for the first six months (July – December) of the financial year increased by 73.6 percent to SEK 210 million (121), representing an operating margin of 4.8 percent (3.1).

Adjusted operating profit (EBIT) amounted to SEK 211 million (131), which represents an adjusted EBIT margin of 4.8 percent (3.3).

The improvement in profits compared to the same period last year is mainly due to volume increases in all segments. There is also a substantial profit improvement in the adult education due to capacity adjustments last year. The increase in social security fees for young people has however had a negative impact of SEK 10 million in the first half year, which mainly effects the Pre- and Compulsory School segment.

Items affecting comparability

Operating profit (EBIT) for the first six months of the financial year includes items affecting comparability of SEK -2 million (-10) as shown in the adjacent table.

Net financial items

Net financial items for the first six months of the financial year amounted to SEK -42 million (-65).

Interest expenses were SEK -38 million (-62). 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 also decreased due to regular loan repayments and a lower interest margin An impairment loss of SEK 8 million relating to a financial claim also had a negative impact on net financial items during the quarter (see Note 5).

Items affecting comparability	Half year	
SEK m	**2016/17**	2015/16
Gains from the sale of properties, Norway	-	6
Restructuring expenses	-	-
Operating expenses affecting comparability	-	-3
Transaction related expenses	-1	-3
IPO expenses	-1	-10
Total	**-2**	**-10**

Acquisitions, divestments, new units and discounted operations

One preschool was acquired in Sweden and two preschools were acquired in Norway during the the first half year. Several units also expanded their capacity. Three preschools in Sweden closed at the end of July, but count as active units during the first quarter. The six upper secondary school units that are in ramp down mode have fewer students.

Profit and comprehensive income for the period

Profit for the period after tax amounted to SEK 130 million (50). Tax for the first six months of the financial year amounted to SEK -37 million (-6). Comprehensive income for the period, which affects equity, amounted to SEK 159 million (33).

First six months in summary by segment

	Number of students (average)		Net sales. SEK m		Adjusted EBIT. SEK m		Adj. EBIT margin		Ooperating profi/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)	30,782	29,454	1,682	1,550	50	37	3.0%	2.4%	50	37	3.0%	2.4%
Upper Secondary School (Sweden)	25,755	25,194	1,179	1,125	74	65	6.3%	5.8%	74	65	6.3%	5.8%
Adult Education (Sweden)	-*	-*	749	627	99	49	13.2%	7.8%	99	46	13.2%	7.3%
Preschool International (Sweden)	8,851	7,625	759	615	21	10	2.8%	1.6%	21	16	2.8%	2.6%
Group adj. parent company	-	-	0	1	-33	-30	-	-	-35	-42	-	-
Total	65,388	62,273	4,370	3,918	211	131	4.8%	3.3%	210	121	4.8%	3.1%

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

Cash flow and financial position

Cash flow

In the second quarter, cash flow from operating activities amounted to SEK 260 million (267). Cash flow from investing activities during the quarter amounted to SEK -67 million (-85). Cash flow from financing activities totaled SEK -125 million (-192). Outflow was lower in the quarter compared with the previous year mainly because of high loan payments during the corresponding period last year in connection with refinancing of bank loans.

In the first six months of the financial year, as a result of the improved performance, cash flow from operating activities was SEK 137 million better year-over-year and totaled SEK 391 million (254). Working capital, which is affected by the timing of large payments, developed positively. Cash flow from investing activities totaled SEK -154 million (-120). The difference in cash flow from investing activities is attributable in part to the positive impact of SEK 62 million from the sale of property in Norway during the first quarter of the previous year. Cash flow from financing activities amounted to SEK -142 million (-402) and consists of interest payments, normal loan payments and new loans for real estate in Norway.

Financial position

Consolidated equity amounted to SEK 3,150 million (2,337) as of December 31, 2016 and the equity/assets ratio was 41.6 percent (33.7). The increase in equity and the improvement in the equity ratio are a result of the positive performance and the new share issue of SEK 350 million conducted in connection with the IPO, which raised SEK 334 million in equity net of issue expenses.

Total interest-bearing net debt as of December 31, 2016 amounted to SEK 2,289 million (2,618). Net debt declined because the new share issue proceeds were used to repay external loans. Excluding real estate loans, which finance properties, the adjusted net debt amounted to SEK 1,762 million (2,288). 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 527 million (329). Building assets increased during the equivalent period by SEK 254 million to SEK 700 million (446). The increase is attributable to expansion of preschools in Norway.

Non-current interest-bearing liabilities amounted to SEK 2,160 million (2,473) and consist of loans from banks and the Norwegian State Housing Bank, as well as lease agreements. Current interest-bearing liabilities consist of revolving credit facilities, current portions of long-term loans and construction loans, amounting to SEK 566 million (552).

Net debt in relation to adjusted EBITDA (rolling 12 months) amounted to 2.7 (3.6 as of December 31, 2015), which is in line with the Group's long-term target of a maximum of 3.0. The improvement is an effect of debt repayment, but also reflects an improvement (12m) in adjusted EBITDA to SEK 843 million (734). To clarify the portion of net debt that finances operations, real estate loans are subtracted to obtain *adjusted* net debt. Real estate-adjusted net debt divided by adjusted EBITDA (12m) was 2.1 (3.1). The purpose of this alternativ performance measure is 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 has been employed by the parent company since July 2016. Sales during the second quarter amounted to SEK 2 million (-), the operating result (EBIT) amounted to SEK -5 million (-1) and profit after tax amounted to SEK -4 million (-11). The parent company's assets principally consist of participation in Group companies. The business is financed primarily by equity contributed by the owners. Equity in the parent company as of December 31, 2016 was SEK 2,284 million (1,885).

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, September 26, 2016		165,000	165,000
Closing balance, September 30, 2016	**94,100,000**	**165,000**	**94,265,000**
Whereof repurchased shares		*165,000*	*165,000*
Outstanding number of shares, December 31, 2016	**94,100,000**	**-**	**94,100,000**

AcadeMedia AB (publ) is a public limited company that was listed on Nasdaq Stockholm on June 15, 2016. Share capital as of December 31, 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 divided into 94,100,000 ordinary shares and 165,000 Class C shares. The quota value is SEK 1.00 per share.
The fund EQT V indirectly owns 56.5 percent of AcadeMedia AB via a share of 87.6 percent in the holding company Marvin Holding Ltd., which holds 64.5 percent of the shares in AcadeMedia AB as of December 31, 2016.

Pre- and Compulsory Schools (Sweden)

- The number of children and students increased by 4.5 percent to 30,951 (29,622) in the second quarter.
- Sales increased by 8.4 percent.
- Operating profit (EBIT) increased by SEK 8 million to SEK 43 million (35) during the quarter.
- One new preschool was acquired in 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 225 units with an average of 30,951 children and students in the quarter.

