



Bild: Läroverksamheten Foto: Jenny Unnegård

Change through Education

AcadeMedia AB (publ)

INTERIM REPORT July 2019-December 2019

Profitable growth in the Adult Education Segment and improved margins

Strategic initiatives on quality, digitalisation and new units at the Upper Secondary School Segment

Seven new units in the period, six preschools and one compulsory school

AcadeMedia

AcademeMedia

Interim report quarter 2 2019/20

Second quarter (July – September 2019)

- Net sales increased by 5.9 percent and amounted to SEK 3,258 million (3,076). Organic growth, including bolt-on acquisitions, was 6.0 percent.
- Operating profit (EBIT) amounted to SEK 201 million (128). Excluding the effects of IFRS 16, EBIT was SEK 150 million (128), which was an increase of 17.2 percent. Operating profit, adjusted for items affecting comparability and effects of IFRS 16, amounted to SEK 150 million (139).
- Net profit for the period amounted to SEK 75 million (79). Excluding IFRS 16, it was SEK 104 million (79).
- Cash flow from operating activities amounted to SEK 652 million (348). Excluding IFRS 16, it was SEK 325 million (348).
- The average number of children and students in preschool, compulsory school and upper secondary school during the second quarter was 82,325 (79,335), representing an increase of 3.8 percent. Growth was completely organic.
- Earnings per share was SEK 0.71 (0.75) before and after dilution. Adjusted for IFRS 16, earnings per share was SEK 0.99 (0.75) before and after dilution.

First six months (July – December 2019)

- Net sales increased by 6.3 percent to SEK 5,760 million (5,418). Organic growth including bolt-on acquisitions amounted to 6.4 percent.
- Operating profit (EBIT) amounted to SEK 330 million (186). Excluding the effects of IFRS 16, EBIT was SEK 225 million (186), which was an increase of 21.0 percent. Operating profit, adjusted for items affecting comparability and effects of IFRS 16, amounted to SEK 225 million (191).
- Net profit for the period amounted to SEK 91 million (111). Excluding IFRS 16, it was SEK 150 million (111).
- Cash flow from operating activities amounted to SEK 978 million (130). Excluding IFRS 16, it was SEK 296 million (130).
- The average number of children and students in preschool, compulsory school and upper secondary school during the first quarter was 81,897 (79,052), representing an increase of 3.6 percent. Growth was completely organic.
- Earnings per share was SEK 0.87 (1.05) before and after dilution. Adjusted for IFRS 16, earnings per share was SEK 1.42 (1.05) before and after dilution.

Implementation of IFRS 16 has a significant effect on AcadeMedia's financial statements. To simplify the comparison, the 2019/20 financial year is presented adjusted for IFRS 16. This is described as "Excluding IFRS 16". Important key performance indicators and additional key performance indicators based on rolling 12 months are presented excluding IFRS 16. For example, adjusted operating profit (EBIT) is reported excluding IFRS 16. The segments within AcadeMedia have unchanged accounting principles and will continue to report rent as Other external expenses.

Second quarter Group

SEK m	Second quarter				Half year				Full year
	2019/20	2019/20 ex IFRS 16 ¹	2018/19	Δ % ³	2019/20	2019/20 ex IFRS 16 ¹	2018/19	Δ % ³	2018/19
Net sales	3,258	3,258	3,076	5.9%	5,760	5,760	5,418	6.3%	11 715
EBITDA	565	237	205	15.6%	1 073	391	330	18.5%	931
EBITDA margin, %	17.3%	7.3%	6.7%	0.6 p.p.	18.6%	6.8%	6.1%	0.7 p.p.	7.9%
Operating profit/loss (EBIT)	201	150	128	17.2%	330	225	186	21.0%	635
EBIT margin, %	6.2%	4.6%	4.2%	0.4 p.p.	5.7%	3.9%	3.4%	0.5 p.p.	5.4%
Adjusted operating profit/loss EBIT ²	150	150	139	7.9%	225	225	191	17.8%	634
Adjusted EBIT margin, %	4.6%	4.6%	4.5%	0.1 p.p.	3.9%	3.9%	3.5%	0.4 p.p.	5.4%
Net financial items	-103	-15	-23	34.8%	-211	-30	-40	25.0%	-69
Profit/loss before tax	98	135	105	28.6%	119	195	146	33.6%	566
Profit/loss for the period	75	104	79	31.6%	91	150	111	35.1%	431
Earnings per share basic (SEK)	0.71	0.99	0.75	31.3%	0.87	1.42	1.05	35.4%	4.09
Earnings per share diluted (SEK)	0.71	0.99	0.75	31.5%	0.87	1.42	1.05	35.4%	4.09
Number of children and students ⁴	82,325	82,325	79,335	3.8%	81,897	81,897	79,052	3.6%	79,493
Number of full-time employees	12,723	12,723	12,473	2.0%	12,623	12,623	12,264	2.9%	12,405

¹ Amounts relate to adjustments for implementation of the accounting standard IFRS 16 Leases to show the accounting as it was applied in previous accounting periods (IAS 17). ² Relates to financial statements with application of previous accounting policies (IAS 17). This means that leases of real estate are recognised as rent and not as finance leases. ³ Relates to change between 2019/20 ex IFRS 16 and 2018/19, i.e. comparative figures. ⁴ Excl. Adult Education. See definitions on pages 30-31



From our CEO

The second quarter continued to show stable growth with a 3.8 percent increase in number of children and students and organic sales growth of 6 percent. Seven new units, of which four were acquired, were added during the period. The Adult Education Segment's margin improved this quarter. The Higher Vocational Education and Municipal Adult Education areas showed profitable growth and Labour Market Services constituted a smaller proportion of the segment. The Upper Secondary School Segment's strategic efforts of opening of new units to capture underlying market growth, increasing digitisation rate to improve efficiency and learning, and efforts to improve quality in our vocational training programs resulted in higher costs.

The need for new education places increases. According to the Ministry of Finance, 1,400 new preschools and schools are needed in the next six years in Sweden alone. Despite the increasing number of children and students, many municipalities are forced to cut back on the childcare voucher and school voucher due to strained economy. As a result, several municipalities now risk having to halt their expansion, which will create new opportunities for independent providers. We believe that many municipalities will find it difficult to meet their budgets. At the end of January, the Swedish Government decided to add SEK five billion to the welfare sector. This will enable municipalities to continue investing in education. However, the amount can increase as there is a parliamentary majority for SEK 7.5 billion in additional funding to the welfare sector. The City of Stockholm has decided to increase the preschool voucher by only 0.9 percent (1.9). We are prepared for this lower increase that will affect our Swedish preschool operation in 2020.

The combination of an increased demand for education places and limited public funds adds to my conviction that we will have new growth opportunities. We also have good opportunities for improved efficiency and to create economies of scale.

Strategic efforts on digital services

During the fiscal year, AcadeMedia has developed several digital education-related services and platforms. This increased overhead costs for the quarter. As part of our strategy, we are now even more driven to modernise and leverage digitalisation to enable access to education and related functions. Development is taking place both centrally and at segment level and affects infrastructure as well as pedagogy. The long-term goal is to enable a more efficient way of working for our teachers, students and participants both when choosing education as well as while studying - while enabling us to provide better education at a lower cost.

Efforts in the Compulsory School Segment show results

AcadeMedia has focused on increased capacity utilisation in our compulsory schools. Our efforts made an impact and we will now take the next step in developing our compulsory schools. In autumn 2020, Rudanskolan in Haninge will move to new premises and almost double in capacity to 900 students.

Rudanskolan will then become one of our largest compulsory schools. During the quarter, we acquired Pops Academy in Stockholm, a compulsory school where academic quality and creative activities are combined. An exciting concept and brand that we want to continue to develop and expand.

Upper Secondary School Segment invest in the future

The Upper Secondary School Segment's turnover increased by 6 percent in the quarter, but the overall result was substantially lower than last year. However, for the full year, we expect results in line with the previous fiscal year.

The decline in this quarter's result was primarily due to marketing activities scheduled earlier than last year, investment in new units, and efforts to improve quality at Praktiska Gymnasiet.

Half of the decline was due to marketing activities that last year took place in the fourth quarter. The other half was a result of several strategic efforts, such as permanent increase of resources at Praktiska. We have also opened 14 new schools in the past three years and invested in increased digitalisation. These efforts strengthen our position and create an excellent foundation for profitable growth. We also face a strong growth in student numbers in the segment.

The efforts to improve quality at Praktiska Gymnasiet, acquired in 2017, has now produced results. In 2019, the School Inspectorate conducted a number of audits, many of which contained areas for improvement. In all the follow-ups except three, the School Inspectorate decided that the inadequacies have been rectified. Decisions in the three remaining cases are expected during the third quarter. The courses offered at Praktiska Gymnasiet are important for Sweden and my belief is that the demand for vocational training will continue to be high in the years to come.

Successful change in the Adult Education Segment

AcadeMedia has conducted a substantial overhaul of our Adult Education Segment. Labour Market Services now constitute less than ten percent of turnover. Growth in the more profitable Higher Vocational Education and Municipal Adult Education have led to a more positive mix within this segment.

The Swedish Public Employment Service's reform, which for example involves outsourcing a large part of the business to private players, will open up further opportunities for us. At present, AcadeMedia's exposure to the Employment Service is low, but we are well placed to scale up quickly to meet increasing demand once the authority's reform is implemented.

The Swedish Public Employment Service recently published its forecast for the labour market, which shows that unemployment is expected to increase in 2020 due to the economic slowdown. They also point to four challenges: rising long-term unemployment, shortage of skilled labour, foreign-born's ability to enter the labour market, and the Employment Service's reduction and reform.

To meet these challenges, more people need to attend training courses demanded by employers. This implies that it is likely that resources to execute these training courses will be provided and demand for our services will increase.

A positive event after the end of the reporting period was that AcadeMedia's Higher Vocational Education business has been awarded 4,285 educational places for autumn 2020, corresponding to approximately 14.5 percent (14.6) of the total number of places granted. Our initial expectation is that the number of participants will grow by seven percent in autumn 2020.

The upper secondary school teacher of the year works at AcadeMedia

Lärargalan, a gala to recognise teachers in Sweden was first held in 2016. This is an initiative where one of Sweden's most important group of professionals is celebrated. Students can nominate teachers that have helped and inspired them. We are delighted that

several AcadeMedia teachers have been recognised since the event began.

At the gala in December 2019, Björn Grönqvist, history and social studies teacher at Klara Teoretiska Gymnasium in Karlstad, was named upper secondary school teacher of the year. His nomination read, "You teach in a way that engages even those who are not so motivated. At the same time, you help those who find it easy to push themselves further. You see everyone as individuals and help us reach where we want to go." The prize for maths teacher of the year went to AcadeMedia's Anders Månsson, who teaches at ProCivitas in Helsingborg. Congratulations to both!

Marcus Strömberg

President and CEO

AcadeMedia AB (publ)



Development in the second quarter (Oct 2019 - Dec 2019)

All figures for the 2019/2020 financial year are reported in accordance with the new accounting standard IFRS 16 Leases, unless otherwise stated. The segments report excluding IFRS 16. Previous financial years have not been restated according to the new standard. On 1 July 2019, AcadeMedia implemented a new segment reporting and comparative figures have been recalculated. The Upper Secondary School Segment and Adult Education Segment are not affected.

Volume development and net sales

Net sales increased by 5.9 percent to SEK 3,258 million (3,076). Organic growth, including bolt-on acquisitions, amounted to 6.0 percent and exchange rate development impacted sales by -0.1 percent. No larger acquisitions affected sales in the quarter. The average number of children and students, excluding the Adult Education Segment, increased by 3.8 percent to 82,325 (79,335).

Operating profit (EBIT) and adjusted EBIT

Operating profit (EBIT) for the quarter was SEK 201 million (128) with an EBIT margin of 6.2 percent (4.2). Excluding IFRS 16, EBIT increased by 17.2 percent to SEK 150 million (128) and an EBIT margin of 4.6 percent (4.2). Adjusted EBIT was SEK 150 million (139) with an adjusted EBIT margin of 4.6 percent (4.5).

The improved earnings were mainly attributable to the Adult Education Segment, where the business areas Higher Vocational Education and Municipal Adult Education show growth, and to the Compulsory School Segment due to more children and better capacity utilisation. In the Preschool Segment, the portfolio review in Sweden last year and lower costs for temporary staff in Sweden has temporarily offset higher personnel expenses in Norway as a result of the new staff density regulation and higher pension cost. In the Upper Secondary School, continued efforts related to digitalisation, quality, and growth but also to timing of marketing activities had a negative impact.

