



Pysslingen, Norrskenet Luleå

Change through Education

AcadeMedia AB (publ)

INTERIM REPORT July – December 2020

Net sales, adjusted for currency effects, increased by 7.3 percent organically

Continued strong demand for adult education drive earnings growth

Swedish Education Group with approximately 2,600 students and 1,300 adult education participants was acquired in the quarter

AcadeMedia

Academedia

Interim report quarter 2 2020/21

Second quarter (October – December 2020)

- Net sales increased by 5.5 percent and amounted to SEK 3,436 million (3,258). Organic growth, including bolt-on acquisitions and adjusted for currency effects, was 7.3 percent.
- Operating profit (EBIT) amounted to SEK 273 million (201).
- Adjusted operating profit, adjusted for items affecting comparability and effects of IFRS 16, amounted to SEK 224 million (150). Items affecting comparability amounted to SEK -9 million (-).
- Net profit for the period amounted to SEK 133 million (75).
- Free cash flow amounted to SEK 572 million (260).
- The average number of children and students in preschool, compulsory school, and upper secondary school during the second quarter was 85,927 (82,325), representing an increase of 4.4 percent. Growth was organic.
- Diluted earnings per share was SEK 1.26 (0.71). Adjusted for IFRS 16, diluted earnings per share was SEK 1.49 (0.99).
- The pandemic impacted all segments and distance education was resumed at the upper secondary schools. Activities have been postponed or delayed.
- In December, Swedish Education Group was acquired. It will be included in the Compulsory school, Upper secondary school, and the Adult education segments from quarter 3.

First six months (July – December 2020)

- Net sales increased by 5.5 percent to SEK 6,077 million (5,760). Organic growth, including bolt-on acquisitions and adjusted for currency effects, amounted to 7.3 percent.
- Operating profit (EBIT) amounted to SEK 495 million (330).
- Operating profit, adjusted for items affecting comparability and effects of IFRS 16, amounted to SEK 375 million (225). Items affecting comparability amounted to SEK 1 million (-).
- Net profit for the period amounted to SEK 224 million (91).
- Free cash flow amounted to SEK 529 million (138).
- The average number of children and students in preschool, compulsory school, and upper secondary school during the first six months was 85 785 (81,897), representing an increase of 4.7 percent. Growth was completely organic.
- Diluted earnings per share was SEK 2.12 (0.87). Adjusted for IFRS 16, diluted earnings per share was SEK 2.61 (1.42).

Second quarter Group (SEK m)	Second quarter			Half year			Rolling 12 m	Full year
	2020/21	2019/20	Change	2020/21	2019/20	Change	Jan 20 - Dec 20	2019/20
Net sales	3,436	3,258	5.5%	6,077	5,760	5.5%	12,589	12,271
Adjusted EBITDA ¹	315	237	32.9%	550	391	40.7%	1,226	1,066
Adjusted EBITDA margin, %	9.2%	7.3%	1.9 p.p.	9.1%	6.8%	2.3 p.p.	9.7%	8.7%
Operating profit	273	201	35.8%	495	330	50.0%	1,138	973
EBIT margin, %	7.9%	6.2%	1.7 p.p.	8.1%	5.7%	2.4 p.p.	9.0%	7.9%
Adjusted operating profit (EBIT) ¹	224	150	49.3%	375	225	66.7%	878	728
Adjusted EBIT margin, %	6.5%	4.6%	1.9 p.p.	6.2%	3.9%	2.3 p.p.	7.0%	5.9%
Total financial items	-100	-103	2.9%	-204	-211	3.3%	-410	-417
Income before taxes	173	98	76.5%	290	119	143.7%	727	556
Profit/loss for the period	133	75	77.3%	224	91	146.2%	564	431
Earnings per share basic/diluted (SEK)	1.26	0.71	76.5%	2.12	0.87	145.3%	5.35	4.09
Free cash flow ³	572	260	120.0%	529	138	283.3%	1,196	805
Number of children and students ²	85,927	82,325	4.4%	85,785	81,897	4.7%	-	82,433
Number of FTEs	13,127	12,723	3.2%	12,971	12,623	2.8%	n.m.	12,686

¹ The key performance indicators Adjusted EBITDA and Adjusted EBIT are performance measures adjusted for items affecting comparability and with lease agreements reported as it was applied in previous accounting periods (IAS 17). This means that real estate leases are recognised as rent and not as finance leases. ² Excl. Adult Education. ³ The key indicator was calculated applying IAS 17 ie excluding effects from implementing IFRS 16. See definitions on pages 30 to 31.