Second quarter results

The average number of children and students increased by 4.5 percent compared with the previous year and amounted to 30,951 (29,622). The increase is driven by acquisitions and new establishments carried out during the previous year, as well as by growth in existing units. Net sales increased by 8.4 percent to SEK 964 million (889). The increase is due to an increase in the number of children and students and to higher revenue per student, primarily due to the annual voucher price adjustment.

Operating profit (EBIT) for the first quarter increased to SEK 43 million (35), with an operating margin of 4.5 percent (3.9). The increase in social security fees for young people, had a negative impact on profit for the quarter of SEK 3 million compared with the same period the previous year.

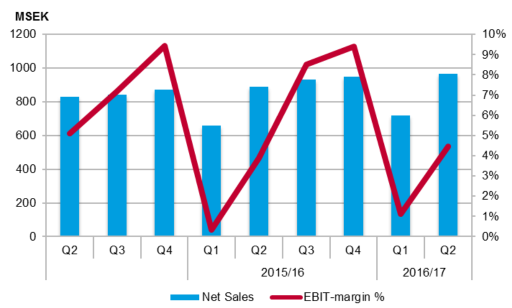
First six months results

The average number of children and students increased by 4.5 percent compared with the previous year and amounted to 30,782 (29,454). The increase is driven by acquisitions and new establishments as well as growth in existing units. The majority of last year's acquistions and new starts took place during the second half of last financial year and affect growth number mainly during this year's first six months. Net sales increased by 8.5 percent and amounted to SEK 1,682 million (1,550). The increase is mainly an effect of an increased number of students and units, but is also due to the annual voucher price adjustment and increased government contributions. Operating profit (EBIT) for the first six months increased by SEK 13 million and amounted to SEK 50 million (37), with an operating margin of 3.0 percent (2.4). The increase in social security fees for young people had a negative impact on profit for the period of SEK 7 million compared to last year. The increased profit is mainly a result of growth and improved results in last year's acquistions and new starts.

Development during the first six months

Three small preschools closed during the first quarter, one new preschool opened in Järfälla municipality, and one preschool was acquired in the City of Stockholm in December. Another new preschool opened in the City of Stockholm in January 2017. No more establishments are planned for the 2016/17 financial year. A decision has been taken to establish a new preschool during the 2017/18 financial year.

The National Agency for Education published its national statistics, which confirm that the average assessment level at AcadeMedia's compulsory schools for the academic year 2015/16 was 242 points (national average 224 points) and that 86 percent of all students who completed grade 9 achieved a minimum grade of E in all subjects (national average 74 percent).



Pre- and Compulsory Schools (Sweden)	Scond quarter			Half year			Full year
	2016/17	2015/16	Change	2016/17	2015/16	Change	2015/16
Net sales. SEK m	964	889	8.4%	1,682	1,550	8.5%	3,434
EBITDA. SEK m	57	48	18.8%	76	61	24.6%	255
EBITDA margin	5.9%	5.4%	0.5 p.e.	4.5%	3.9%	0.6 p.e.	7.4%
Depreciation/amortization	-14	-13	-7.7%	-26	-24	-8.3%	-49
Operating profit (EBIT). SEK m	43	35	22.9%	50	37	35.1%	206
EBIT margin. %	4.5%	3.9%	0.6 p.e.	3.0%	2.4%	0.6 p.e.	6.0%
Items affecting comparability. SEK m	-	-	-	-	-	-	3
Adjusted operating profit (EBIT). SEK m	43	35	22.9%	50	37	35.1%	203
Adjusted EBIT margin. %	4.5%	3.9%	0.6 p.e.	3.0%	2.4%	0.6 p.e.	5.9%
Number of children and students	30,951	29,622	4.5%	30,782	29,454	4.5%	30,081
Number of units	225	217	3.7%	225	217	3.7%	226

Upper Secondary Schools (Sweden)

- The number of students increased by 2.2 percent in the second quarter, amounting to 25,707 (25,144).
- Sales increased by 5.9 percent during the second quarter compared with the previous year.
- Operating profit (EBIT) increased by 9.3 percent to SEK 47 million (43) driven in part by volume, but also by 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 25,707 students during the quarter.

Second quarter results

The number of students increased by 2.2 percent compared to the previous year and amounted to 25,707 (25,144). Net sales grew by 5.9 percent and amounted to SEK 678 million (640). The increase is due to a higher number of students in existing units and higher revenue per student, primarily due to annual price adjustment.

Operating profit (EBIT) for the second quarter increased by 9.3 percent compared to the same period the previous year and amounted to SEK 47 million (43), representing an operating margin of 6.9 percent (6.7). The improvement is primarily due to increased capacity utilization in existing units.

First six months results

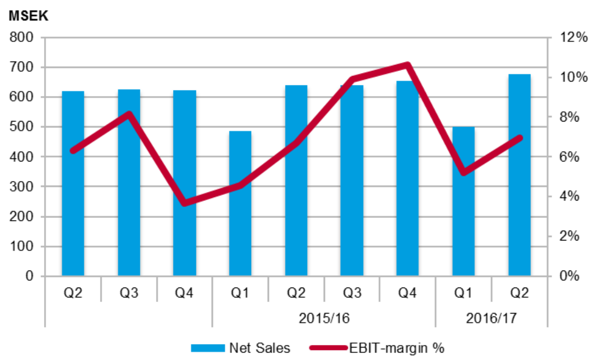
The number of students grew to 25,755 compared with 25,194 the previous year, an increase of 2.2 percent despite fewer units. Net sales increased by 4.8 percent to SEK 1,179 million (1,125). The increase is due to a higher number of students and higher revenue per student, primarily a result of annual price adjustment.

Operating profit (EBIT) for the first six months increased by 13.8 percent compared to last year and amounted to SEK 74 million (65), representing an operating margin of 6.3 percent (5.8). The improvement is primarily due to increased capacity utilization in existing units.

Development during the first six months

The National Agency for Education's statistics show that the percentage of AcadeMedia's upper secondary schools that graduate increased to 89.8 percent for the 2015/16 academic year, which is above the national average of 89.6 (89.2) percent. The grade point average for students who gained diplomas rose from 13.9 to 14.1 points, which was in line with the national average of 14.1 (14.0). The percentage of students who successfully completed the graduation requirements in three years also increased from last year's 72.1 to 74.8 percent (national average 73.7 and 74.2 percent, respectively). The percentage of students who recommend their former upper secondary school increased to 77 percent (74).

In light of the demand for the programs offered by AcadeMedia as well as the expected favorable demographic trend, preparation for several new establishments in the fall of 2017 have been initiated. Final decisions are pending the status of applications during the spring.