Overhead expenses were higher than last year due to efforts around digitalisation, implementation of a new pay-roll system and growth-related real estate projects.

Net financial items

Net financial items for the quarter amounted to SEK

Second quarter in summary by segment

	Student enrolment (average)		Net sales, SEK m.		Adjusted operating profit/loss (EBIT), SEK m.		ADJ. EBIT margin		Operating profit/loss (EBIT), SEK m		EBIT margin	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
Preschool (SE, NO, D)	20,686	20,267	981	924	27	24	2.8%	2.6%	27	24	2.8%	2.6%
Compulsory School (SE)	24,983	24,195	801	752	43	30	5.4%	4.0%	43	34	5.4%	4.5%
Upper Secondary School (SE)	36,656	34,873	1,072	1,011	76	96	7.1%	9.5%	76	96	7.1%	9.5%
Adult Education (SE)	- ¹	- ¹	403	388	31	11	7.7%	2.8%	31	-4	7.7%	-1.0%
Group adj., Parent Company	-	-	0	0	-27	-22	-	-	23 ²	-22	-	-
Total	82,325	79,335	3,258	3,076	150	139	4.6%	4.5%	201 ²	128	6.2%	4.2%

¹ The volume of Adult Education is not measured based on the number of participants since the length of the programmes varies from individual occasions to academic years. ² Includes effect of implementation of the new lease standard IFRS 16 of SEK 51 million (0).

-103 million (-23) of which interest expense relating to lease liabilities related to right-of-use assets, attributable to IFRS 16, was SEK -88 million (-). Interest expense for the quarter, excluding IFRS 16, was somewhat lower than last year SEK -11 million (-12).

Profit and comprehensive income for the period

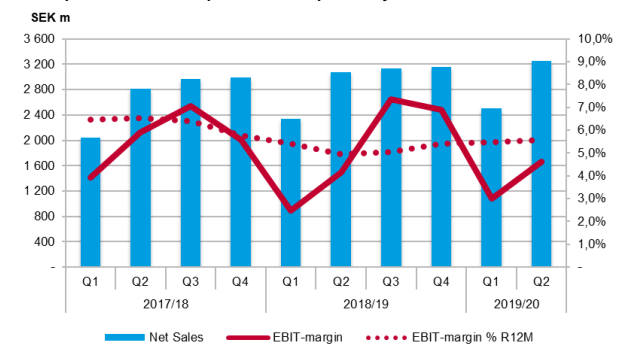
Profit after tax declined and was SEK 75 million (79), which was a result of the implementation of IFRS 16. Tax expense for the quarter was SEK -23 million (-25), representing an effective tax rate of 23.4 percent (24.3). Comprehensive income for the period was SEK 58 million (13), where last year was affected by actuarial losses related to defined benefit pension plans in Norway. Excluding IFRS 16, profit for the period increased to SEK 104 million (79) and comprehensive income increased to SEK 88 million (13).

Items affecting comparability

Items affecting comparability	Second quarter	
	2019/20	2018/19
SEK million		
Restructuring expenses	-	-21
Transaction-related expenses	-	-0
Retroactive revenue from previous year	-	10
Total	-	-11

Acquisitions, divestments, new establishments and discontinued operations

The unit portfolio has expanded by seven new units in the quarter, four acquisitions and three new openings. The expansion is primarily within Preschool Segment, except for one acquired compulsory school.



In the graph, the EBIT-margin is presented excl. IFRS 16.



Development in the first six months (July to December 2019)

Volume development and net sales

Net sales increased by 6.3 percent in the first half year and amounted to SEK 5,760 million (5,418). The organic growth, including bolt-on acquisitions, amounted to 6.4 percent and exchange rate development had a negative impact on sales of -0.1 percent. No larger acquisitions affected sales during the first six months. The average number of students, excluding the Adult Education Segment, increased by 3.6 percent to 81,897 (79,052).

Operating profit (EBIT) and adjusted EBIT

Operating profit (EBIT) for the first six months amounted to SEK 330 million (186), which represents an EBIT margin of 5.7 percent (3.4). Excluding IFRS 16, EBIT increased by 21.0 percent to SEK 225 million (186) and an EBIT margin of 3.9 percent (3.4). Adjusted EBIT amounted to SEK 225 million (191) with an adjusted EBIT margin of 3.9 percent (3.5).

The improved earnings were mainly attributable to the Adult Education Segment, where the business areas Higher Vocational Education and Municipal Adult Education show growth, and to the Compulsory School Segment due to more children and better capacity utilisation. Higher personnel expenses in Norway due to new staff density regulation and higher pension costs, and expenses related to new establishments in Germany had a negative impact on the Preschool segment. The review of the unit portfolio in Sweden last year and lower costs for temporary staff in Sweden has partially offset the effect on results and margins. The Upper Secondary School Segment continued its efforts related to digitalisation, quality, and new units. Marketing activities that last year took place during the second half the year, had a negative impact.

Group overhead expenses were higher than last year due to efforts on digitalisation, implementation of a new pay-roll system and growth-related real estate projects.

Net financial items

Net financial items for the first six months amounted to SEK -211 million (-40) of which interest expense relating to lease liabilities related to right-of-use assets, attributable to IFRS 16, was SEK -180 million (-). Interest expense for the period, excluding IFRS 16, was somewhat lower than last year SEK -23 million (-26).

Profit and comprehensive income for the period

Profit after tax declined and amounted to SEK 91 million (111), which was a result of the implementation of IFRS 16. Tax for the first six months was SEK -28 million (-35), representing an effective tax rate of 23.6 percent (24.1). Comprehensive income for the period was SEK 73 million (0), where the previous year was affected by actuarial losses related to defined benefit pension plans in Norway. Excluding IFRS 16, profit for the period increased to SEK 150 million (111) and comprehensive income increased to SEK 132 million (0).

Items affecting comparability

Items affecting comparability SEK million	Half year	
	2019/20	2018/19
Restructuring expenses	-	-21
Transaction-related expenses	-	0
Retroactive revenue from previous year	-	16
Total	-	-6

Acquisitions, divestments, new establishments and discontinued operations

Prior to the 2019/20 school year, twelve preschools were closed or sold in Sweden with approximately 800 children. One compulsory school and three upper secondary schools were closed, which had an impact as of the first quarter on the unit portfolio and enrolment figures. During the first half year, 15 new units opened and four units were acquired.

First six months in summary by segment

	Student enrolment (average)		Net sales, SEK m.		Adjusted operating profit/loss (EBIT), SEK m.		ADJ. EBIT margin		Operating profit/loss (EBIT), SEK m		EBIT margin	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
Preschool (SE, NO, D)	20,351	20,004	1,736	1,636	25	24	1.4%	1.5%	25	24	1.4%	1.5%
Compulsory School (SE)	24,836	24,080	1,395	1,318	60	39	4.3%	3.0%	60	43	4.3%	3.3%
Upper Secondary School (SE)	36,710	34,969	1,886	1,761	135	153	7.2%	8.7%	135	158	7.2%	9.0%
Adult Education (SE)	- ¹	- ¹	743	704	53	11	7.1%	1.6%	53	-4	7.1%	-0.6%
Group adj., Parent Company	-	-	0	0	-49	-36	-	-	56 ²	-36	-	-
Total	81,897	79,052	5,760	5,418	225	191	3.9%	3.5%	330²	186	5.7%	3.4%

¹ The volume of Adult Education is not measured based on the number of participants since the length of the programmes varies from individual occasions to academic years. ² Includes effect of implementation of the new lease standard IFRS 16 of SEK 105 million (0).



Cash flow and financial position

According to IFRS 16, lease payments are recognised under financing activities, where before they were categorised under operating activities. As a result, cash flow from operating activities is higher and cash flow from financing activities is lower, with all else being equal. During the second quarter of 2019/20, lease payments (interest and principal) related to right-of-use assets amounted to SEK 327 million and during the first half-year the payments amounted to SEK 682 million. Cash flow from investing activities is not affected by IFRS 16.

Cash flow excluding effect of IFRS 16

Cash flow from operating activities for the second quarter amounted to SEK 325 million (348). The slight decrease was due to working capital development for the quarter, SEK 146 million (207). Cash flow from operating activities before changes in working capital was higher than last year.

Cash flow from investing activities has been divided into investments related to existing operations and investments related to expansion. Expansion investments are new preschool buildings in Norway, as well as acquisitions. Free cash flow before expansion investments amounted to SEK 260 million (270). Cash flow from investing activities totalled SEK -112 million (-103), and primarily consisted of property-related investments as well as equipment. Cash flow from financing activities totalled SEK -107 million (-245). Cash flow from financing activities in the period relates, among other things, to SEK -132 million dividends paid to shareholders. All in all, cash flow for the quarter amounted to SEK 106 million (0).

In the first six months cash flow from operating activities amounted to SEK 296 million (130). The increase was due to an improved profit and improvement in working capital, SEK -33 million (-145). The working capital development was more normal this quarter than during the corresponding period last year, when it had the benefit of unusually favourable working capital at the beginning of the financial year (1 July 2018).

Free cash flow before expansion investments amounted to SEK 138 million (-26) in the first six months. Cash flow from investing activities in the first six months amounted to SEK -240 million (-259), and primarily consisted of property-related investments as well as equipment. Cash flow from financing activities amounted to SEK -109 million (-152). Cash flow from financing activities consisted, among other things, of dividend to shareholders of SEK -132 million. All in all, cash flow from the first six months amounted to SEK -52 million (-281).

Free cash flow, additional information SEK m	Second quarter		Half year		Full year
	2019/20 excl IFRS 16	2018/19	2019/20 excl IFRS 16	2018/19	2018/19
Cash flow from operating activities before changes in working capital	179	141	329	275	785
Cash flow from changes in working capital	146	207	-33	-145	-101
Cash flow from operating activities	325	348	296	130	684
Investment in intangible non-current assets	-11	-6	-13	-8	-22
Investments in leased property	-28	-36	-80	-69	-174
Investments in equipment	-27	-36	-65	-79	-131
Investments in non-current financial assets	1	-	0	-	-
Free cash flow before expansion investments	260	270	138	-26	356

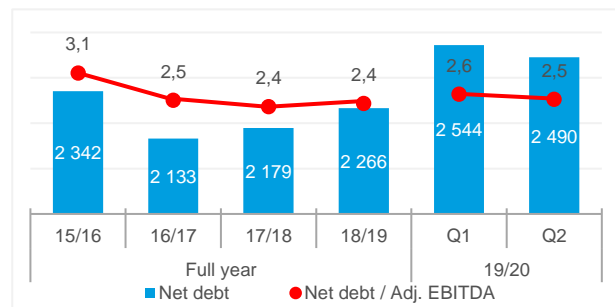


Financial position

According to IFRS 16, leased premises are recognised as right-of-use assets and lease liabilities, respectively, in the balance sheet. Due to this change in accounting principles, total assets have increased by a total of SEK 7,236 million. The comments on financial position below excludes the effect of IFRS 16.

Consolidated equity amounted to SEK 4,594 million (4,262) and the equity/asset ratio increased to 47.0 percent (45.6).

Consolidated interest-bearing net debt as of 31 December 2019 amounted to SEK 2,490 million (2,405). The increase in net debt over the past 12 months is due to expansion. Excluding real estate loans, the adjusted net debt amounted to SEK 1,716 million (1,770). The real estate loans, which consist of both non-current loans in the Norwegian State Housing Bank (Norw. Husbanken) and short-term construction loans, increased over the past 12 months by SEK 139 million to SEK 774 million (635). Building assets increased during the equivalent period by SEK 200 million to SEK 1,170 million (970) which is attributable to the expansion and acquisition of new preschools in Norway.



Non-current interest-bearing liabilities at the end of the quarter totalled SEK 2,188 million (2,194). Current interest-bearing liabilities totalled SEK 777 million (616). Net debt in relation to adjusted EBITDA¹ (rolling 12 months) amounted to 2.5 (2.7), which was lower than the Group's financial target of a maximum of 3.0. Property-adjusted net debt divided by adjusted EBITDA¹ (12m) was 1.7 (2.0).

In Norway, an agreement was reached between employers represented by PBL and employee organisations in the Preschool segment on the new pension plan that will come into force on 1 January 2020. Briefly, under the new plan about 80 percent of employees in the Norwegian operation will transition to a defined contribution pension scheme, while the others will remain in the current defined benefit system. The change in pension plan will result in a one-off positive pension change adjustment in the income statement as of 1 January 2020. The effect is estimated to amount to approximately SEK 40 million based on calculation assumptions and exchange rates. The amount is lower than previously communicated due to change in actuarial assumptions. The one-time effect will be reported as an item affecting comparability during the third quarter. The new pension plan will result in higher pension expenses amounting to approximately SEK 10 million per annum.