From our CEO

The second quarter of the financial year showed continued high demand for AcadeMedia's education programmes. Higher number of applicants to our adult education programmes and in the school segments the student numbers increased by 4.4 percent. In total, the Group's net sales rose by 5.5 percent. Margins increased in all segments, except for the Preschool Segment, which was affected in Germany by the ongoing pandemic.

The margin increase for the Compulsory School and Upper Secondary School segments was the result of more children and students, but also of cost control and lower costs as activities had to be cancelled or postponed because of the pandemic. The Covid-19 pandemic has a significant impact on day-to-day operations, however our solid business model and strong digital skills have eased the challenges posed by the pandemic. So, alongside our day-to-day work we have been able to continue our long-term strategic efforts, enabling us to welcome Swedish Education Group (SEG) to AcadeMedia.

Continued high demand for adult education

Many components of our Adult Education Segment were starting to fall into place before the beginning of this financial year. Protracted tendering processes were completed and new agreements were signed, unprofitable contracts with the Swedish Public Employment Agency were ended, and allocation to our vocational schools was good. We also saw higher numbers of applicants to our autumn programmes. Consequently, the Adult Education Segment experience good conditions and continues to generate strong earnings and margins. Adjusted operating profit rose to SEK 75 million for the quarter. High demand allows us to run our education programmes at high utilisation, strengthening the segment's profitability. In addition, the Swedish Public Employment Agency is directing more job seekers to various labour market services, which also has a positive effect. It remains our judgement that the EBIT margin in the Adult Education Segment should over time be 9–11 percent.

Looking ahead, it is gratifying that the Swedish National Agency for Higher Vocational Education continues to show confidence in us through its allocation of 7,660 programme places starting in autumn 2021, which equates to approximately 19.3 (14.5) percent of the total granted programme places. This allocation means that we gain market share. The programmes run for 1–3 years. The financial effects will only be realised after participants have started their programmes.

Behind these figures are thousands of people who, for a variety of reasons, have chosen to attend one of our programmes. We have a broad education portfolio, extensive experience of distance education, and committed colleagues who every day ensure that students receive knowledge and insights that lead to jobs. This is an important social responsibility that we are proud of.

Acquisitions strengthen our position

At the end of the quarter, the Swedish Competition Authority approved our acquisition of Swedish Education Group (SEG). With six schools in a number of Swedish cities and a total of 2,600 students, 1,300 adult education participants, and 320 employees, the acquisition primarily strengthens AcadeMedia's position in upper secondary and higher vocational education. Shortly after the second quarter, we acquired a compulsory school and associated

preschool, Stockholms Internationella Montessoriskola (Stims), with approximately 800 children and students.

We have for some time been working to clarify the educational profiles of our compulsory schools. The key objective is to make it easier for families to choose the right school, and we believe this will have a positive impact going forward. Stims, one of Sweden's leading Montessori schools, will be an integral part of this work.

It will be both stimulating and exciting to work with these schools as part of the AcadeMedia family. We are a solid, long-term owner and view acquisitions as a way for both parties to develop and learn.

Development of the Swedish school system is welcomed

Schools and education are a cornerstone of the Swedish welfare system. The development of the Swedish school, in which independent providers have an integral role, is vital. Admittedly, Swedish students' knowledge gap in relation to other countries has stabilised, however within Sweden challenges remain when it comes to raising knowledge levels and giving all students equal opportunities. Almost 400,000 students in Sweden attend independent preschools, compulsory and upper secondary schools, which is around 19 percent of all students. It is important that independent and municipal providers work together with authorities and the Swedish Ministry of Education to develop the system and create greater equality.

The consultation period for two government inquiries expired in November 2020. These inquiries made proposals for developing the Swedish school system. Some of the proposals are progressive, while others are not as well considered. The Swedish Government Offices are now compiling the consultation comments and the government will discuss the matter with other parties. It remains to be seen whether these proposals are presented in full, in part, or not at all to a vote by the Swedish Parliament. We expect the debate how schools should be funded, organised, and developed to continue until the election.