Upper Secondary Schools (Sweden)	Second quarter			Half year			Full year
	2016/17	2015/16	Change	2016/17	2015/16	Change	2015/16
Net sales. SEK m	678	640	5.9%	1,179	1,125	4.8%	2,421
EBITDA. SEK m	77	71	8.5%	124	115	7.8%	298
EBITDA margin	11.4%	11.1%	0.3 p.e.	10.5%	10.2%	0.3 p.e.	12.3%
Depreciation/amortization	-30	-28	-7.1%	-51	-50	-2.0%	-100
Operating profit (EBIT). SEK m	47	43	9.3%	74	65	13.8%	198
EBIT margin. %	6.9%	6.7%	0.2 p.e.	6.3%	5.8%	0.5 p.e.	8.2%
Items affecting comparability. SEK m	0	-	-	0	-	-	0
Adjusted operating profit (EBIT). SEK m	47	43	9.3%	74	65	13.8%	198
Adjusted EBIT margin. %	6.9%	6.7%	0.2 p.e.	6.3%	5.8%	0.5 p.e.	8.2%
Number of children and students	25,707	25,144	2.2%	25,755	25,194	2.2%	25,014
Number of units	103	106	-2.8%	103	106	-2.8%	105

Adult Education (Sweden)

- Sales increased by 18.1 percent during the second quarter compared with the previous year.
- Operating profit (EBIT) for the quarter surged and amounted to SEK 59 million (35).
- Continued solid volume development for the second quarter in basic modules and Swedish for immigrants (Sfi).

AcadeMedia's Adult Education segment is Sweden's largest provider of adult education and has solid expertise in working with, integrating and educating adults. Every year around 80,000 students attend one of our programs in approximately 150 locations around the country. The segment includes the brands like Hermods, NTI-skolan, Plushogskolan, Eductus and KompetensUtvecklingsInstitutet.

Second quarter results

Net sales for the second quarter were 18.1 percent higher than the corresponding period the previous year and amounted to SEK 417 million (353). The increase can mainly be attributed to higher participant volumes within the areas of Hermods and the basic modules contract and Swedish for immigrants (Sfi). Eductus and the Vocational Swedish agreement are also showing solid growth compared with the prior year.

The Eductus business area, which had a weak second quarter 2015/16, implemented a comprehensive down-sizing program during the last financial year to adjust staffing levels to actual volumes with the National Employment Agency. The action program had the desired effect, which contributed strongly to the segment's improved result. As a result, operating profit (EBIT) for the second quarter sharply increased to SEK 59 million (35), corresponding to an operating margin of 14.1 percent (9.9). The improvement in profits and margin is largely due to the volume increase, but also to the down-sizing plan within Eductus.The Interim Agreement related to the City of Stockholm has also contributed to the volume growth compared to the same period last year.

There were no items affecting comparability in the quarter.

First six months results

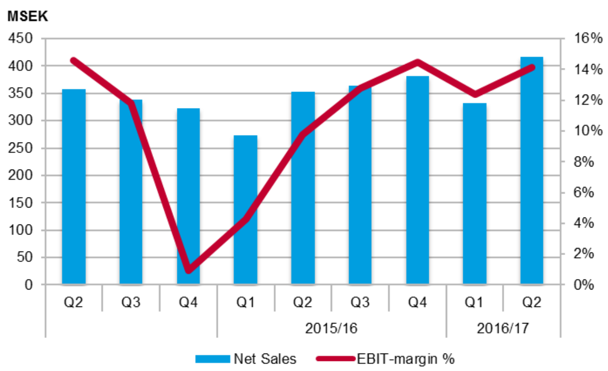
Net sales for the first six months amounted to SEK 749 million (627), representing an increase of 19.5 percent. Operating profit (EBIT) amounted to SEK 99 million (46) corresponding to an increase of SEK 53 million and the profit margin increased to 13.2 percent (7.3). The result and margin improvement is mainly a result of the down-sizing program within the Eductus business area.

Development during the first six months

The Interim Agreement related to the City of Stockholm began on July 1, 2016. As a result, several Adult Education programs could open for new admissions, which contributed positively to growth in the segment.

The comprehensive survey conducted in adult education during the past quarter shows that 85 percent (92) of adult education participants now choose the most favorable response to the question about recommending the program.

Adult education does not have recurring seasonal patterns in the same way as the school segments, which is shown in the graph below. Seasonal variation is rather influenced by the contract portfolio and public spending. This influenced the development during the first half of 2016/17 compared with the prior year. Second half of 2015/16 was favourable which will impact the comparison over the coming periods.



Adult Education (Sweden)	Second quarter			Half year			Full year
	2016/17	2015/16	Change	2016/17	2015/16	Change	2015/16
Net sales. SEK m	417	353	18.1%	749	627	19.5%	1,372
EBITDA. SEK m	60	36	66.7%	102	49	108.2%	154
EBITDA margin	14.4%	10.2%	4.2 p.e.	13.6%	7.8%	5.8 p.e.	11.2%
Depreciation/amortization	-2	-1	-100.0%	-3	-3	0.0%	-6
Operating profit (EBIT). SEK m	59	35	68.6%	99	46	115.2%	148
EBIT margin. %	14.1%	9.9%	4.2 p.e.	13.2%	7.3%	5.9 p.e.	10.8%
Items affecting comparability. SEK m	-	-1	-	-	-3	-	-3
Adjusted operating profit (EBIT). SEK m	59	35	73.5%	99	49	102.0%	150
Adjusted EBIT margin. %	14.1%	9.6%	4.5 p.e.	13.2%	7.8%	5.4 p.e.	10.9%

Preschool International

- The number of children increased by 16.9 percent to 8,975 (7,677) in the second quarter.
- Sales increased by 26.1 percent compared with the second quarter the previous year.
- Operating profit (EBIT) was SEK 14 million (2).
- One small unit was acquired in Norway in 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 92 units, mainly in western and southern Norway and in the Oslo area. Joki runs seven preschool units in the area around Munich.

Second quarter results

The average number of children in the second quarter increased by 16.9 percent and amounted to 8,975 (7,677). The segment's net sales for the quarter increased by SEK 449 million (356). The large increase mainly relates to the acquisition of the German Joki operations, as well as new establishments and acquisitions in Norway. Currency changes SEK/NOK had a positive impact on sales of SEK 25 million in the quarter compared to last year.

Operating profit (EBIT) for the second quarter amounted to SEK 14 million (2), which was an increase of SEK 12 million. This resulted in an operating margin of 3.1 percent (0.6). The result and margin improvement compared to last year is mainly a result of acquisitions and new establishments in Norway. There were no items affecting comparability in the quarter or in the same period last year.

First six months results

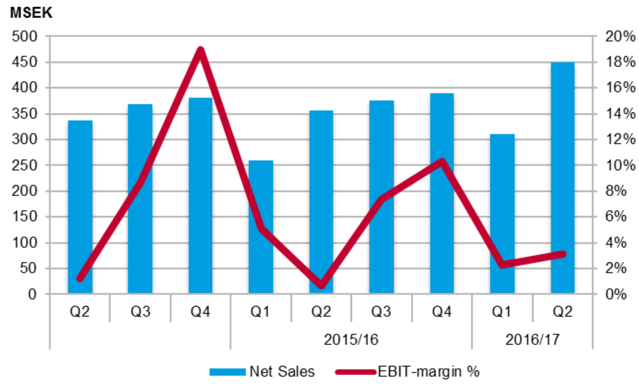
The average number of children for the first six months increased by 16.1 percent and amounted to 8,851 (7,625). Net Sales increased by 23.4 percent and amounted to SEK 759 million (615) for the first half year. The currency SEK/NOK had a positive impact on sales of SEK 22 million for the first half year.