¹ Implementation of IFRS 16 had a significant effect on AcadeMedia's financial statements. Key performance indicators based on rolling 12 months are presented excluding the effect of IFRS 16. See pages 30-31 for definitions.



Preschool

- The number of children increased by 2.1 percent to 20,686 (20,267) in the second quarter.
- Sales increased 6.2 percent to SEK 981 million (924).
- Operating profit (EBIT) increased to SEK 27 million (24).

AcadeMedia Preschool segment runs preschools in Sweden, Norway and Germany. In Sweden, the business is conducted in many municipalities with a total of 109 units. In Norway, Espira is the third largest preschool provider with 104 units. In Germany preschools are operated at 46 units. The segment had a total of 259 units during the quarter.

Outcome for the second quarter

The average number of children increased by 2.1 percent compared with the previous year and amounted to 20,686 (20,267). The increase was mainly driven by new establishments in Germany during the past year, acquisitions, and enrolment in existing units. Adjusted for the approximately 800 students from the twelve divested and discontinued units in Sweden the average number of children increased by 6.1 percent in the Preschool Segment.

Sales increased by 6.2 percent and amounted to SEK 981 million (924), mainly attributable to new establishments in Germany. Sales in Sweden declined due to the twelve sold or closed units which last year contributed around SEK 26 million in the quarter (around SEK 100 million in the full year). Translation effects had a negative impact on sales corresponding to SEK -3.9 million.

Operating profit (EBIT) increased to SEK 27 million (24) and the operating margin was 2.8 percent (2.6). Last year's review of the unit portfolio in Sweden and lower costs for temporary staff in Sweden offset higher personnel expenses in Norway due to the new staff density regulation and higher pension costs.

First six months results

The average number of children increased by 1.7 and

amounted to 20,351 (20,004). Net sales increased by 6.1 percent and amounted to SEK 1,736 million (1,636). Translation effects had a negative impact on sales corresponding to SEK -2.9 million.

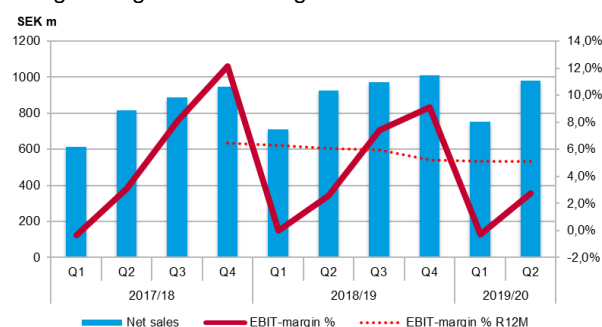
Operating profit (EBIT) for the first half year was SEK 25 million (24), with an operating margin of 1.4 percent (1.5). The result was affected by cost for new establishments in Germany and higher personnel expenses in Norway, which is due to the new staff density regulation and higher pension costs.

Pension expenses in Norway are expected to increase more than previously communicated as a result of the new pension plan that came into effect on 1 January 2020 SEK 5 million during the second half of 19/20. In Sweden, the indication is that the childcare voucher increase for 2020 will be lower than 2019.

Operational changes

During the first quarter, a total of eight preschools opened. During the second quarter three units were acquired, one in Norway and two in Sweden, and three new units opened, one in Norway and two in Germany. In the 2019/20 financial year, five additional new establishments are planned that will have capacity for more than 350 additional children.

During 2020/21 15-20 new preschools are planned to open in Germany. This is our biggest German venture yet. To enable this and future expansion, we are strengthening our central organisation.



Preschool International	Second quarter			Half year			Full year
	2019/20	2018/19	Change	2019/20	2018/19	Change	2018/19
Net sales, SEK m	981	924	6.2%	1,736	1,636	6.1%	3,619
EBITDA, SEK m	49	44	11.4%	68	63	7.9%	262
EBITDA margin	5.0%	4.8%	0.2 p.p.	3.9%	3.9%	0 p.p.	7.2%
Depreciation/amortization	-20	-18	-11.1%	-40	-36	-11.1%	-68
Acquisition related depreciations	-1	-1	-	-3	-3	-	-5
Operating profit (EBIT), SEK m	27	24	12.5%	25	24	4.2%	189
EBIT margin, %	2.8%	2.6%	0.2 p.p.	1.4%	1.5%	-0.1 p.p.	5.2%
Items affecting comparability, SEK m	-	-	n.a.	-	-	n.a.	-
Adjusted operating profit (EBIT), SEK m	27	24	12.5%	25	24	4.2%	189
Adjusted EBIT margin, %	2.8%	2.6%	0.2 p.p.	1.4%	1.5%	-0.1 p.p.	5.2%
Number of children and students	20,686	20,267	2.1%	20,351	20,004	1.7%	20,576
Number of units	259	252	2.8%	256	252	1,6%	254

The segments are reported excl. IFRS 16. The total effect of IFRS 16 is reported only at the consolidated level for the AcadeMedia Group, see note 1 and 2



Compulsory School

- The number of students increased by 3.3 percent to 24,983 (24,195) in the quarter.
- Sales increased by 6.5 percent to SEK 801 million (752).
- Operating profit (EBIT) increased to SEK 43 million (34).

AcadeMedia's Compulsory School segment runs compulsory schools in many municipalities in Sweden under the brands Pysslingen, Vittra and Pops Academy. Operations are based entirely on the school voucher system. The segment had 109 units during the quarter.

Outcome for the second quarter

The average number of students increased by 3.3 percent compared with the previous year and amounted to 24,983 (24,195). The growth, except one small acquisition, was completely attributable to existing units which in some cases expanded their capacity. Net sales increased by 6.5 percent and totalled SEK 801 million (752), which in addition to the increase in volume was also due to the annual adjustment of school vouchers.

Operating profit (EBIT) increased compared with the previous year and was SEK 43 million (34). This resulted in an operating margin of 5.4 percent (4.5). More students and higher capacity utilisation at existing units as well as a salary inflation slowdown were key components that impacted profit and margin. Temporary, the result was also affected by delayed hiring and vacant positions at central support functions. Adjusted EBIT was higher than last year SEK 43 million (30).

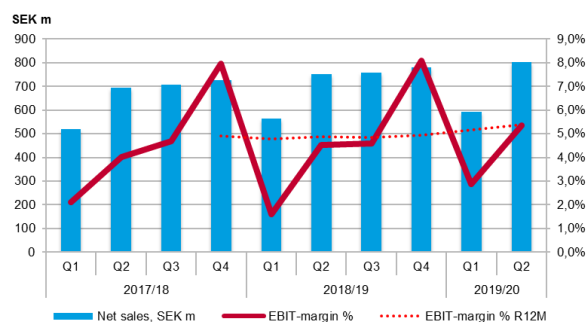
First six months results

The average number of students increased by 3.1 percent and amounted to 24,836 (24,080). Net sales increased by 5.8 percent and amounted to SEK 1,395 million (1,318) mainly an effect of an increased number of students, but also due to the annual school voucher adjustment and increased subsidies for special needs and state subsidies.

Operating profit (EBIT) improved by 39.5 percent and amounted to SEK 60 million (43), with an operating margin of 4.3 percent (3.3). Adjusted EBIT improved compared to last year SEK 60 million (39) and was positively impacted by more students at existing units in combination with stable personnel expenses. Temporary, the result was also affected by delayed hiring and vacant positions at central support functions.

Operational changes

Pops Academy, a school with 330 students, was acquired on 1 December.



Compulsory Schools (Sweden)	Second quarter			Half year			Full year
	2019/20	2018/19	Change	2019/20	2018/19	Change	2018/19
Net sales, SEK m	801	752	6.5%	1,395	1,318	5.8%	2,857
EBITDA, SEK m	60	50	20.0%	93	72	29.2%	203
EBITDA margin	7.5%	6.6%	0.9 p.p.	6.7%	5.5%	1.2 p.p.	7.1%
Depreciation/amortization	-17	-15	-13.3%	-32	-29	-10.3%	-60
Acquisition related depreciations	-0	-0	-	-1	-1	-	-1
Operating profit (EBIT), SEK m	43	34	26.5%	60	43	39.5%	141
EBIT margin, %	5.4%	4.5%	0.9 p.p.	4.3%	3.3%	1 p.p.	4.9%
Items affecting comparability, SEK m	-	4	n.a.	-	4	n.a.	-4
Adjusted operating profit (EBIT), SEK m	43	30	43.3%	60	39	53.8%	145
Adjusted EBIT margin, %	5.4%	4.0%	1.4 p.p.	4.3%	3.0%	1.3 p.p.	5.1%
Number of children and students	24,983	24,195	3.3%	24,836	24,080	3.1%	24,265
Number of units	109	110	-0.9%	109	110	-0.9%	110

The segments are reported excl. IFRS 16. The total effect of IFRS 16 is reported only at the consolidated level for the AcadeMedia Group, see note 1 and 2.



Upper Secondary School (Sweden)

- The number of students increased by 5.1 percent in the second quarter, amounting to 36,656 (34,873).
- Sales increased 6.0 percent in the second quarter to SEK 1,072 million (1,011).
- Operating profit (EBIT) decreased slightly to SEK 76 million (96).

AcadeMedia's Upper Secondary School segment provides upper secondary education throughout Sweden under 14 different brands, offering both academic and vocational programmes. The schools operate entirely based on the school voucher system. The segment had 143 units during the quarter.

Outcome for the second quarter

The number of students increased by 5.1 percent compared with the previous year, amounting to 36,656 (34,873). Growth was attributable to the opening of four new schools, as well as to additional students enrolled in the ten new establishments opened in the autumns of 2017 and 2018. Together these 14 new establishments have admitted approximately 870 additional students. Net sales increased by 6.0 percent to SEK 1,072 million (1,011), as a result of an increase in student enrolment and the annual adjustment of school vouchers.

Operating profit (EBIT) decreased by SEK 20 million compared with the previous year and amounted to SEK 76 million (96), representing an operating margin of 7.1 percent (9.5). Adjusted EBIT was SEK 76 million (96). The segment's continued efforts to safeguard quality in the Praktiska schools, opening of new units, and digitalisation efforts impacted results. The quarter was also affected by marketing activities that last year took place in the fourth quarter.

The permanent efforts to improve quality at Praktiska are now showing results. Our belief is that we since the acquisition has come far to raise the quality in the operation and most of the School Inspectorate's cases are now closed.

In addition, it is the segment's focused opening of new units that puts some pressure on profitability. Fourteen

new schools have opened in the past three years, and it takes on average five years for a new unit to reach expected capacity utilisation and sustainable profitability. Short term, new units put pressure on earnings, but they develop according to plan.

The second quarter was weaker than last year, and for the full year we expect a result in line with last year explained by our efforts on quality at Praktiska, new units, and digitalisation.

First six months results

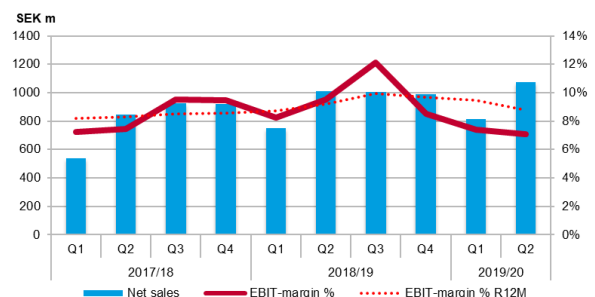
The number of students increased by 5.0 percent to 36,710 (34,969) and net sales increased by 7.1 percent to SEK 1,886 million (1,761). The increase was due new establishments and higher revenue per student.

Operating profit (EBIT) declined and amounted to SEK 135 million (158), the operating margin was 7.2 percent (9.0). The decline in profit was due to marketing activities undertaken earlier than last year, permanent efforts to improve quality in the Praktiska schools, and the opening of new units. Adjusted operating profit was SEK 135 million (153).

Operational changes

Four new upper secondary schools opened at the start of the 2019 autumn term. These schools have admitted about 170 students.

Six new schools are being marketed for start in the autumn of 2020. It will be clearer this spring if these schools will attract enough students to open.