Sterling work by our employees

During the quarter, our operations were significantly affected by the second wave of the pandemic, and larger parts of the Swedish operation than before switched to distance learning. Our colleagues across all segments are doing their utmost to create as normal an environment as possible, with continuity and a focus on learning. I cannot speak highly enough of the resilience and commitment they are showing. The Christmas holidays were a welcome break for many, providing the opportunity to recharge their batteries. I would like to conclude by expressing my heartfelt thanks to our colleagues who are handling the current situation brilliantly. And a request to everyone who is in contact with schools, either through their children or someone else, to please give the staff you meet a little extra encouragement as a thank you for their sterling efforts.

Marcus Strömberg

President and CEO

AcadeMedia AB (publ)

Development in the second quarter (October to December 2020)

Impact following the corona pandemic

Rising unemployment continues to drive strong demand for adult education, contributing to a substantial volume increase for all business areas in the Adult Education Segment. Cancelled or postponed activities reduced cost with approximately SEK 20 million in the school segments and group overhead. The Preschool Segment has been negatively affected in Germany where delayed new openings slowed down growth in number of children and a lower capacity utilization impacted operating profit.

Volume development and net sales

Net sales in the second quarter increased by 5.5 percent to SEK 3,436 million (3,258). Organic growth, including bolt-on acquisitions and adjusted for fx-effects, amounted to 7.3 percent. No larger acquisitions affected sales in the quarter. The average number of children and students, excluding the Adult Education Segment, increased by 4.4 percent to 85,927 (82,325).

Adjusted EBIT and operating profit (EBIT)

Adjusted EBIT was SEK 224 million (150) with an adjusted EBIT margin of 6.5 percent (4.6). Operating profit (EBIT) was SEK 273 million (201) with an EBIT margin of 7.9 percent (6.2).

Earnings increased mainly due to more students in all business areas of the Adult Education Segment leading to high capacity utilization. The Compulsory School and Upper Secondary School Segments also showed increased profit and margin following growth in number of children and students. Cancelled or postponed activities due to the pandemic, lowered expenses by approximately SEK 20 million in the school segments and group functions. In the Preschool Segment, growth in number of children slowed down due to delayed new openings in Germany. The operating profit was also negatively impacted following lower capacity utilization in Germany.

Group overhead expenses decreased as an effect of cost reduction initiatives during last year, but also due to cancelled and postponed activities.

Net financial items

Net financial items for the quarter amounted to SEK -100 million (-103) of which interest expense from property related lease liabilities was SEK -91 million

Second quarter in summary by segment

	Number of students (average)		Net sales, SEK m.		Adjusted operating profit/loss (EBIT), SEK m.		Adj. EBIT margin		Operating profit/loss (EBIT), SEK m		EBIT margin	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Preschool	20,969	20,686	958	981	19	27	2.0%	2.8%	19	27	2.0%	2.8%
Compulsory School	26,193	24,983	851	801	52	43	6.1%	5.4%	52	43	6.1%	5.4%
Upper Secondary School	38,765	36,656	1,142	1,072	97	76	8.5%	7.1%	97	76	8.5%	7.1%
Adult Education	- ¹	- ¹	484	403	75	31	15.5%	7.7%	75	31	15.5%	7.7%
Group adj., Parent Company	-	-	1	0	-19	-27	-	-	-28	-27	-	-
Impact from IFRS 16 ²	-	-	-	-	-	-	-	-	59	51	-	-
Total	85,927	82,325	3,436	3,258	224	150	6.5%	4.6%	273	201	7.9%	6.2%

¹ Adult education volume is not measured by the number of participants as the length of the programmes varies from single occasions to academic years.

² Please see note 2 for information on how application of IFRS 16 impact the financial reports.

(-88). Other financial expenses were lower than last year SEK -9 million (-15).

Profit and comprehensive income for the period

Profit after tax increased to SEK 133 million (75). Tax expense for the second quarter was SEK -40 million (-23), representing an effective tax rate of 23.4 percent (23.4). Comprehensive income was SEK 136 million (58). Adjusted for property related lease expenses, profit for the period increased to SEK 158 million (104) and comprehensive income was SEK 161 million (88).