Operating profit (EBIT) for the first six months amounted to SEK 21 million (16), which was an increase of SEK 5 million. This resulted in an operating margin of 2.8 percent (2.6). Last year's first quarter was positively impacted by capital gains on the sale of real estate in Norway amounting to SEK 6 million. Adjusted operating profit increased to SEK 21 million (10) where the improvement mainly is attributed to acquisitions and new starts in Norway.

Development during the first six months

The results of the 2016 annual parent survey conducted by the preschools in Norway show a score of 5.3 on a six-point scale. Willingness to recommend their own preschool also increased to 87 percent (86).

During the first six months of the financial year Espira in Norway opened three new preschools and acquired two small units. There is an active list of ongoing establishments, but lead times are long because of construction. One new establishment is currently planned in Norway for the fall of 2017 and none is planned in Germany during the coming year.



Preschool International	Second quarter			Half year			Full year
	2016/17	2015/16	Change	2016/17	2015/16	Change	2015/16
Net sales. SEK m	449	356	26.1%	759	615	23.4%	1,381
EBITDA. SEK m	25	8	212.5%	40	27	48.1%	110
EBITDA margin	5.6%	2.2%	3.4 p.e.	5.3%	4.4%	0.9 p.e.	8.0%
Depreciation/amortization	-11	-6	-83.3%	-19	-12	-58.3%	-26
Operating profit (EBIT). SEK m	14	2	600.0%	21	16	31.3%	83
EBIT margin. %	3.1%	0.6%	2.5 p.e.	2.8%	2.6%	0.2 p.e.	6.0%
Items affecting comparability. SEK m	-	0	-	-	6	-	6
Adjusted operating profit (EBIT). SEK m	14	2	600.0%	21	10	110.0%	78
Adjusted EBIT margin. %	3.1%	0.6%	2.5 p.e.	2.8%	1.6%	1.2 p.e.	5.6%
Number of children and students	8,975	7,677	16.9%	8,851	7,625	16.1%	8,055
Number of units	99	81	22.2%	99	81	22.2%	94

Quality

During AcadeMedias second quarter 2016/17, work to fine-tune and improve the AcadeMedia quality assurance model continued in line with the intentions of AcadeMedia's strategic plan "Roadmap 2020." The comprehensive quality processes have been evaluated and an initiative has begun to further improve quality management within the Group.

The system where-by parents and children can choose school irrespective of financial means or neighborhood is a great success. Today, over 350,000 students in Sweden attend independent schools and 150,000 children in Norway attend independent preschools. Schooling is also the area within the welfare sector which has the most developed regulation. All independent schools must be authorized by the Swedish Schools Inspectorate. To receive such an authorization is a cumbersome process taking over two years. There are clear requirements with regard to financial stability, local demographic needs, finalized facility leases and more. Once authorized, the Schools Inspectorate monitors that the launch plans are followed accordingly. In addition, the Schools Inspectorate continuously reviews all schools. Independent schools are reviewed every other year.

During the quarter the ongoing review of AcadeMedia's compulsory and upper secondary schools by the Swedish Schools Inspectorate's has continued according to plan. A total of 184 of AcadeMedia's schools are undergoing review during this supervisory period. The Inspectorate completed assessments of 160 of these schools as per December 2016 and had no remarks at 79 percent of the schools. This is a positive outcome as it is common for the Inspectorate to issue injunctions in connection with its regular inspections of Sweden's schools. In each such case, AcadeMedia has adressed the identified deficiencies within the specified time period.

For a detailed description of the ongoing development of the AcadeMedia model and the inspection results, please visit the AcadeMedia website at www.academedia.se. The website presents tables and diagrams, as well as notes on quality improvement for the different education levels. Below is a summary of the most important quality developments for the last quarter for each segment within AcadeMedia.

Pre- and Compulsory Schools

No general quality monitoring initiatives were carried out at the Swedish preschools during the second quarter. For compulsory schools, the National Agency for Education published the national statistics for grades which confirmed AcadeMedia's own analysis of the results from the 2015/16 academic year. Grade 9 students are continuing to improve their grades and are still performing well above the national average. For example, the average assessment level at AcadeMedia's compulsory schools was 242 points compared to 240 points the previous year (national average 224) and 86 percent of all students who completed grade 9 achieved a minimum grade of E in all subjects compared to 84 percent the previous year (national average 74 percent). The grades for AcadeMedia's students in grade 6 were also above the national average in all subjects.

Upper Secondary Schools

In December the National Agency for Education published the results for students who graduated from upper secondary school in the spring of 2016 and the national statistics confirm AcadeMedia's own analysis of the achieved results.

The percentage of AcadeMedia students who met the upper secondary school graduation requirements continued to rise during the 2015/16 academic year, up from 87.4 percent last year to 89.8 percent (the national average rose from 89.2 to 89.6 percent). The average grade points for students with diplomas rose from 13.9 to 14.1 points (national average of 14.0 and 14.1, respectively). The percentage of students who successfully completed the upper secondary school graduation requirements within three years also increased from last year's 72.1 to 74.8 percent (national average 73.7 and 74.2 percent, respectively).

In late December the results were also compiled from the annual survey regarding prior students' satisfaction with their former upper secondary school. Overall, the results of this survey also improved. For example, the percentage of students who gave the highest ratings in response to the question of whether they would recommend their old school increased to 77 percent (to be compared with 74 and 69 percent, respectively, the two previous years).

Adult Education

The general student survey carried out within adult education during the past quarter shows rising results regarding both participant satisfaction and the likelihood that they would recommend AcadeMedia's education to others. The percentage of adult education participants who gave the highest ratings to the question of whether they would recommend AcadeMedia's programs is now 85 percent (to be compared with 82 percent in the fall of 2015 and the spring of 2016).

Preschool International

The results of the annual parental survey conducted by the preschools in Norway show that satisfaction levels are continuing to improve. The outcome to the question of how satisfied parents are with their preschool shows a positive trend over the past four years and the score for 2016 was 5.34 on a six-point scale compared to 5.31 the previous year. Willingness to recommend their own preschool also increased from last year's 86 to 87 percent. No general quality monitoring initiatives were carried out at the German preschools during the previous quarter.

Employees

The average number of full-time employees in the quarter was 10,450 (9,588) which represents an increase of 9.0 percent. The proportion of women in the Swedish operation was 69.1 percent (69.4) in the quarter. Employee turnover, measured as the number of individuals leaving the company, increased somewhat compared to the previous year and amounted to 15.1 percent accumulated over 6 months, July-December, compared to 14.5 percent in the corresponding period the previous year for the Swedish operation. Absence due to illness for AcadeMedia employees in Sweden (cumulative average short-term absence <90 days) increased to 4.8 percent (4.2).