Upper Secondary Schools (Sweden)	Second quarter			Half year			Full year
	2019/20	2018/19	Change	2019/20	2018/19	Change	2018/19
Net sales, SEK m	1,072	1,011	6.0%	1,886	1,761	7.1%	3,757
EBITDA, SEK m	119	133	-10.5%	214	225	-4.9%	506
EBITDA margin	11.1%	13.2%	-2.1 p.p.	11.3%	12.8%	-1.5 p.p.	13.5%
Depreciation/amortization	-42	-36	-16.7%	-76	-65	-16.9%	-138
Acquisition related depreciations	-1	-1	-	-2	-2	-	-4
Operating profit (EBIT), SEK m	76	96	-20.8%	135	158	-14.6%	364
EBIT margin, %	7.1%	9.5%	-2.4 p.p.	7.2%	9.0%	-1.8 p.p.	9.7%
Items affecting comparability, SEK m	-0	-	n.a.	-0	5	n.a.	20
Adjusted operating profit (EBIT), SEK m	76	96	-20.8%	135	153	-11.8%	344
Adjusted EBIT margin, %	7.1%	9.5%	-2.4 p.p.	7.2%	8.7%	-1.5 p.p.	9.2%
Number of children and students	36,656	34,873	5.1%	36,710	34,969	5.0%	34,653
Number of units	143	143	-	143	143	-	143

The segments are reported excl. IFRS 16. The total effect of IFRS 16 is reported only at the consolidated level for the AcadeMedia Group, see note 1 and 2



Adult Education (Sweden)

- Sales increased 3.9 percent to SEK 403 million (388).
- Operating profit (EBIT) was SEK 31 million (-4).

AcadeMedia's Adult Education Segment is Sweden's largest provider of adult education with a presence in about 150 locations in the country. The segment works in three main customer groups: Municipal Higher Education, Higher Vocational Education and Labour Market Services.

Outcome for the second quarter

Net sales for the quarter increased by 3.9 percent and amounted to SEK 403 million (388). Operating profit (EBIT) increased and amounted to SEK 31 million (-4), representing an operating margin of 7.7 percent (-1.0).

The improvement in the quarter was mainly due to the Higher Vocational Education and Municipal Adult Education business areas. Both have trended favourably with increased sales and earnings following positive demand. The segment mix has changed as a result of active measures, and the more profitable areas now account for a larger proportion.

During this period the business linked to Labour Market Services has terminated 20 of 45 locations related to the volume-sensitive contract for vocational and preparatory modules. The remaining operation, which has the option for the Swedish Public Employment Service to be further extended for one year until 31 October 2021, continues to contribute negatively to earnings following low volumes. Efforts to reduce cost is ongoing. Labour Market Services accounts for 9 percent (17) of sales in the segment.

First six months results

Net sales for the first six months increased by 5.5 percent and amounted to SEK 743 million (704). Operating profit (EBIT) increased to SEK 53 million (-4), the profit margin amounted to 7.1 percent (-0.6). Adjusted operating profit (EBIT) was SEK 53 million (11). The higher sales and stronger profitability were related to the shift in segment composition where the more profitable parts now account for a larger proportion

Operational changes

In the Municipal Adult Education business, the City of Stockholm has announced the result of the ongoing procurement process. The allocation has been appealed, but AcadeMedia has preliminary received a good allocation, which means our sales and market-leading position will be maintained. Notice is expected during the third quarter.

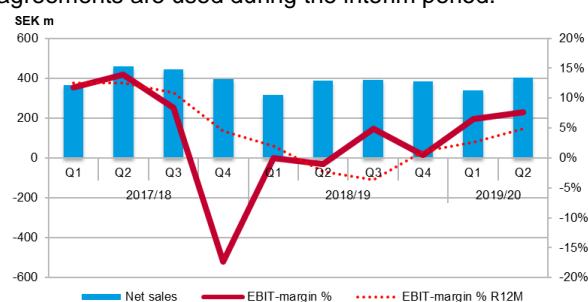
The City of Gothenburg has communicated that the upcoming procurement will focus on the lowest price. New allocation notice is expected in spring 2020. Existing agreements with the City of Stockholm and the City of Gothenburg are valid until 30 June 2020.

The Swedish National Agency for Higher Vocational Education continues its expansion and is now in year three of its five-year expansion plan. In the round of awards in January 2020, AcadeMedia's Higher Vocational Education business received a good allocation and we are growing in line with the market. This is expected to yield about 7 percent participant increase in the autumn of 2020. The Higher Vocational Education business constitutes 24 percent (18) of the segment's total sales in the second quarter.

Market development

The unemployment figures in Sweden are rising for the first time in 1.5 years. This is partly due to a slowdown in the economy and fewer subsidised jobs.

The Government has presented an adjusted reform proposal for the Employment Service, which means that the reform is postponed for one year. We welcome that the process is given time, but it is very important for both the individual and for Sweden that existing agreements are used during the interim period.



Adult Education (Sweden)	Second quarter			Half year			Full year
	2019/20	2018/19	Change	2019/20	2018/19	Change	2018/19
Net sales, SEK m	403	388	3.9%	743	704	5.5%	1 478
EBITDA, SEK m	34	-1	n.m.	60	3	n.m.	32
EBITDA margin	8.4%	-0.3%	8.7 p.p.	8.1%	0.4%	7.7 p.p.	2.2%
Depreciation/amortization	-2	-2	-	-5	-5	-	-10
Acquisition related depreciations	-1	-1	-	-3	-3	-	-5
Operating profit (EBIT), SEK m	31	-4	n.m.	53	-4	n.m.	17
EBIT margin, %	7.7%	-1.0%	8.7 p.p.	7.1%	-0.6%	7.7 p.p.	1.2%
Items affecting comparability, SEK m	-	-15	n.a.	-	-15	n.a.	-15
Adjusted operating profit (EBIT), SEK m	31	11	181.8%	53	11	381.8%	32
Adjusted EBIT margin, %	7.7%	2.8%	4.9 p.p.	7.1%	1.6%	5.5 p.p.	2.2%

The segments are reported excl. IFRS 16. The total effect of IFRS 16 is reported only at the consolidated level for the AcadeMedia Group, see note 1 and 2



Quality

Quality reviews during the second quarter

During the second quarter AcadeMedias quality report for the fiscal year 2018/19 was published. The quality report is available on AcadeMedias web.

Preschools

No quality reviews were carried out at the Swedish, Norwegian or German preschools during the second quarter.

Compulsory schools

No quality reviews were carried out at the Swedish compulsory schools during the second quarter.

Upper Secondary Schools

In December 2019, the Swedish national agency for education published the results for students who graduated from upper secondary school in the spring of 2019. The national statistics confirm AcadeMedia's own analysis of the achieved results which was presented in the interim report for the fourth quarter 2018/19.

The percentage of AcadeMedia's students who met the upper secondary school graduation requirements has increased to 89.5 percent (87.9). The national average rose to 91.0 percent (90.4). The grade point average for students with diplomas was increased to 14.1 points (13.9), the national average increased to 14.4 (14.3). The percentage of students who successfully completed the upper secondary school graduation requirements within three years increased to 74.5 percent (72.9); the national average increased to 76.6 percent (76.1). Grade results continue to vary quite significantly between the brands at AcadeMedia.

Efforts to improve quality at Praktiska are showing results and most of the School Inspectorate's cases are now closed.

Adult Education

No quality reviews were carried out in the Adult Education Segment during the second quarter.

Employees

The average number of full-time employees in the quarter was 12,723 (12,473) which represents an increase of 2.0 percent. The proportion of women in the Swedish operation was 67.4 percent (67.9) in the quarter. Employee turnover in Sweden, measured as the proportion of individuals who resigned, was 11.8 percent aggregated over the six-month period July-December, compared with 13.0 percent aggregated over the corresponding period in the previous year. Absence due to illness for AcadeMedia employees in Sweden (aggregated average short-term absence <90 days) was 3.8 percent (4.4) during the first six months.

Parent Company

Sales during the period amounted to SEK 2 million (2). Operating profit (EBIT) for the period totalled SEK -5 million (-3) and profit after tax was SEK -7 million (-8). The Parent Company's assets essentially consist of participations in Group companies and Group receivables. Operations are financed by equity and debt. Equity in the Parent Company as of 31 December 2019 was SEK 2,596 million (2,717). The Parent Company's interest-bearing debt as of 31 December 2019 was SEK 1,382 million (1 464).



Owners and share capital

AcadeMedia AB (publ) is a public limited company that has been listed on Nasdaq Stockholm since 2016. The number of shares and votes in AcadeMedia AB has increased during the second quarter through conversion of subscription warrants relating to the warrants programme for group management implemented at the Extraordinary General Meeting on 1 June 2016 (Warrant program 2016). In total, the number of shares and votes has increased with 84,460 ordinary shares and as many votes.

As of 31 December 2019, share capital was SEK 105,548,345 and the number of shares amounted to a total of 105,548,345 shares distributed among 105,300,103 ordinary shares and 248,242 Class C shares. The quota value is SEK 1.00 per share. Mellby Gård AB is the largest shareholder in AcadeMedia with 21.0 percent of the capital as of 31 December 2019.

Significant events after the end of the reporting period

Preliminary school voucher increases in Sweden for 2020 amount to 1.8 (2.5) percent. School voucher increases in Norway will amount to 3.7 percent (3.4) and is based on the actual municipal cost for the financial year 2018 adjusted with a cost index for 2019 and 2020. 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.

An increasing number of municipalities decrease the school voucher to allow a large part of the budget to be allocated to socioeconomic factors instead. This type of revenue is more student-specific and therefore not captured in our school voucher analysis. Other revenue, such as increased state subsidiaries are also excluded from this analysis.

Other

Risks and uncertainties

AcadeMedia categorises risks as operating, external and financial and they are described in detail in AcadeMedia AB's 2018/19 Annual Report. Operating risks are the most crucial risks for AcadeMedia and include variations in demand and number of students and participants, risk relating to the supply of qualified employees and payroll expenses, risk relating to quality deficiencies, contractual compliance within adult education, AcadeMedia's reputation and brand, permits, and liability and property risk. With declining demand in a specific unit, fixed expenses and thus rental costs are a risk

Seasonal variations

AcadeMedia's four segments have different seasonal variations. The three school segments show a stable seasonal variation, while the Adult Education segment has a more irregular seasonal variation. The seasonal variations are described in detail in AcadeMedia AB's 2018/19 Annual Report.

The winter break, spring break and summer holiday periods have a major impact on the three school segments. Activity and revenue are lower during these periods. Leave has the greatest impact on the first quarter. Moreover, salary review for most teachers in Sweden takes place on 1 September and this also negatively impacts second quarter margins. School vouchers are adjusted at the beginning of each calendar year in Sweden, Norway and Germany, which has a positive impact on revenue while costs remain relatively unchanged. Taken together, there is a fairly stable seasonal trend with lower earnings levels during the first six months of the year, followed by much stronger figures in the third and fourth quarters.

Adult education does not have recurring seasonal patterns in the same way as the school segments. Seasonal variation is influenced primarily by the contract portfolio and public spending. The number of working days or education days in the period may have some effect.

Outlook

AcadeMedia does not publish any forecasts.



Calendar

31 January 2020	Interim report Q2
5 May 2020	Interim report Q3
28 August 2020	Year-end Report
23 October 2020	Interim report Q1
27 October 2020	Annual Report 2019/20

For further information, please visit <https://corporate.academedia.se>

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

The Board of Directors and the Chief Executive Officer certify that the interim report gives a true and fair overview of the Parent Company's and Group's operations, their financial position and results of operations, and describes significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm January 31, 2020

Anders Bülow
Chairman

Johan Andersson
Board Member

Marcus Strömberg
Chief Executive Officer

Pia Rudengren
Board Member

Håkan Sörman
Board Member

Silvija Seres
Board Member

Anki Bystedt
Board Member

Anders Lövgren
Employee Representative

Fredrik Astin
Employee Representative

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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 31 January 2020.