Items affecting comparability

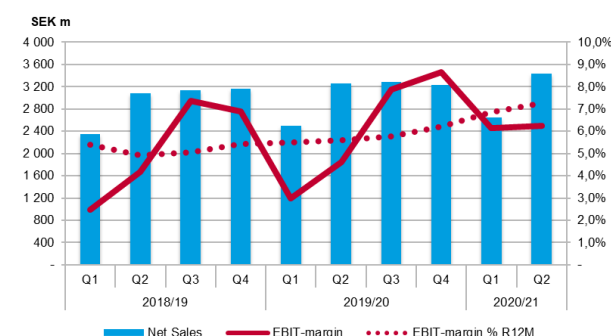
Items affecting comparability was SEK -9 million (0).

Items affecting comparability SEK m	Second quarter	
	2020/21	2019/20
Integration expenses, SEG	-8	-
Acquisition-related expenses	-2	-
Total	-9	-

Acquisitions, divestments, new establishments, and discontinued operations

In December, Swedish Education Group (SEG) was acquired with 2,600 students and 1,300 adult education participants. SEG will be included in the segment reporting from quarter three and will increase the number of students with about 3 percent. During the second quarter three new units opened in Germany.

In the first quarter, two upper secondary schools were consolidated into one and two preschools were closed impacting the unit portfolio in the second quarter.



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



Development in the first six months (July to December 2020)

Volume development and net sales

Net sales increased by 5.5 percent and amounted to SEK 6,077 million (5,760). The organic growth, including bolt-on acquisitions and adjusted for fx-changes, was 7.3 percent. No larger acquisitions affected sales during the first six months. The average number of students, excluding the Adult Education Segment, increased by 4.7 percent to 85,785 (81,897).

Operating profit (EBIT) and adjusted EBIT

Adjusted EBIT for the first six months increased to SEK 375 million (225) with an adjusted EBIT margin of 6.2 percent (3.9). Operating profit (EBIT) was SEK 495 million (330), EBIT margin was 8.1 percent (5.7).

Higher earnings and margin were mainly attributable to the Adult Education Segment with more students in all business areas and increased capacity utilisation. The Compulsory School and Upper Secondary School Segments also showed higher earnings and margin driven by an increased number of children and students, but also positively affected by employees taking more vacation days in the first quarter lowering personnel costs. Cancelled and postponed activities due to the pandemic, lowered expenses by approximately SEK 20 million in the school segments and group functions. Delayed new openings and difficulties to recruit staff in Germany due to the pandemic has affected the number of children in the Preschool Segment. Staff planning in Sweden has mitigated the lower capacity utilisation in Germany.

Group overhead expenses decreased as an effect of cost reduction initiatives last year but also due to cancelled or postponed activities caused by the pandemic.

Net financial items

Net financial items for the first six months amounted to SEK -204 million (-211) of which interest expense from

property related lease liabilities was SEK -183 million (-180). Other financial expenses were lower than last year SEK-21 million (-30).

Profit and comprehensive income for the period

Profit after tax increased and was SEK 224 million (91). Tax expense for the first six months was SEK -66 million (-28), representing an effective tax rate of 22.8 percent (23.6). Comprehensive income was SEK 224 million (73). Adjusted for property related lease expenses, profit for the period increased to SEK 274 million (150) and comprehensive income was SEK 274 million (132).

Items affecting comparability

Items affecting comparability SEK m	Half year	
	2020/21	2019/20
Integration expenses, SEG	-8	-
Acquisition-related expenses	-2	-
Retroactive revenue from previous years (Compulsory School)	3	-
Retroactive revenue from previous years (Upper Secondary School)	8	-
Total	1	-

Acquisitions, divestments, new establishments and discontinued operations

In December, Swedish Education Group, with 2,600 students and 1,300 adult education participants, was acquired. In addition, during the first six months, twelve new units opened (four upper secondary schools, seven preschools, and one compulsory school opened in new larger premises and expanded its operation with an integrated preschool).

In the first quarter, two upper secondary schools were consolidated into one and two preschools were closed impacting the unit portfolio in the second quarter.