Risk factors

Significant operating 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 access to 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, the introduction of an upper secondary school guarantee-fee, change in the 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 such 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 are 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 the fact 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.

Adult education does not have recurring seasonal patterns in the same way as the school segments. Seasonal variation is rather influenced by the contract portfolio and public spending.

Calendar

May 10, 2017	Q3
August 30, 2017	Q4, year-end report 2016/2017
October 26, 2017	Publication of the 2016/2017 Annual Report
November 24, 2017	Annual General Meeting

For further information please refer to https://corporate.academedia.se

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

The Board of Directors and the President certify that, according to our knowledge, the half-year report has been prepared in accordance with the accounting principles applicable to Swedish listed companies, that the information provided presents a fair overview of the facts, and that nothing of a significant nature which could influence the view created by the report has been omitted.

Ulf Mattsson
Chairman of the Board

Harry Klagsbrun
Board member

Marcus Strömberg
President and CEO

Helen Fasth Gillstedt
Board member

Erika Henriksson
Board member

Silvija Seres
Board member

Anders Bülow
Board member

Anders Lövgren
Employee representative

Peter Milton
Employee representative

Stockholm February 7, 2017

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This information is information that AcadeMedia AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 08:00 CET on February 7, 2017.

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Consolidated statement of comprehensive income

SEK m		Second quarter 2016/17	Second quarter 2015/16	Half year 2016/17	Half year 2015/16	Rolling 12 months Jan 16- Dec 16	Full year 2015/16
Net Sales		2,508	2,239	4,370	3,918	9,063	8,611
		2,508	**2,239**	**4,370**	**3,918**	**9,063**	**8,611**
Cost of goods sold		-222	-219	-399	-390	-811	-802
Other external expenses		-510	-480	-970	-926	-1,921	-1,876
Personnel expenses		-1,576	-1,393	-2,688	-2,380	-5,488	-5,179
Depreciation/amortization		-58	-50	-101	-92	-196	-187
Items affecting comparability [1)]		0	-7	-2	-9	-24	-32
		-2,366	**-2,148**	**-4,160**	**-3,796**	**-8,439**	**-8,076**
OPERATING INCOME		**142**	**90**	**210**	**121**	**624**	**535**
Interest income and similar profit/loss items	5	6	3	9	4	12	7
Interest expense and similar profit/loss items	5	-31	-31	-51	-69	-116	-134
		-25	-28	-42	-65	-105	-127
INCOME BEFORE TAX		**117**	**62**	**167**	**56**	**519**	**408**
Tax		-28	-14	-37	-6	-120	-89
PROFIT/LOSS FOR THE PERIOD		**89**	**48**	**130**	**50**	**400**	**319**
Other comprehensive income							
Items that will not be reclassified to profit/loss							
Remeasurement of defined benefit pension plans		*69*	-1	*12*	19	*9*	16
Deferred tax relating to defined benefit pension plans		*-17*	-	*-3*	-5	*-2*	-4
		52	**-1**	**9**	**14**	**7**	**12**
Items that may be reclassified to profit/loss							
Translation differences		*-5*	-13	*20*	-32	*40*	-12
Other comprehensive income for the period		**47**	**-14**	**29**	**-18**	**47**	**0**
COMPREHENSIVE INCOME FOR THE PERIOD		**136**	**35**	**159**	**33**	**447**	**319**
Profit for the period attributable to:							
Stockholders of the parent company		89	48	130	50	400	319
Non-controlling interests		-	-	-	-	-	-
Comprehensive income for the period attributable to:							
Stockholders of the parent company		136	35	159	33	447	319
Non-controlling interests		-	-	-	-	-	-
Earnings per share basic (SEK)		0.95	0.57	1.38	0.60		3.74
Earnings per share diluted (SEK)		0.95	0.57	1.38	0.60		3.74

**) Items affecting comparability are specified on page 3, definitions on page 26.*

Consolidated statement of financial position in summary

SEK m	Note	Dec 31, 2016	Dec 31, 2015	June 30, 2016
ASSETS				
Intangible non-current assets		5,137	4,897	5,077
Buildings		700	446	638
Other property, plant and equipment		511	427	392
Other non-current assets		18	107	33
Total non-current assets		**6,366**	**5,878**	**6,141**
Current receivables		767	655	697
Cash and cash equivalents		433	407	331
Total current assets		**1,200**	**1,062**	**1,028**
TOTAL ASSETS		**7,566**	**6,940**	**7,169**
EQUITY AND LIABILITIES				
Total equity		**3,150**	**2,337**	**2,990**
Non-current liabilities to credit institutions		2,090	2,108	2,085
Provisions and other non-current liabilities		150	533	145
Total non-current liabilities	4	**2,240**	**2,641**	**2,229**
Current interest-bearing liabilities		566	552	568
Other current liabilities		1,610	1,411	1,382
Total current liabilities	4	**2,176**	**1,963**	**1,950**
TOTAL EQUITY AND LIABILITIES		**7,566**	**6,940**	**7,169**

Consolidated statement of changes in equity in summary

SEK m	Dec 31, 2016	Dec 31, 2015	June 30, 2016
Opening balance	**2,990**	**2,304**	**2,304**
Profit/loss for the period	130	51	319
Other comprehensive income	29	-18	0
Total profit/loss for the group	**159**	**33**	**319**
Transactions with owners	0	-	367
Closing balance	**3,150**	**2,337**	**2,990**

Consolidated cash flow statement in summary

		Second quarter		Half year		Full year
SEK m	Note	**2016/17**	2015/16	**2016/17**	2015/16	2015/16
Operating profit/loss (EBIT)		142	90	210	121	535
Adjustment for items affecting cash flow		27	83	78	112	172
Tax paid		-17	-24	-9	-35	-95
Cash flow from operating activities before changes in working capital		**152**	**149**	**279**	**198**	**612**
Cash flow from changes in working capital		109	118	112	56	-70
Cash flow from operating activities		**260**	**267**	**391**	**254**	**542**
Cash flow from investing activities	3	**-67**	**-85**	**-154**	**-120**	**-386**
Cash flow from financing activities		**-125**	**-192**	**-142**	**-402**	**-512**
CASH FLOW FOR THE PERIOD		**67**	**-10**	**94**	**-268**	**-355**
Cash and cash equivalents at beginning of period		368	425	699	695	695
Exchange-rate differences in cash and cash equivalents		-2	-8	8	-20	-8
Cash and cash equivalents at end of period		**433**	**407**	**801**	**407**	**331**