Consolidated statement of comprehensive income

MSEK	Not	Second quarter			Half year			Rolling 12 months	Full year
		2019/20	2019/20 ex IFRS 16 ¹	2018/19	2019/20	2019/20 ex IFRS 16 ¹	2018/19	Jan 19- Dec 19	2018/19
Net sales	3	3,258	3,258	3,076	5,760	5,760	5,418	12,057	11,715
Cost of services sold		-293	-293	-274	-517	-517	-489	-1,024	-997
Other external expenses		-345	-673	-646	-590	-1,273	-1,227	-2,562	-2,517
Personnel expenses		-2,055	-2,055	-1,940	-3,580	-3,580	-3,366	-7,486	-7,272
Depreciation/amortisation		-84	-84	-73	-158	-158	-136	-301	-280
Acquisition-related depreciation/amortisation		-4	-4	-4	-8	-8	-8	-16	-16
Amortisation of right-of-use assets		-276	-	-	-577	-	-	-	-
Items affecting comparability ²		-0	-0	-11	-0	-0	-6	7	1
Total operating expenses		-3,057	-3,108	-2,948	-5,430	-5,535	-5,233	-11,383	-11,080
OPERATING PROFIT/LOSS (EBIT)		201	150	128	330	225	186	674	635
Interest income and similar profit/loss items	7	-0	-0	0	0	0	1	3	3
Interest expense and similar profit/loss items	7	-15	-15	-24	-30	-30	-41	-61	-72
Interest expense related to right-of-use assets	7	-88	-	-	-180	-	-	-	-
Net financial items		-103	-15	-23	-211	-30	-40	-59	-69
PROFIT/LOSS BEFORE TAX		98	135	105	119	195	146	615	566
Taxes		-23	-31	-25	-28	-45	-35	-145	-136
PROFIT/LOSS FOR THE PERIOD		75	104	79	91	150	111	470	431
Other comprehensive income									
<i>Items that will not be reclassified to profit/loss</i>									
Actuarial gains and losses		-	-	-43	-	-	-88	-45	-133
Deferred tax relating to defined benefit pension plans		-	-	9	-	-	19	10	29
		-	-	-34	-	-	-69	-35	-104
<i>Items that may be reclassified to profit/loss</i>									
Translation differences		-16	-16	-32	-18	-18	-42	22	-3
Other comprehensive income for the period		-16	-16	-66	-18	-18	-111	-13	-106
COMPREHENSIVE INCOME FOR THE PERIOD		58	88	13	73	132	-0	457	324
Profit for the year attributable to:									
Owners of the Parent Company		75	104	79	91	150	111	470	431
Comprehensive income for the period attributable to:									
Owners of the Parent Company		58	88	13	73	132	-0	457	324
Earnings per share basic (SEK)		0.71	0.99	0.75	0.87	1.42	1.05		4.09
Earnings per share basic/diluted (SEK)		0.71	0.99	0.75	0.87	1.42	1.05		4.09
Earnings per share based on number of shares outstanding (SEK)		0.71	0.99	0.75	0.87	1.42	1.05		4.09

¹ Relates to financial statements with application of accounting policies for financial years earlier than 1 July 2019. This entails accounting with application of leases under IAS 17, i.e. effects from leases of real estate are recognised as rent and not as finance leases.

² Items affecting comparability are specified on page 4 and 5. Key performance indicator definitions are on pages 30-31.



Consolidated statement of financial position in summary

SEK m.	Note	31 Dec 2019	IFRS 16 ¹	31 Dec 2019 ex IFRS 16 ²	31 Dec 2018	30 June 2019
ASSETS						
Intangible non-current assets		6,242	-	6,242	6,148	6,231
Buildings		1,170	-	1,170	970	1,129
Right-of-use assets		7,220	7,220	-	-	-
Other property, plant and equipment		913	-	913	794	787
Other non-current assets		70	17	53	65	71
Non-current assets		15,613	7,236	8,377	7,976	8,218
Current receivables		933	-	933	973	976
Cash and cash equivalents		470	-	470	402	527
Current assets		1,404	-	1,404	1,375	1,502
TOTAL ASSETS		17,017	7,236	9,780	9,351	9,720
EQUITY AND LIABILITIES						
Equity		4,535	-59	4,594	4,262	4,589
Non-current liabilities to credit institutions		2,073	-	2,073	2,100	2,131
Non-current lease liabilities, right-of-use assets		6,307	6,307	-	-	-
Provisions and other non-current liabilities		398	-	398	343	379
Non-current liabilities	6	8,778	6,307	2,471	2,443	2,509
Current interest-bearing liabilities		777	-	777	616	592
Current lease liabilities, right-of-use assets		988	988	-	-	-
Other liabilities		1,938	-	1,938	2,030	2,030
Current liabilities	6	3,703	988	2,715	2,646	2,621
TOTAL EQUITY AND LIABILITIES		17,017	7,236	9,780	9,351	9,720

¹ Amounts relate to adjustments and reclassifications made to reverse the adjustments associated with implementation of the new accounting standard, IFRS 16. Lease to reflect an accounting practice applied in previous accounting periods (IAS 17).

² Relates to financial statements with application of accounting policies for financial years earlier than 1 July 2019. This entails accounting with application of leases under IAS 17, i.e. effects from leases of real estate are recognised as rent and not as finance leases.

Consolidated statement of changes in equity in summary

Total equity attributable to owners of the Parent Company

SEK m.	Jul-Dec 2019	Jul-Dec 2018	Jul-Jun 2018/2019
Opening balance	4,589	4,262	4,262
Profit/loss for the period	91	111	431
Other comprehensive income for the period	-18	-111	-106
Consolidated statement of comprehensive income	73	-0	324
Dividend paid	-132	-	-
Other transactions with owners*	4	1	3
Closing balance	4,535	4,262	4,589

* Other transactions with owners in the current year includes new share issue connected to warrants SEK 4,1 million and share-matching program of SEK 0.2 million. Transactions with owners in the previous year include a share-matching program of SEK 0.8 million and issued convertibles of SEK 2.1 million.



Consolidated cash flow statement

Free cash flow, additional information SEK m	Second quarter			Half year			Full year
	2019/20	2019/20 ex IFRS 16 ¹	2018/19	2019/20	2019/20 ex IFRS 16 ¹	2018/19	2019/20
Cash flow from operating activities before changes in working capital	506	179	141	1 011	329	275	785
Cash flow from changes in working capital	146	146	207	-33	-33	-145	-101
Cash flow from operating activities	652	325	348	978	296	130	684
Investment in intangible non-current assets	-11	-11	-6	-13	-13	-8	-22
Investments in leased property	-28	-28	-36	-80	-80	-69	-174
Investments in equipment	-27	-27	-36	-65	-65	-79	-131
Investments in non-current financial assets	1	1	-	0	0	-	-
Free cash flow before expansion investments	587	260	270	820	138	-26	356

MSEK	Second quarter			Half year			Full year
	2019/20	2019/20 ex IFRS 16 ¹	2018/19	2019/20	2019/20 ex IFRS 16 ¹	2018/19	2019/20
Operating profit/loss (EBIT)	201	150	128	330	225	186	635
Depreciation/amortisation	364	87	77	743	165	144	296
Items not included in cash flow	-37	-37	-23	-14	-14	-3	-14
Tax paid	-21	-21	-40	-47	-47	-53	-132
Cash flow from operating activities before changes in working capital	506	179	141	1 011	329	275	785
Cash flow from changes in working capital	146	146	207	-33	-33	-145	-101
Cash flow from operating activities	652	325	348	978	296	130	684
Acquisition of subsidiaries	-26	-26	-0	-27	-27	-0	-34
Investments in buildings	-21	-21	-25	-54	-54	-103	-197
Leasehold improvements	-28	-28	-36	-80	-80	-69	-174
Investments in equipment	-27	-27	-36	-65	-65	-79	-131
Investments in intangible non-current assets	-11	-11	-6	-13	-13	-8	-22
Investments in non-current financial assets	1	1	-	0	0	-	-
Cash flow from investing activities	-112	-112	-103	-240	-240	-259	-559
Interest received (+) and paid (-) (excl IFRS 16)	-13	-13	-16	-27	-27	-31	-56
IFRS 16 - interest paid	-88	-	-	-180	-	-	-
Dividend paid	-132	-132	-	-132	-132	-	-
New share issue	4	4	-	4	4	-	2
Increase (+)/decrease (-) of interest-bearing liabilities	34	34	-229	45	45	-121	-243
IFRS 16 - amortisation, finance lease	-239	-	-	-502	-	-	-
Cash flow from financing activities	-434	-107	-245	-791	-109	-152	-296
CASH FLOW FOR THE PERIOD	106	106	-0	-52	-52	-281	-172
Cash and cash equivalents at beginning of period	368	368	415	527	527	699	699
Exchange-rate differences in cash and cash equivalents	-4	-4	-13	-4	-4	-16	-1
Cash and cash equivalents at end of period	470	470	402	470	470	402	527

¹ Relates to financial statements with application of accounting policies for financial years earlier than 1 July 2019. This entails accounting with application of leases under IAS 17, i.e. effects from leases of real estate are recognised as rent and not as finance leases.



Parent company income statement in summary

SEK m.	Second quarter		Half year		Full year
	2019/20	2018/19	2019/20	2018/19	2018/19
Net sales	2	2	4	2	5
Operating expenses	-6	-5	-12	-11	-24
OPERATING PROFIT/LOSS	-5	-3	-8	-9	-19
Interest income and similar profit/loss items	2	0	3	1	17
Interest expense and similar profit/ loss items	-7	-8	-15	-16	-32
Net financial items	-5	-8	-12	-16	-15
Year-end appropriations	-	-	-	-	34
PROFIT/LOSS BEFORE TAX	-10	-11	-20	-25	-0
Taxes	2	2	5	5	-
PROFIT/LOSS FOR THE PERIOD	-7	-8	-15	-19	-0

Parent company other comprehensive income

SEK m.	Second quarter		Half year		Full year
	2019/20	2018/19	2019/20	2018/19	2018/19
Profit/loss for the period	-7	-8	-15	-19	-0
Other comprehensive income for the period	-	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-7	-8	-15	-19	-0

Parent company balance sheet in summary

SEM m.	31 Dec 2019	31 Dec 2018	30 Jun 2019
ASSETS			
Participations in Group companies	2,247	2,247	2,247
Non-current assets	2,247	2,247	2,247
Current receivables	3,791	4,261	3,853
Cash and cash equivalents	319	262	329
Current assets	4,111	4,523	4,182
TOTAL ASSETS	6,358	6,770	6,430
EQUITY AND LIABILITIES			
Restricted equity	106	105	105
Non-restricted equity	2,490	2,611	2,633
Equity	2,596	2,717	2,738
Non-current liabilities	1,022	1,148	943
Current liabilities	2,740	2,905	2,748
TOTAL EQUITY AND LIABILITIES	6,358	6,770	6,430



Parent Company statement of changes in equity

SEK m.	Jul-Dec 2019	Jul-Dec 2018	Jul-Jun 2018/2019
Opening balance	2,738	2,735	2,735
Profit/loss for the period	-15	-19	0
Other comprehensive income for the period	-	-	0
Consolidated statement of comprehensive income	-15	-19	0
Dividend	-132	-	-
Other transactions with owners*	4	1	3
Closing balance	2,596	2,725	2,738

**) Other transactions with owners in the current year includes new share issue connected to warrants SEK 4,1 million and share-matching program of SEK 0.2 million. In the previous year the amount consisted of share-matching program of SEK 0.8 million and issued convertibles of SEK 2.1 million.*



Notes and accounting policies

Significant events after the end of the reporting period are presented on page 13. Segment reporting is presented on pages 8 to 11. Disclosures about risk factors and seasonality are presented on page 13.

Note 1: Accounting policies

AcadeMedia applies the International Financial Reporting Standards (IFRS) as adopted by the EU. The accounting policies and basis of calculation applied are the same as those described in AcadeMedia's 2018/19 Annual Report, which is available at <https://corporate.academedia.se, except for how leasing agreements are accounted for>. The new accounting policies applied from 2019/20 are IFRS 16 Leases with prospective implementation, the effects of which are presented in note 2. This Interim Report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting, as well as the Annual Accounts Act where applicable. The Interim report for the Parent Company is prepared in accordance with chapter 9 Interim report in the Annual Accounts Act. The interim report includes pages 1 to 31 and pages 1 to 14 are an integrated part of this financial report.

As of 1 July 2019, AcadeMedia has implemented new segment reporting, comparative figures have been recalculated. The changes mean that all independent preschools in Sweden as well as the former segment Preschool International are combined into a new segment and at the same time AcadeMedia's compulsory schools will make up a separate segment. The Upper Secondary School Segment and Adult Education Segment are not affected.



Note 2: Transition to IFRS 16 Leasing

As of 1 July 2019, AcadeMedia applies IFRS 16 Leases with prospective implementation. IFRS 16 requires that all leasing agreement is presented in the balance sheet and that lease payments previously reported as other external expenses is replaced by cost of depreciation related to the right-of-use assets and interest expenses related to the leasing liabilities. The transition has a positive effect on operating income and EBITDA but a negative effect on net income.