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	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Preschool	20,817	20,351	1,712	1,736	26	25	1.5%	1.4%	26	25	1.5%	1.4%
Compulsory School	26,182	24,836	1,495	1,395	85	60	5.7%	4.3%	88	60	5.9%	4.3%
Upper Secondary School	38,786	36,710	1,999	1,886	170	135	8.5%	7.2%	177	135	8.9%	7.2%
Adult Education	-*	-*	869	743	132	53	15.2%	7.1%	132	53	15.2%	7.1%
Group adj., Parent Company	-	-	2	0	-37	-49	-	-	-47	-49	-	-
Impact from IFRS 16 ²	-	-	-	-	-	-	-	-	118	105		
Total	85,785	81,897	6,077	5,760	375	225	6.2%	3.9%	495	330	8.1%	5.7%

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 Please see note 2 for information on how application of IFRS 16 impact the financial reports.



Cash flow and financial position

In the cash flow analysis below, lease payments attributable to property leasing are reported within operating activities. According to IFRS 16, lease payments are reported within financing activities. Please see note 2 for reconciliation to the financial reports.

Cash flow adjusted for lease payments

(SEK m)	Second quarter		Half year		Rolling 12 Months	Full year
	2020/21	2019/20	2020/21	2019/20	Jan 2020 – Dec 2020	2019/20
Cash flow from operating activities before changes in working capital	300	179	536	329	1,133	926
Cash flow from changes in working capital	321	146	111	-33	286	142
Cash flow from operating activities	621	325	647	296	1,419	1,069
Investments related to existing operations ¹	-49	-65	-118	-158	-223	-264
Investments related to expansion ²	-187	-47	-131	-81	-161	-111
Cash flow from investing activities	-236	-112	-248	-240	-384	-375
Cash flow from financing activities	-80	-107	-137	-109	-706	-678
CASH FLOW FOR THE PERIOD	305	106	261	-52	329	16
<i>Free cash flow before expansion investments³</i>	<i>572</i>	<i>260</i>	<i>529</i>	<i>138</i>	<i>1,196</i>	<i>805</i>

Cash flow from operating activities for the second quarter amounted to SEK 621 million (325). The increase in cash flow was due to higher operating profit and that net working capital decreased by SEK +321 million (+146). The positive net working capital development was primarily due to higher trade payables at the end of the second quarter (31 December 2020).

Investments in existing operations¹ was lower compared to last year and amounted to SEK -49 million (-65), contributing to a free cash flow³ of SEK 572 million (260). Expansion investments² in the period were SEK -187 million (-47) of which the acquisition of Swedish Education Group affected cash flow with SEK -171 million. In total, cash flow from investing activities amounted to SEK -236 million (-112). Cash flow from financing activities totalled SEK -80 million (-107) which consisted, among other things, of dividend to shareholders of SEK -158 million (-132). All in all, cash flow for the quarter amounted to SEK 305 million (106).

In the first six months, cash flow from operating activities amounted to SEK 647 million (296). The increase was due to the improved profit and improvement in net working capital development, SEK +111 million (-33). The positive net working capital development is mainly due to higher trade payables by the end of the second quarter 2020/21 (31 December 2020).

Investments in existing operations¹ was lower compared to last year and amounted to SEK -118 million (-158) contributing to a free cash flow³ of SEK 529 million (138). Expansion investments² in the period were SEK -131 million (-81) of which the acquisition of Swedish Education Group affected cash flow with SEK -171 million. Expansion investments were also affected by the sales proceeds received during the first quarter 2020/21, originating from the divestment of one property in Oslo in the fourth quarter 2019/20, SEK +62 million. In total, cash flow from investing activities amounted to SEK -248 million (-240). Cash flow from financing activities totalled SEK -137 million (-109) and consisted, among other things, of dividend to shareholders of SEK -158 million (-132). All in all, cash flow from the first six months amounted to SEK 261 million (-52).

¹ Investments related to existing operations include leasehold improvements, investments in equipment, investments in intangible non-current assets, investments in non-current financial assets, and divestment of non-current financial assets.

² Expansion investments include investments in owned preschool buildings in Norway, as well as acquisitions and divestments.

³ Free cash flow before expansion investments consist of cash flow from operating activities less investments relating to existing operations.