Parent company income statement in summary

SEK m	Second quarter 2016/17	Second quarter 2015/16	Half year 2016/17	Half year 2015/16	Full year 2015/16
Net sales	**2**	**-**	**4**	**-**	**0**
Operation expenses	**-7**	**-1**	**-15**	**-2**	**-21**
OPERATING PROFIT/LOSS	**-5**	**-1**	**-11**	**-2**	**-21**
Interest expense and similar profit/loss items	**0**	**-10**	**0**	**-21**	**-42**
PROFIT/LOSS BEFORE TAX	**-5**	**-11**	**-11**	**-23**	**-62**
Year-end appropriations	-	-	-	-	84
Tax	1	-	2	-	-5
PROFIT/LOSS FOR THE PERIOD	**-4**	**-11**	**-9**	**-23**	**16**

Parent company other comprehensive income

SEK m	Second quarter 2016/17	Second quarter 2015/16	Half year 2016/17	Half year 2015/16	Full year 2015/16
Profit/Loss for the period	**-4**	**-11**	**-9**	**-23**	**16**
Other comprehensive income for the period	-	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	**-4**	**-11**	**-9**	**-23**	**16**

Parent company balance sheet in summary

SEK m	Dec 31, 2016	Dec 31, 2015	June 30, 2016
ASSETS			
Participation in Group companies	-2,219	2,186	2,219
Deferred tax assets	1	1	1
Total non-current assets	**-2,218**	**2,187**	**2,220**
Current receivables	87	0	85
Cash and bank balances	1	11	15
Total current assets	**88**	**11**	**100**
TOTAL ASSETS	**-2,130**	**2,199**	**2,320**
EQUITY AND LIABILITIES			
Restricted equity	94	8	94
Non-restricted equity	2,190	1,877	2,198
Total equity	**2,284**	**1,885**	**2,292**
Non-current liabilities	**0**	**309**	**0**
Current liabilities	**23**	**5**	**28**
TOTAL EQUITY AND LIABILITIES	**2,307**	**2,199**	**2,320**

Parent company statement of changes in equity

SEK m	July 1, 2016 Dec 31, 2016	July 1, 2015 Dec 31, 2015	July 1, 2015 June 30, 2016
Opening balance	**2,292**	**1,909**	**1,909**
Profit/loss for the period	-8	-24	16
Other comprehensive income	-	-	-
Total profit/loss for the group	**-8**	**-24**	**16**
Transactions with owners	0	-	367
Closing balance	**2,284**	**1,885**	**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 have a significant impact on the Group´s financial position.

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	July 1, 2016	Preschool International
Espira Barnehager AS	Espira Rødknappen AS	Sept. 1, 2016	Preschool International
Espira Barnehager AS	Espira Jeløy AS	Nov. 1, 2016	Preschool International
Pysslingen Förskolor och Skolor AB	Kungsholmens Förskola AB	Dec. 1, 2016	Preschool

The acquisitions in total represent a value of less than 5 percent of the Group, which is why they are not specified separately. Voting rights in all acquisitions amount to 100 percent.

The acquisition of 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 whereas goodwill attributed to assets in asset based acquisitions is tax-deductible.

Acquisition effects of acquisitions made	**2016/2017**
Purchase consideration including transaction expenses	40
Purchase consideration excluding transaction expenses	39
Fair value of acquired net assets excluding goodwill	-11
Total goodwill	**28**

Fair values acquired	2016/2017
Intangible non-current assets	-
Property, plant and equipment	31
Financial non-current assets	-
Current assets	1
Cash and cash equivalents	5
Non-current loans	-10
Other current liabilities	-12
Current tax liability	-3
Deferred tax liability	-1
Net assets acquired	**11**

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	39
Less purchase consideration that has not been settled in cash as of June 30, 2016.	-
Cash and cash equivalents at time of acquisition	-5
Impact on the Group's cash and cash equivalents	**12**

Contribution of acquisitions to consolidated profit	2016/2017
Net sales	8
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	19
Operating profit (EBIT)	1

Note 4: Specification of liabilities

SEK m	Dec 31, 2016	Dec 31, 2015	June 30, 2016
Non-current liabilities			
Non-current liabilities to credit institutions excl. property loans	1,760	1,847	1,806
Non-current interest-bearing liabilities - properties	330	261	278
Non-current liabilities (interest-bearing)	70	365	32
Non-current liabilities (non-interest-bearing)	80	168	113
TOTAL Non-current liabilities	**2,240**	**2,641**	**2,229**
Current liabilities			
Liabilities to credit institutions and other current interest-bearing liabilities	370	484	370
Current interest-bearing liabilities - properties	196	68	197
Accounts payable and other current non-interest-bearing liabilities	558	585	545
Accrued expenses and deferred income	1,052	825	837
TOTAL current liabilities	**2,176**	**1,963**	**1,950**

Note 5: Specification of financial income and expenses

SEK m	Second quarter 2016/17	Second quarter 2015/16	Half year 2016/17	Half year 2015/16	Full Year 2016/17
Interest income and similar profit/loss items					
Interest income	6	3	7	4	7
Derivatives	0	-	1	-	1
Foreign exchange gains	-	-	1	-	1
Other	-	-	-	-	-
Interest income and similar profit/loss items	**6**	**3**	**9**	**4**	**9**
Interest expense and similar profit/loss items					
Interest expense	-20	-30	-38	-62	-38
Borrowing costs *	-1	-1	-3	-3	-3
Foreign exchange losses	-2	2	-2	-2	-2
Other	-8	-2	-8	-2	-8
Interest expense and similar profit/loss items	**-31**	**-31**	**-51**	**-69**	**-51**

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

An impairment loss of SEK 8 million related to a financial claim (see Note 5) was recognized during the quarter and had a negative impact on net financial items.