In the segment reporting leasing agreements are reported in accordance with the previous accounting policies since that is how the business is monitored. As a result, the adjustment to IFRS 16 will be made in the "Group-OH and adjustments" in the segment summary.

AcadeMedia has lease obligations mainly for premises, IT equipment and vehicles, which amounted to SEK 8,975 million, based on current leases as per 1 July 2019. The majority of the leased assets and obligations relate to 800 rental contracts for properties. The rental contracts related to properties have terms of 1-30 years and cars three years. The rental contracts related to properties often have one or more extension options. Because the exercise of an option to extend requires a new decision, IFRS 16 only includes the option when a decision to continue operations is taken.

When calculating the lease liability (the present value of future lease payments), variable costs such as property tax, VAT, and other variable property costs such as maintenance, electricity, heating and water etc. insofar as these can be distinguished from the rent. The discount rate used to calculate the lease liability related to properties is based on market property yields for community service properties. In Sweden, a discount rate of between 4.1 and 5.6 percent is applied as of 1 July 2019, a rate of 5.0 percent is applied for both Norway and Germany. The discount rate used for AcadeMedia's car leases is the interest stated in each contract.

In transitioning to IFRS 16, AcadeMedia has elected to include three new balance sheet items in the balance sheet: "Right-of-use assets", "non-current and current lease liability". In the income statement, two new lines appear: "Amortisation of right-of-use assets" and "Interest expense, right-of-use asset".

Key performance indicators are also affected by the transition to IFRS 16. Important key performance indicators and key performance indicators based on rolling 12 months are presented adjusted for the effect of IFRS 16.

The IFRS 16 transition effects in the balance sheet per 1 July 2019 are described in the table below. The effects in the first quarter of 19/20 are described in the financial statements on pages 15-17.

SEK m	Before transition 1 Jul 2019	Effect IFRS 16	After transition 1 Jul 2019
ASSETS			
Intangible non-current assets	6,231	–	6,231
Buildings	1,129	–	1,129
Other property, plant and equipment	787	–	787
Right-of-use assets	–	7,026	7,026
Other non-current assets	14	–	14
Deferred tax assets	56	–	56
Total non-current assets	8,218	7,026	15,244
Current receivables	976	–	976
Cash and cash equivalents	527	–	527
Total current assets	1,502	–	1,502
TOTAL ASSETS	9,720	7,026	16,746



SEK m	Before transition 1 Jul 2019	Effect IFRS 16	After transition 1 Jul 2019
EQUITY AND LIABILITIES			
Total equity	4,589	–	4,589
Non-current liabilities to credit institutions	2,131	–	2,131
Long-term lease liability (right-of-use assets)	–	6,055	6,055
Other non-current liabilities (interest-bearing) ¹	74	–	74
Provisions and other non-current liabilities	164	–	164
Deferred tax liability	141	–	141
Total non-current liabilities	2,509	6,055	8,565
Current interest-bearing liabilities to credit institutions	505	–	505
Current lease liability (right-of-use assets)	–	971	971
Other current liabilities interest-bearing ¹	86	–	86
Accounts payable and other current non-interest-bearing liabilities	719	–	719
Other accrued expenses and deferred income	1,310	–	1,310
Total current liabilities	2,621	971	3,592
Total liabilities	5,131	7,026	12,156
TOTAL EQUITY AND LIABILITIES	9,720	7,026	16,746

¹ Including existing financial leases

Note 3: Revenue

SEK m.	Second quarter		Half year		Full year
	2019/20	2018/19	2019/20	2018/19	2018/19
Education-related income	3,152	2,981	5,591	5,260	11,397
State subsidies	58	46	93	76	154
Other income	47	48	76	83	165
Total income	3,258	3,076	5,760	5,418	11,715

Income related to education consists of school vouchers and participant fees. Tuition fees are recognised as revenue and allocated in line with the degree of completion over the period during which the instruction is provided, including time for planning and grading of student learning. Revenue for preschool operations is recognised based on the same fundamental principle. Revenue for services sold is recognised upon delivery to students. Revenue in the adult education operation is based on the same fundamental principles, but also takes into account the empirical estimate of the number of participants not completing the programme started, as well as estimates of compensation received based on the number of participants completing the programme.

State subsidies include State subsidies for the primary school initiative, smaller classes, skills development and before and after school care initiatives. State subsidies are recognised at fair value in the case that there is reasonable certainty that they will be received and that AcadeMedia will meet the conditions attached to the grant. Subsidies received to cover costs are recognised as an expense reduction for the relevant expense item, for example teacher salary premiums, head teacher premiums and other salary subsidies.

Other income refers to income not directly related to education.

Note 4: Related-party transactions

Related party transactions are described in detail in the 2018/19 Annual Report. During the first six months of the financial year no related-party transactions occurred except remuneration to board members.



Not 5: Acquisitions

Acquiring company	Acquired company	Acquisition date	Segment
ACM 2001 AB	TO i Sverige AB	01 Jul 19	Other/Group
Pyslingen Förskolor och Skolor AB	Förskolan Moroten AB	01 Oct 19	Preschool
Pyslingen Förskolor och Skolor AB	Pålsjö Skogs Förskola AB	01 Oct 19	Preschool
ACM 2001 AB	Pops Academy AB	01 Dec19	Compulsory school
Espira Barnehager AS	Espira Tastarustå AS	01 Dec 19	Preschool

The purchase price allocations are preliminary one year from the acquisition date.

The acquisitions above represents a combined value of less than 5 percent of the Group and are therefore not specified separately in the tables. Voting rights in all acquisitions amount to 100 percent.

In all the acquisitions, the purchase consideration was in the form of cash.

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 (SEK m)	Total
Purchase consideration including transaction expenses and interest compensation	46
Purchase consideration excluding transaction expenses and including interest	45
Fair value of acquired net assets excluding goodwill	-11
Total goodwill	34

Fair values acquired (SEK m)	Total
Intangible non-current assets	1
Property, plant and equipment	33
Financial non-current assets	3
Current assets	5
Cash and cash equivalents	14
Interest-bearing liabilities	-30
Non-interest-bearing liabilities	-13
Current tax liability	-2
Deferred tax liability	0
Net assets acquired	11

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

Impact of the acquisitions on the Group's cash and cash equivalents (SEK m)	Total
Purchase consideration excluding transaction expenses and including interest	45
Less purchase consideration that has not been settled in cash as of December 31, 2019	-4
Cash and cash equivalents at time of acquisition	-14
Impact on the Group's cash and cash equivalents	27

Contribution of acquisitions to consolidated profit (SEK m)	Total
Net sales	8
Operating profit (EBIT)	0

If the units had been included in consolidated profit from July 1, 2019 the contribution would have been (SEK m)	Total
Net sales	29
Operating profit (EBIT)	1

During the first quarter of 2019/2020 AcadeMedia divested nine preschool units.



Note 6: Specification of liabilities

SEK m.	31 Dec 2019	IFRS 16 ¹	31 Dec 2019 ex. IFRS 16 ²	31 Dec 2018	30 June 2019
Non-current liabilities					
Non-current liabilities to credit institutions, excl. real estate loans	1,401	-	1,401	1,529	1,486
Non-current interest-bearing liabilities - properties	672	-	672	571	644
Non-current lease liabilities, right-of-use assets	6,307	6,307	-	-	-
Other non-current liabilities (interest-bearing)	115	-	115	94	74
Provisions and other non-current liabilities	283	-	283	249	305
TOTAL Non-current liabilities	8,778	6,307	2,471	2,443	2,509
Current liabilities					
Liabilities to credit institutions and other current interest-bearing liabilities	675	-	675	552	503
Current interest-bearing liabilities - properties	102	-	102	64	89
Current lease liabilities, right-of-use assets	988	988	-	-	-
Accounts payable and other current non-interest-bearing liabilities	610	-	610	747	719
Accrued expenses and deferred income	1,328	-	1,328	1,283	1,310
TOTAL Current liabilities	3,703	988	2,715	2,646	2,621

¹ Amounts relate to adjustments and reclassifications made to reverse the adjustments associated with implementation of the new accounting standard, IFRS 16 Leases to reflect an accounting practice applied in previous accounting periods (IAS 17).

² Relates to financial statements with application of accounting policies for financial years earlier than 1 July 2019. This entails accounting with application of leases under IAS 17, i.e. effects from leases of real estate are recognised as rent and not as finance leases.

Note 7: Specification of financial income and expenses

SEK m.	Second quarter		Half year		Full year
	2019/20	2018/19	2019/20	2018/19	2018/19
Interest income and similar profit/loss items					
Interest income	-0	0	0	1	1
Foreign exchange gains	-	-	-	-	2
Other	-	-	-	-	-
Interest income and similar profit/loss items	-0	0	0	1	3
Interest expense and similar profit/ loss items					
Interest expense excl right-of-use assets	-11	-12	-23	-26	-51
Borrowing costs*	-2	-2	-4	-3	-7
Exchange rate losses	-0	-3	-1	-3	-3
Other	-1	-7	-3	-8	-11
Interest expense and similar profit/ loss items	-15	-24	-30	-41	-72
Interest expense relating to right-of-use assets	-88	-	-180	-	-

* Setup charges for new loans are expensed over the term of the loan.

Note 8: 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 deferred consideration. Since loans to 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. 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 m., unless otherwise stated	Second quarter			Half year			Full year		
	19/20	19/20 ex. IFRS 16 ¹	18/19	19/20	19/20 ex. IFRS 16 ¹	18/19	18/19	17/18	16/17
Profit/loss items, SEK m.									
Net sales	3,258	3,258	3,076	5,760	5,760	5,418	11,715	10,810	9,520
Items affecting comparability	-0	-0	-11	-0	-0	-6	1	-48	-23
EBITDA	565	237	205	1,073	391	330	931	872	827
Depreciation/amortisation	-84	-84	-73	-158	-158	-136	-280	-244	-208
Acquisition-related depreciation/amortisation	-4	-4	-4	-8	-8	-8	-16	-6	-4
Amortisation of right-of-use assets	-276	-	-	-577	-	-	-	-	-
Operating profit/loss (EBIT)	201	150	128	330	225	186	635	622	615
Net financial items	-103	-15	-23	-211	-30	-40	-69	-68	-80
Profit/loss for the period, before tax	98	135	105	119	195	146	566	555	535
Profit/loss for the period after tax	75	104	79	91	150	111	431	430	416
Balance sheet items, SEK m.									
Non-current assets	15,613	8,377	7,976	15,613	8,377	7,976	8,218	7,823	6,574
Current receivables	933	933	973	933	933	973	976	860	695
Cash and cash equivalents	470	470	402	470	470	402	527	699	579
Non-current interest-bearing liabilities	2,188	2,188	2,194	2,188	2,188	2,194	2,205	2,209	2,200
Non-current lease liabilities, right-of-use assets	6,307	-	-	6,307	-	-	-	-	-
Non-current non-interest-bearing liabilities	283	283	249	283	283	249	305	135	114
Current interest-bearing liabilities	777	777	616	777	777	616	592	673	516
Current lease liabilities, right-of-use assets	988	-	-	988	-	-	-	-	-
Current non-interest-bearing liabilities	1,938	1,938	2,030	1,938	1,938	2,030	2,030	2,103	1,577
Equity	4,535	4,594	4,262	4,535	4,594	4,262	4,589	4,262	3,443
Total assets	17,017	9,780	9,351	17,017	9,780	9,351	9,720	9,383	7,849
Capital employed	7,559	7,559	7,072	7,559	7,559	7,072	7,386	7,144	6,158
Net debt	2,490	2,490	2,405	2,490	2,490	2,405	2,266	2,179	2,133
Property-adjusted net debt	1,716	1,716	1,770	1,716	1,716	1,770	1,533	1,528	1,550
KPIs									
Net sales, SEK m	3,258	3,258	3,076	5,760	5,760	5,418	11,715	10,810	9,520
Organic growth incl. smaller bolt-on acquisition, %	6.0%	6.0%	4.5%	6.4%	6.4%	3.8%	4.4%	5.8%	9.0%
Acquired growth, larger bolt-on acquisition, %	-	-	3.9%	-	-	6.9%	3.2%	7.9%	0.8%
Change in exchange rates, %	-0.1%	-0.1%	0.9%	-0.1%	-0.1%	1.0%	0.8%	-0.1%	0.8%
Operating margin (EBIT), %	6.2%	4.6%	4.2%	5.7%	3.9%	3.4%	5.4%	5.8%	6.5%
Adjusted EBIT, SEK m	150	150	139	225	225	191	634	670	638
Adjusted EBIT margin, %	4.6%	4.6%	4.5%	3.9%	3.9%	3.5%	5.4%	6.2%	6.7%
Adjusted EBITDA, SEK m	237	237	216	391	391	336	930	920	850
Adjusted EBITDA margin, %	7.3%	7.3%	7.0%	6.8%	6.8%	6.2%	7.9%	8.5%	8.9%
Net margin, %	2.3%	3.2%	2.6%	1.6%	2.6%	2.0%	3.7%	4.0%	4.4%
Return on capital employed, % (12 months)	9.1%	9.1%	8.8%	9.1%	9.1%	8.8%	8.7%	10.1%	10.9%
Return on equity, % (12 months)	10.5%	10.5%	9.0%	10.5%	10.5%	9.0%	9.7%	11.2%	12.9%
Equity/assets ratio, %	47.0%	47.0%	45.6%	47.0%	47.0%	45.6%	47.2%	45.4%	43.9%
Interest coverage ratio, multiple	13.9	13.9	10.3	13.9	13.9	10.3	12.5	10.9	9.4
Net debt/Adjusted EBITDA (12 months)	2.5	2.5	2.7	2.5	2.5	2.7	2.4	2.4	2.5
Adjusted Net Debt/Adjusted EBITDA (12 months)	1.7	1.7	2.0	1.7	1.7	2.0	1.6	1.7	1.8
Free cash flow	587	260	270	820	138	-26	356	688	658
Cash flow from investing activities	-112	-112	-103	-240	-240	-259	-559	-970	-374
Number of full-time employees	12,723	12,723	12,473	12,623	12,623	12,264	12,405	11,863	10,564

¹ Relates to financial statements with application of accounting policies for financial years earlier than 1 July 2019. This entails accounting with application of leases under IAS 17, i.e. effects from leases of real estate are recognised as rent and not as finance leases. Key performance indicator definitions are on pages 30 to 31.



Quarterly data, Group

SEK m., unless otherwise stated	2019/20		2018/19				2017/18			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	3,258	2,502	3,162	3,135	3,076	2,343	2,993	2,967	2,813	2,037
EBITDA	565	508	290	310	205	126	233	275	232	132
Depreciation/amortisation	-84	-74	-68	-76	-73	-64	-65	-65	-64	-50
Acquisition-related depreciation/amortisation	-4	-4	-4	-4	-4	-4	-2	-2	-1	-1
Amortisation of right-of-use assets	-276	-301	-	-	-	-	-	-	-	-
Items affecting comparability	-	-	-14	20	-11	5	-40	-5	-1	-2
Operating profit/loss (EBIT)	201	129	218	231	128	58	167	209	166	80
Net financial items	-103	-108	-14	-14	-23	-17	-19	-15	-17	-16
Profit/loss after financial items	98	22	204	216	105	41	148	194	149	64
Taxes	-23	-5	-56	-45	-25	-10	-37	-42	-33	-13
Profit/loss for the period	75	16	148	172	79	31	111	152	116	51
Number of children/students, schools	82,325	81,468	79,994	79,873	79,335	78,770	76,233	76,188	72,945	68,098
Number of full-time employees	12,723	12,521	12,487	12,605	12,473	12,055	12,462	12,320	11,789	10,882
Number of education units	511	505	511	507	505	505	501	500	489	446
KPIs										
Operating margin (EBIT), %	6.2%	5.2%	6.9%	7.4%	4.2%	2.5%	5.6%	7.0%	5.9%	3.9%
Adjusted EBIT	150	75	232	210	139	52	207	214	167	82
Adjusted EBIT, %	4.6%	3.0%	7.3%	6.7%	4.5%	2.2%	6.9%	7.2%	5.9%	4.0%
Adjusted EBITDA	237	153	304	290	216	120	274	281	233	133
Adjusted EBITDA, %	7.3%	6.1%	9.6%	9.3%	7.0%	5.1%	9.2%	9.5%	8.3%	6.5%
Net margin, %	2.3%	0.6%	4.7%	5.5%	2.6%	1.3%	3.7%	5.1%	4.1%	2.5%
Return on equity, % (12 months)	10.5%	10.0%	9.7%	9.1%	9.0%	10.6%	11.2%	12.7%	12.7%	13.1%
Return on capital employed, % (12 months)	9.1%	8.8%	8.7%	8.5%	8.8%	9.5%	10.1%	10.6%	10.6%	11.0%
Equity/assets ratio, %	47.0%	46.9%	47.2%	46.8%	45.6%	44.3%	45.4%	45.9%	45.0%	42.6%
Net debt/Adjusted EBITDA (12m) ¹	2.5	2.6	2.4	2.8	2.7	2.9	2.4	2.6	2.6	2.4
Interest coverage ratio, multiple ¹	13.9	13.3	12.5	10.8	10.3	10.6	10.9	11.9	11.6	10.1
Other										
Free cash flow	260	-122	362	21	270	-296	288	118	181	101
Cash flow from operating activities	325	-29	425	129	348	-219	376	153	257	142
Cash flow from investing activities	-112	-128	-130	-170	-103	-156	-115	-124	-668	-63

¹ Net debt/EBITDA and interest coverage ratio are important key performance indicators in AcadeMedia's business which from 1 July 2019 are calculated adjusted for the effect of IFRS 16 Leases to reflect a comparable measure to key performance indicators from previous periods.



Quarterly data, segment

SEK m., unless otherwise stated	2019/20			2018/19			2017/18			
Preschool (Sweden, Norway, Germany)	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children (average)	20,686	20,015	21,319	20,975	20,267	19,741	20,531	20,087	18,876	18,389
Net sales	981	755	1,009	974	924	712	947	888	815	612
Sweden	329	242	356	348	336	251	354	343	327	240
Norway	514	389	544	519	490	369	512	482	434	323
Germany	137	123	108	107	99	91	82	63	54	48
EBITDA	49	19	106	92	44	20	134	89	41	13
EBITDA margin, %	5.0%	2.5%	10.5%	9.4%	4.8%	2.8%	14.1%	10.0%	5.0%	2.1%
Depreciation/amortisation	-20	-20	-12	-19	-18	-18	-18	-16	-15	-14
Acquisition-related depreciation/amortisation	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
Operating profit/loss (EBIT)	27	-2	92	72	24	0	115	72	25	-2
EBIT margin, %	2.8%	-0.3%	9.1%	7.4%	2.6%	0.0%	12.1%	8.1%	3.1%	-0.3%
Items affecting comparability	-	-	-	-	-	-	37	-	-	-
Adjusted operating profit/loss (EBIT)	27	-2	92	72	24	0	78	72	25	-2
Adjusted EBIT margin, %	2.8%	-0.3%	9.1%	7.4%	2.6%	0.0%	8.2%	8.1%	3.1%	-0.3%
Number of education units	259	253	257	254	252	252	249	248	236	230

SEK m., unless otherwise stated	2019/20			2018/19			2017/18			
Compulsory School (Sweden)	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of students (average)	24,983	24,689	24,482	24,417	24,195	23,964	23,678	23,645	23,141	22,791
Net sales	801	594	780	760	752	565	728	706	694	520
EBITDA	60	33	79	51	50	23	71	46	41	21
EBITDA margin, %	7.5%	5.6%	10.1%	6.7%	6.6%	4.1%	9.8%	6.5%	5.9%	4.0%
Depreciation/amortisation	-17	-15	-15	-16	-15	-13	-13	-13	-13	-11
Acquisition-related depreciation/amortisation	-0	-	-	-	-	-	-	-	-	-
Operating profit/loss (EBIT)	43	17	63	35	34	9	58	33	28	11
EBIT margin, %	5.4%	2.9%	8.1%	4.6%	4.5%	1.6%	8.0%	4.7%	4.0%	2.1%
Items affecting comparability	-	-	-8	-	4	-	-	-	-	-
Adjusted operating profit/loss (EBIT)	43	17	71	35	30	9	58	33	28	11
Adjusted EBIT margin, %	5.4%	2.9%	9.1%	4.6%	4.0%	1.6%	8.0%	4.7%	4.0%	2.1%
Number of education units	109	109	110	110	110	110	111	111	111	110

SEK m., unless otherwise stated	2019/20			2018/19			2017/18			
Upper Secondary School (Sweden)	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of students (average)	36,656	36,764	34,194	34,481	34,873	35,065	32,024	32,456	30,928	26,918
Net sales	1,072	814	990	1,006	1,011	750	920	926	845	539
EBITDA	119	95	121	160	133	92	118	121	97	62
EBITDA margin, %	11.1%	11.7%	12.2%	15.9%	13.2%	12.3%	12.8%	13.1%	11.5%	11.5%
Depreciation/amortisation	-42	-34	-36	-38	-36	-29	-31	-32	-33	-23
Acquisition-related depreciation/amortisation	-1	-1	-1	-1	-1	-1	-1	-0	-0	-
Operating profit/loss (EBIT)	76	60	84	122	96	62	87	88	63	39
EBIT margin, %	7.1%	7.4%	8.5%	12.1%	9.5%	8.3%	9.5%	9.5%	7.5%	7.2%
Items affecting comparability	-0	-	-6	20	-	5	-13	-1	-1	0
Adjusted operating profit/loss (EBIT)	76	60	90	102	96	56	100	89	64	39
Adjusted EBIT margin, %	7.1%	7.4%	9.1%	10.1%	9.5%	7.5%	10.9%	9.6%	7.6%	7.2%
Number of education units	143	143	144	143	143	143	141	141	142	106



SEK m., unless otherwise stated	2019/20		2018/19				2017/18			
Adult Education (Sweden)	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	403	339	382	392	388	315	397	444	459	366
EBITDA	34	26	6	22	-1	4	-66	39	66	45
EBITDA margin, %	8.4%	7.7%	1.6%	5.6%	-0.3%	1.3%	-16.6%	8.8%	14.4%	12.3%
Depreciation/amortisation	-2	-3	-3	-2	-2	-2	-2	-2	-2	-2
Acquisition-related depreciation/amortisation	-1	-1	-1	-1	-1	-1	-	-	-	-
Operating profit/loss (EBIT)	31	22	2	19	-4	0	-69	37	64	43
EBIT margin, %	7.7%	6.5%	0.5%	4.8%	-1.0%	0,0%	-17.4%	8.3%	13.9%	11.7%
Items affecting comparability	-	-	-	-	-15	-	-61	-	-	-
Adjusted operating profit/loss (EBIT)	31	22	2	19	11	0	-7	37	64	43
Adjusted EBIT margin, %	7.7%	6.5%	0.5%	4.8%	2.8%	0,0%	-1.8%	8.3%	13.9%	11.7%

SEK m., unless otherwise stated	2019/20		2018/19				2017/18			
Group-OH and adjustments	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	0	0	0	4	0	0	1	3	0	0
EBITDA	302	335	-22	-15	-21	-13	-23	-20	-13	-9
Depreciation/amortisation	-2	-2	-2	-1	-1	-1	-1	-1	-1	-1
Acquisition-related depreciation/amortisation	-	-	-	-	-	-	-	-	-	-
Amortisation of right-of-use assets	-276	-301	-	-	-	-	-	-	-	-
Operating profit/loss (EBIT)	23	32	-24	-16	-22	-14	-24	-21	-14	-10
Items affecting comparability	-	-	-	-	-0	-	-3	-4	0	-2
Adjusted operating profit/loss (EBIT)	-27	-22	-24	-16	-22	-14	-22	-17	-14	-9

SEK m., unless otherwise stated	2019/20		2018/19				2017/18			
GROUP	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children (average)	82,325	81 468	79 994	79 873	79 335	78 770	76 233	76 188	72 945	68 098
Net sales	3,258	2 502	3 162	3 135	3 076	2 343	2 993	2 967	2 813	2 037
EBITDA	565	508	290	310	205	126	233	275	232	132
EBITDA margin, %	17.3%	20,3%	9,2%	9,9%	6,7%	5,4%	7,8%	9,3%	8,2%	6,5%
Depreciation/amortisation	-84	-74	-68	-76	-73	-64	-65	-65	-64	-50
Acquisition-related depreciation/amortisation	-4	-4	-4	-4	-4	-4	-2	-2	-1	-1
Amortisation of right-of-use assets	-276	-301	-	-	-	-	-	-	-	-
Operating profit/loss (EBIT)	201	129	218	231	128	58	167	209	166	80
EBIT margin, %	6.2%	5,2%	6,9%	7,4%	4,2%	2,5%	5,6%	7,0%	5,9%	3,9%
Items affecting comparability	-	-	-14	20	-11	5	-40	-5	-1	-2
Effect of IFRS 16 on operating profit	51	54	-	-	-	-	-	-	-	-
Adjusted operating profit/loss (EBIT)	150	75	232	210	139	52	207	214	167	82
Adjusted EBIT margin, %	4.6%	3,0%	7,3%	6,7%	4,5%	2,2%	6,9%	7,2%	5,9%	4,0%
Net financial items	-103	-108	-14	-14	-23	-17	-19	-15	-17	-16
Profit/loss after financial items	98	22	204	216	105	41	148	194	149	64
Taxes	-23	-5	-56	-45	-25	-10	-37	-42	-33	-13
Profit/loss for the period	75	16	148	172	79	31	111	152	116	51
Number of full-time employees (period)	12,723	12 521	12 487	12 605	12 473	12 055	12 462	12 320	11 789	10 882
Number of units*	511	504	511	507	505	505	501	500	489	446



Reconciliation of alternative key performance indicators

The table below presents the data from which the alternative performance indicators used in the report are calculated. See definitions for more information.