Note 6: 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 are at variable interest, which essentially are deemed to correspond to current market interest rates, the book value excluding loan expenses is considered to 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	Second quarter		Half year		Full year			
	2016/17	2015/16	**2016/17**	2015/16	**2015/16**	2014/15	2013/14	2012/13
Profit/loss items, SEK m								
Net sales	2,508	2,239	4,370	3,918	8,611	8,163	6,372	5,125
Items affecting comparability	0	-7	-2	-9	-32	-79	-35	-14
EBITDA	200	140	311	212	721	720	614	514
Depreciation/amortization	-58	-50	-101	-92	-187	-203	-164	-139
Operating profit/loss (EBIT)	142	90	210	121	535	517	449	376
Net financial items	-25	-28	-42	-65	-127	-269	-209	-255
Profit/loss for the period before tax	117	62	167	56	408	248	240	121
Profit/loss for the period after tax	89	48	130	50	319	222	189	128
Balance sheet items, SEK m								
Non-current assets	6,366	5,878	6,366	5,878	6,141	5,884	5,945	4,151
Current receivables and inventories	767	655	767	655	697	670	654	537
Cash and cash equivalents	433	407	433	407	331	695	562	338
Non-current interest-bearing liabilities	2,160	2,473	2,160	2,473	2,116	2,609	3,020	2,308
Non-current non-interest-bearing liabilities	80	168	80	168	113	197	131	88
Current interest-bearing liabilities	566	552	566	552	568	715	469	207
Current non-interest-bearing liabilities	1,610	1,411	1,610	1,411	1,382	1,425	1,352	857
Equity	3,150	2,337	3,150	2,337	2,990	2,304	2,189	1,566
Total assets	7,566	6,940	7,566	6,940	7,169	7,250	7,161	5,026
Capital employed	5,875	5,361	5,875	5,361	5,674	5,628	5,679	4,082
Net debt	2,289	2,618	2,289	2,618	2,342	2,629	2,927	2,178
Property adjusted net debt	1,762	2,288	1,762	2,288	1,865	2,295	2,563	2,178
Key ratios								
Operating margin (EBIT), %	5.7%	4.0%	4.8%	3.1%	6.2%	6.3%	7.1%	7.3%
Adjusted EBIT, SEK m	142	97	211	131	568	596	485	389
Adjusted EBIT margin, %	5.7%	4.3%	4.8%	3.3%	6.6%	7.3%	7.6%	7.6%
Adjusted EBITDA, SEK m	200	147	312	221	754	799	649	528
Adjusted EBIT margin, %	8.0%	6.6%	7.1%	5.6%	8.8%	9.8%	10.2%	10.3%
Net margin, %	3.6%	2.2%	3.0%	1.3%	3.7%	2.7%	3.0%	2.5%
Return on capital employed, %, (12 months)	11.7%	10.0%	11.7%	10.0%	10.1%	10.8%	10.0%	9.8%
Return on equity, %(12 months)	14.6%	9.9%	14.6%	9.9%	12.1%	9.9%	10.1%	8.5%
Equity/assets ratio, %	41.6%	33.7%	41.6%	33.7%	41.7%	31.8%	30.6%	31.2%
Interest coverage ratio, times	6.8	3.2	6.8	3.2	4.8	2.8	2.7	1.8
Net debt/Adjusted EBITDA (12 months)	2.7	3.6	2.7	3.6	3.1	3.3	4.5	4.1
Adjusted net debt/adjusted EBITDA (12 months)	2.1	3.1	2.1	3.1	2.5	2.9	3.9	4.1
Cash flow from investing activities	-67	-85	-154	-120	-386	-68	-864	-95
Number of full-time employees	10,450	9,588	10,297	9,456	9,714	9,159	6,997	6,087

Quarterly data, Group

Quarterly data	2016/17		2015/16				2014/15			
SEK million, unless otherwise stated	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	2,508	1,862	2,378	2,316	2,239	1,679	2,199	2,177	2,146	1,641
EBITDA	**200**	**111**	**265**	**244**	**140**	**72**	**215**	**220**	**168**	**117**
Depreciation/amortization	-58	-43	-46	-48	-50	-42	-54	-52	-48	-48
Items affecting comparability	0	-1	-19	-4	-7	-3	-76	-1	-2	-1
Operating income (EBIT)	**142**	**68**	**218**	**196**	**90**	**31**	**161**	**167**	**119**	**69**
Total financial items	-25	-18	-33	-29	-28	-37	-95	-48	-60	-65
Income before taxes	**117**	**50**	**185**	**167**	**62**	**-6**	**66**	**120**	**59**	**3**
Tax for the current period	-28	-9	-45	-38	-14	8	14	-25	-14	-1
Profit/loss for the period	**89**	**41**	**140**	**129**	**48**	**2**	**80**	**95**	**45**	**3**
Number of children/students, schools	65,633	65,143	64,342	63,716	62,443	62,103	61,295	61,269	60,570	60,452
Number of full-time employees	10,450	10,144	10,161	9,783	9,588	9,325	9,394	9,205	9,157	8,881
Number of education units	427	428	425	419	404	399	394	392	391	391
Operating margin (EBIT), %	5.7%	3.7%	9.2%	8.5%	4.0%	1.8%	7.3%	7.7%	5.5%	4.2%
Adjusted EBIT	142	69	238	199	97	34	237	168	121	69
Adjusted EBIT, %	5.7%	3.7%	10.0%	8.6%	4.3%	2.0%	10.8%	7.7%	5.6%	4.2%
Net margin, %	3.6%	2.2%	5.9%	5.6%	2.1%	0.1%	3.6%	4.3%	2.1%	0.2%
Return on equity, % (12 months)	14.6%	13.5%	12.1%	10.8%	9.9%	9.8%	9.9%	12.0%	10.7%	10.4%
Return on capital employed, % (12 Months)	11.7%	10.9%	10.1%	10.1%	10.0%	10.4%	10.8%	11.4%	10.9%	10.6%
Equity/assets ratio, %	41.6%	40.8%	41.7%	34.6%	33.7%	32.9%	31.8%	31.8%	31.0%	30.7%
Net debt/Adjusted EBITDA (12 months)	2.7	3.0	3.1	3.4	3.6	3.5	3.3	3.7	4.1	4.3
Interest coverage ratio	6.8	5.7	4.8	4.0	3.2	3.1	2.8	2.7	2.6	2.6
Other										
Cash flow from operating activities	260	131	160	128	267	-13	197	197	193	96
Cash flow from investing activities	-67	-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)	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Number of children/students (average)	30,951	30,613	30,946	30,471	29,622	29,286	29,208	28,953	28,477	28,198
Net sales	964	717	951	933	889	661	872	844	831	613
EBITDA	57	19	102	92	48	13	95	74	56	19
EBITDA margin, %	5.9%	2.6%	10.7%	9.9%	5.4%	2.0%	10.9%	8.8%	6.7%	3.1%
Depreciation/amortization	-14	-12	-13	-13	-13	-11	-12	-13	-14	-12
Operating profit/loss (EBIT)	43	8	90	79	35	2	82	61	42	8
EBIT margin, %	4.5%	1.1%	9.5%	8.5%	3.9%	0.3%	9.4%	7.2%	5.1%	1.3%
Items affecting comparability	0	0	3	0	0	0	-19	0	0	0
Adjusted operating profit/loss (EBIT)	43	8	86	79	35	2	101	61	42	8
Adjusted EBIT margin, %	4.5%	1.1%	9.0%	8.5%	3.9%	0.3%	11.6%	7.2%	5.1%	1.3%
Number of education units	225	227	226	222	217	212	211	208	208	208

SEK million, unless otherwise stated	2016/17		2015/16				2014/15			
Upper Secondary Schools (Sweden)	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Number of children/students (average)	25,707	25,802	24,752	24,917	25,144	25,244	24,365	24,676	24,884	25,031
Net sales	678	501	655	641	640	485	623	625	621	472
EBITDA	77	47	93	90	71	44	50	78	67	42
EBITDA margin, %	11.4%	9.4%	14.2%	14.0%	11.1%	9.1%	8.0%	12.5%	10.8%	8.9%
Depreciation/amortization	-30	-21	-23	-27	-28	-22	-27	-27	-28	-22
Operating profit/loss (EBIT)	47	26	69	63	43	22	23	51	39	20
EBIT margin, %	6.9%	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	0	-57	0	0	0
Adjusted operating profit/loss (EBIT)	47	26	69	63	43	22	80	51	39	20
Adjusted EBIT margin, %	6.9%	5.2%	10.5%	9.8%	6.7%	4.5%	12.8%	8.2%	6.3%	4.2%
Number of education units	103	103	105	106	106	106	105	106	106	106