SEK m., unless otherwise stated	Q2		Full year			
	2019/20	2018/19	2018/19	2017/18	2016/17	2015/16
Net debt						
Non-current interest-bearing liabilities	8,495	2,194	2,205	2,209	2,200	2,116
+ Current interest-bearing liabilities	1,764	616	592	673	516	568
- Interest-bearing receivables ³	4	4	4	4	4	11
- Cash and cash equivalents	470	402	527	699	579	331
- IFRS 16 Non-current and current lease liabilities ¹	7,295	-	-	-	-	-
= Net debt excluding IFRS 16²	2,490	2,405	2,266	2,179	2,133	2,342
Property-adjusted net debt						
Net debt (as described above)	2,490	2,405	2,266	2,179	2,133	2,342
- non-current property loans	672	571	644	603	467	278
- current property loans	102	64	89	48	116	197
= Property-adjusted net debt excluding IFRS 16²	1,716	1,770	1,533	1,528	1,550	1,865
Return on capital employed %, 12 months						
Adjusted EBIT (12 months)	667	613	634	670	638	567
+ Interest income (12 months)	1	2	1	2	7	6
divided by						
Average equity (12 months)	4,399	4,130	4,426	3,853	3,216	2,647
+ average non-current interest-bearing liabilities	5,344	2,217	2,207	2,204	2,158	2,363
+ average current interest-bearing liabilities	1,190	623	632	594	542	641
IFRS 16 average equity ¹	-29	-	-	-	-	-
- IFRS 16 average non-current and current lease liabilities ¹	3,647	-	-	-	-	-
Return on capital employed excluding IFRS 16², %	9.1%	8.8%	8.7%	10.1%	10.9%	10.1%
Return on equity %, 12 months						
Profit/loss after tax (12 months)	411	373	431	430	416	319
- IFRS 16 profit/loss after tax (12 months)	-59	-	-	-	-	-
divided by						
Average equity (12 months)	4,399	4,130	4,426	3,853	3,216	2,647
IFRS 16 average equity ¹	-59	-	-	-	-	-
= Return on equity excluding IFRS 16², %	10.5%	9.0%	9.7%	11.2%	12.9%	12.1%

SEK m., unless otherwise stated	2019/20			2018/19			2017/218			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Interest coverage ratio, multiple										
Adjusted EBIT (12 months)	667	656	634	609	613	641	670	693	676	650
+ Interest income (12 months)	1	1	1	1	2	2	2	1	1	6
+ Other financial income (12 months)	2	2	2	2	4	4	4	3	0	0
divided by										
Interest expense (12 months) excl IFRS 16	-48	-50	-51	-57	-60	-61	-62	-59	-58	-65
= Interest coverage ratio, multiple (excl IFRS 16)	13.9	13.3	12.5	10.8	10.3	10.6	10.9	11.9	11.6	10.1

¹ Amounts relate to adjustments and reclassifications made to reverse the adjustments associated with implementation of the new accounting standard, IFRS 16, in order to reflect an accounting practice applied in previous accounting periods (IAS 17).

² Relates to financial statements with application of accounting policies for financial years earlier than 1 July 2019. This entails accounting with application of leases under IAS 17, i.e. effects from leases of real estate are recognised as rent and not as finance leases.

³ Included in the line item Other non-current assets in the consolidated balance sheet



Definitions of key performance indicators

Implementation of IFRS16 has a major impact on AcadeMedia in that all leases must be capitalised as lease assets and liabilities, respectively. Several important key performance indicators have the same definition as previously and are not affected by IFRS 16. AcadeMedia uses prospective application, which means that the previous year's accounts have not been restated. This means that certain key performance indicators such as return on equity and capital employed can only be calculated excluding IFRS 16.

KPIs	Definition	Purpose ¹
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.	The 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.	The 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 full-time employees during the period, full-time equivalent (FTE).	The number of employees is the main cost driver for the Company
Return on equity excl IFRS16	Profit/loss for the most recent 12-month period excluding IFRS16, divided by average equity excl IFRS16 (opening balance + closing balance)/2. This key performance indicator is not affected by IFRS16.	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 excl IFRS16	Adjusted operating profit/loss (EBIT) for the most recent 12-month period plus interest income, divided by average capital employed excl IFRS16 (opening balance + closing balance)/2. This key performance indicator is not affected by IFRS16.	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.
EBITDA	Operating profit/loss before amortisation and impairment of non-current assets and right-of-use assets. IFRS16 has a positive impact on this key performance indicator since rent is excluded.	EBITDA is used to measure profit (loss) from operating activities, regardless of depreciation/amortisation.
EBITDA margin	EBITDA as a percentage of net sales. IFRS16 has a positive impact on this key performance indicator since rent is excluded.	EBITDA margin is used to set EBITDA in relation to sales.
Equity excl IFRS16	Equity excluding the effects of IFRS16 that come via profit/loss for the period.	Equity excluding IFRS16 is used to be able to calculate return on equity consistently.
Net financial items	Financial income less financial expenses- IFRS16 has a negative impact on this key performance indicator since interest expense on right-of-use assets is included.	The measure Net financial items is used to illustrate the outcome of the Company's financial activities.
Free cash flow	Cash flow from operating activities or changes in working capital less investments in operating activities. Investments in operating activities relate to all investments in property, plant and equipment and intangible assets except buildings and acquisitions. This key performance indicator is not affected by IFRS16.	This measure shows how much cash flow the business generates after the necessary investments have been made. This cash flow can be used for purposes such as expansion, amortisation, or dividends.
Acquired growth	Increase of net sales due to larger acquisitions during the last 12 months.	Indicates growth generated from acquisitions in contrast to organic growth and currency effects.
Acquisition-related depreciation/amortisation	Depreciation related to assets gained in acquisitions.	Separates depreciation on assets gained in acquisitions, e.g. excess value in real estate and brands.
Adjusted EBITDA	Operating profit/loss before amortisation/depreciation of intangible assets and property, plant and equipment, excluding items affecting comparability and excluding the effects of IFRS16. Thus, this key performance indicator includes rental costs and is not affected by IFRS16.	Adjusted EBITDA is used to measure underlying profit from operating activities, excluding depreciation/amortisation and items affecting comparability.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales. This key performance indicator is not affected by IFRS16.	Adjusted EBIT margin sets underlying operating profit excluding amortisation in relation to sales.
Adjusted net debt	Net debt less real estate-related This key performance indicator is not affected by IFRS16.	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 off and sold.
Adjusted net debt/Adjusted EBITDA	Adjusted net debt divided by adjusted EBITDA for the past 12 months. This key performance indicator is not affected by IFRS16.	Net debt/adjusted EBITDA is a theoretical measure of how many years it would take, with current earnings (adjusted EBITDA), to pay off the Company's liabilities, including property-related loans. It shows the loan-to-value ratio of the business excluding real assets such as real estate.
Adjusted EBIT	Operating profit/loss (EBIT) excluding items affecting comparability and excluding the effects of IFRS16. This key performance indicator includes rental costs and is not affected by IFRS16.	Adjusted EBIT is used to get a better picture of the underlying operating profit.
Adjusted EBIT margin	Adjusted EBIT as a percentage of net sales.	Adjusted EBIT margin sets underlying operating profit in relation to sales.

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



Items affecting comparability	Items affecting comparability are income and cost of an irregular nature such as larger (>SEK 5 million) retroactive income related to prior financial years, items related to property such as capital gains, major property damage not covered by insurance, advisory costs relating to larger acquisitions or fundraising, major integration costs resulting from acquisitions or reorganisations according to plan, as well as costs arising from strategic decisions and major restructuring that result in winding up of units.	Items affecting comparability are used to illustrate the profit/loss items that are not included in ongoing operating activities, in order to obtain a clearer picture of the underlying profit trend.
Cash flow from operating activities	Cash flow from operating activities including changes in working capital and before cash flows from investing and financing activities. IFRS16 has a positive impact on this measure since rental costs are excluded.	Cash flow from operating activities is used as a measure of the cash flow that the Company generates before investments and financing.
Cash flow from investments	Cash flow from investing activities according to the cash flow analysis. This includes investments and divestments of buildings, acquisitions and investments in property, plant and equipment and intangible assets. Investments financed via leases are not included. This key performance indicator is not affected by IFRS16.	Cash flow from investments is used to regularly measure how much cash is used to maintain operations and for expansion.
Cash flow from financing activities	Cash flow from financing activities according to the cash flow analysis. This includes increase/decrease of loans, interest received/paid, new share issue and dividends IFRS16 has had a negative impact on this figure since interest paid and amortisation of finance lease liability related to right-of-use assets are included.	Cash flow from financing activities is used to
Net debt	Interest-bearing debt (current and non-current) excluding lease liabilities related to right-of-use assets net of cash and cash equivalents and interest-bearing receivables (current and non-current). This key performance indicator is not affected by IFRS16.	Net debt is used to illustrate 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. This key performance indicator is not affected by IFRS16.	Net debt/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.
Organic growth incl. smaller bolt-on acquisitions	Increase of net sales excluding larger acquisitions and changes in currency.	The Company's growth target is to increase net sales including smaller bolt-on acquisitions by 5-7 percent per year. The purpose of the key performance indicator is thus to follow up on this target.
Employee turnover	The 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) Calculated on an aggregated basis over the reporting period.	Employee turnover is used to measure the proportion of employees who leave the company and who must be replaced every year.
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. The key performance indicator is affected by IFRS16 because net profit is affected by elimination of rent and the addition of amortisation and interest expense related to right-of-use assets.	Earnings per share is used to clarify the amount of profit for the period to which each share is entitled.
Earnings per share excl IFRS 16	Earnings per share excl the effects of IFRS16.	The purpose is to present earnings per share according to the same accounting policies as before the implementation of IFRS 16 to create comparability over time.
Interest coverage ratio excl IFRS 16	Adjusted EBIT for the past 12 months plus financial income, in relation to interest expense excluding interest expense attributable to right-of-use assets. This key performance indicator is not affected by IFRS16.	Interest coverage ratio is used to measure the Company's ability to pay interest costs.
Operating margin (EBIT margin)	Operating profit/loss as a percentage of net sales. In the Group this measure is affected by IFRS16. However, the EBIT for the segment is not affected.	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. In the Group this measure is affected by IFRS16. However, the EBIT for the segment is not affected.	Operating profit/loss (EBIT) is used to measure operating profit before financing and tax.
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). Calculated as an average over the reporting period.	Absence due to illness is used to measure employee absence and provide indications as to employee health.
Equity/assets ratio	EQUITY excluding the effects of IFRS16 in percent of total assets excluding IFRS16. This key performance indicator is not affected by IFRS16.	The equity/assets ratio shows the proportion of the Company's total assets financed by shareholders' equity. A high equity/assets ratio is a measure of financial strength.
Capital employed excl IFRS16	Total assets, less non-interest-bearing current liabilities and provisions, adjusted for non-current and current lease liabilities related to right-of-use assets as well as provisions and deferred tax liabilities. Or: Equity plus non-current and current interest-bearing liabilities but excluding non-current and current lease liabilities related to right-of-use assets. This key performance indicator is not affected by IFRS16.	Capital employed indicates how much capital is needed to run the business regardless of type of financing (borrowed or equity). By excluding the IFRS16 effect, continuity can be achieved in the return figure.

General

All amounts in tables are in SEK million unless otherwise stated. All figures in parentheses () are comparative figures for the same period in 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.