SEK million, unless otherwise stated	2016/17		2015/16				2014/15			
Adult Education (Sweden)	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Net sales	417	332	381	364	353	274	323	338	357	291
EBITDA	60	42	56	49	36	13	7	43	51	42
EBITDA margin, %	14.4%	12.7%	14.7%	13.5%	10.2%	4.7%	2.2%	12.7%	14.3%	14.4%
Depreciation/amortization	-2	-2	-1	-2	-1	-2	-4	-3	1	-6
Operating profit/loss (EBIT)	59	41	55	46	35	12	3	40	52	36
EBIT margin, %	14.1%	12.3%	14.4%	12.6%	9.9%	4.4%	0.9%	11.8%	14.6%	12.4%
Items affecting comparability	0	0	0	0	-1	-2	-15	0	0	0
Adjusted operating profit/loss (EBIT)	59	41	55	46	34	15	18	40	52	36
Adjusted EBIT margin, %	14.1%	12.3%	14.4%	12.6%	9.6%	5.5%	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	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Number of children/students (average)	8,975	8,727	8,643	8,328	7,677	7,573	7,722	7,640	7,209	7,223
Net sales	449	311	390	376	356	259	380	368	337	265
EBITDA	25	15	49	33	8	19	82	41	11	23
EBITDA margin, %	5.6%	4.8%	12.6%	8.8%	2.2%	7.3%	21.6%	11.1%	3.3%	8.7%
Depreciation/amortization	-11	-8	-8	-6	-6	-6	-10	-9	-7	-8
Operating profit/loss (EBIT)	14	7	40	28	2	13	72	32	4	15
EBIT margin, %	3.1%	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	0	6	16	0	0	0
Adjusted operating profit/loss (EBIT)	14	7	40	28	2	8	56	32	4	15
Adjusted EBIT margin, %	3.1%	2.3%	10.3%	7.4%	0.6%	3.1%	14.7%	8.7%	1.2%	5.7%
Number of preschool units	99	98	94	91	81	81	78	78	77	77

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

SEK million, unless otherwise stated	2016/17		2015/16				2014/15			
Group	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Number of children/students (average)	65,633	65,143	64,342	63,716	62,443	62,103	61,295	61,269	60,570	60,452
Net sales	2,508	1,862	2,378	2,316	2,239	1,679	2,199	2,177	2,146	1,641
EBITDA	200	111	265	244	140	72	215	220	168	117
EBITDA margin, %	8.0%	6.0%	11.1%	10.5%	6.3%	4.3%	9.8%	10.1%	7.8%	7.1%
Depreciation/amortization	-58	-43	-46	-48	-50	-42	-54	-52	-48	-48
Operating profit/loss (EBIT)	142	68	218	196	90	31	161	167	119	69
EBIT margin, %	5.7%	3.7%	9.2%	8.5%	4.0%	1.8%	7.3%	7.7%	5.5%	4.2%
Items affecting comparability	0	-1	-19	-4	-7	-3	-76	-1	-2	-1
Adjusted operating profit/loss (EBIT)	142	69	238	199	97	34	237	168	121	69
Adjusted EBIT margin, %	5.7%	3.7%	10.0%	8.6%	4.3%	2.0%	10.8%	7.7%	5.6%	4.2%
Net financial items	-25	-18	-33	-29	-28	-37	-95	-48	-60	-65
Profit/loss after financial items	**117**	**50**	**185**	**167**	**62**	**-6**	**66**	**120**	**59**	**3**
Tax	-28	-9	-45	-38	-14	8	14	-25	-14	-1
Profit/loss for the period	**89**	**41**	**140**	**129**	**48**	**2**	**80**	**95**	**45**	**3**
Number of full-time employees (period)	10,450	10,144	10,161	9,783	9,588	9,325	9,394	9,205	9,157	8,881
Number of units	427	428	425	419	404	399	394	392	391	391

Reconciliaton of alternative performance measures

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

	Second quarter		Half year		Full year			
SEK million, unless otherwise stated	**2016/17**	2015/16	**2016/17**	2015/16	**2015/16**	2014/15	2013/14	2012/13
Net debt								
Non-current interest-bearing liabilities	2,160	2,473	2,160	2,473	2,116	2,609	3,020	2,308
+ Current interest-bearing liabilities	566	552	566	552	568	715	469	207
- Non-current interest-bearing receivables*	4	-	4	-	11	-	-	-
- Cash and cash equivalents	433	407	433	407	331	695	562	338
= Net debt	2,289	2,618	2,289	2,618	2,342	2,629	2,927	2,178
Property-adjusted net debt								
Net debt (as described above)	2,289	2,618	2,289	2,618	2,342	2,629	2,927	2,178
- non-current property loans	330	261	330	261	278	174	288	0
- current property loans	196	68	196	68	197	161	76	0
= Property adjusted net debt	1,762	2,288	1,762	2,288	1,865	2,295	2,563	2,178
Return on capital employed %, 12 months								
Adjusted operating profit EBIT (12 months)	648	536	648	536	567	596	485	389
+ Interest income	9	17	9	17	6	13	2	3
divided by								
Average equity (12 months)	2,743	2,278	2,743	2,278	2,647	2,247	1,878	1,502
+ average non-current interest-bearing liabilities (12 months)	2,316	2,877	2,316	2,877	2,363	2,815	2,664	2,300
+ average current interest-bearing liabilities (12 months)	559	369	559	369	641	592	338	182
= Return on capital employed %, 12 months	11.7%	10.0%	11.7%	10.0%	10.1%	10.8%	10.0%	9.8%
Return on equity %, 12 months								
Profit/loss after tax (12 months)	400	225	400	225	319	222	189	128
divided by								
Average equity (12 months)	2,743	2,278	2,743	2,278	2,647	2,247	1,878	1,502
= Return on equity %, 12 months	14.6%	9.9%	14.6%	9.9%	12.1%	9.9%	10.1%	8.5%

) Included in Other non-current assets

	2016/17		2015/16				2014/15			
SEK million, unless otherwise stated	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Interest coverage ratio										
Adjusted operating profit EBIT (12 months)	648	603	567	567	536	559	596	575	533	511
+ Interest income (12 months)	9	6	6	8	17	14	13	9	1	1
+ Other financial income (12 months)	2	3	1	8	10	10	11	4	1	0
divided by										
Interest expense (12 months)	-97	-108	-121	-145	-174	-191	-218	-218	-203	-196
= Interest coverage ratio	6.8	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 with 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.