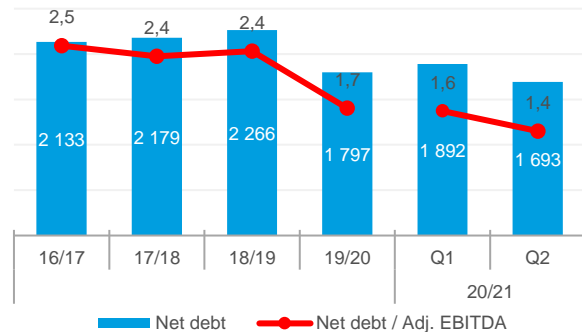
Financial position

The comments on financial position below excludes the effect from application of IFRS 16. See note 2 for reconciliation of the IFRS 16 effects on the financial reports.

Consolidated equity as per the 31 December amounted to SEK 5,041 million (4,594) and the equity/asset ratio increased to 50.3 percent (47.0).

Consolidated interest-bearing net debt¹ excluding property related lease liabilities amounted to SEK 1,693 million (2,490). The lower net debt over the past 12 months is due to improved earnings and consequently a strong cash flow. Also a weaker Norwegian krona has reduced net debt.

Excluding real estate loans, adjusted net debt¹ amounted to SEK 1,016 million (1,716). The real estate loans, which consist of both non-current loans in the Norwegian State Housing Bank (Norw. Husbanken) and short-term construction loans, have, due to the weaker Norwegian krona and repayments, decreased by SEK 97 million over the past 12 months to SEK 676 million (774). Currency effects were SEK -76 million.



Building assets decreased during the period by SEK 172 million to SEK 998 million (1,170) following the weakening of the Norwegian krona and sale of one property to the Municipality of Oslo in June 2020.

Net debt in relation to adjusted EBITDA¹ (rolling 12 months) amounted to 1.4 (2.5), which meets the Group's financial target of a net debt in relation to adjusted EBITDA lower than 3.0. Property-adjusted net debt divided by adjusted EBITDA¹ (12m) was 0.8 (1.7).

¹ Implementation of IFRS 16 had a significant effect on AcadeMedia's financial statements. By excluding the effects of IFRS 16, continuity is achieved in the KPIs above. See pages 30 to 31 for definitions.



Preschool

- The number of children increased by 1.4 percent to 20,969 (20,686) in the second quarter.
- Sales amounted to SEK 958 million (981). Adjusted for fx-effects, net sales increased by 3.3 percent.
- Adjusted operating profit (adj. EBIT) decreased to SEK 19 million (27).

AcadeMedia's 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 105 units. In Germany we operate preschools at 53 units. The segment had a total of 267 units during the quarter.

Impact following the corona pandemic

During the quarter, all preschools stayed open. In December, new directives in Germany recommended carers to keep their children at home. All our units were nonetheless open for those who were not able to follow the guidelines.

The financial effect was limited to Germany. Difficulties in recruiting staff as well as parents delaying preschool starts slowed down the growth in number of children at existing units and lead to lower capacity utilisation. Parental fees were received in full during the period.

Outcome for the second quarter

The average number of children increased by 1.4 percent compared with the previous year and amounted to 20,969 (20,686). The increase was driven by new establishments in Germany. Sales decreased by 2.3 percent to SEK 958 million (981). Adjusted for negative currency effects, SEK -54 million, net sales increased by 3.3 percent.

Adjusted operating profit decreased to SEK 19 million (27) with a margin of 2.0 percent (2.8). The earning and margin decrease relates to the German operation with a lower capacity utilisation, mainly a result of difficulties to recruit staff but also an effect of parents delaying preschool starts during the pandemic. Operating profit

(EBIT) was SEK 19 million (27) and the margin was 2.0 percent (2.8).

Outcome for the first half year

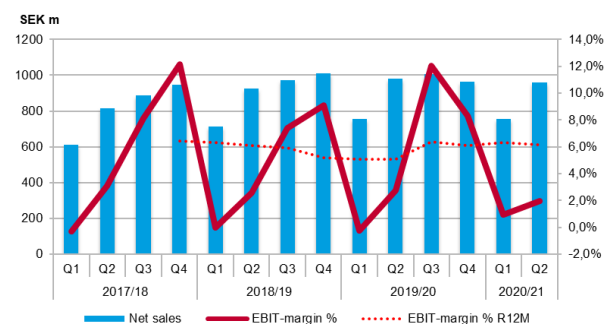
The average number of children increased by 2.3 percent and amounted to 20,817 (20,351). Net sales decreased by 1.4 percent and amounted to SEK 1,712 million (1,736). Adjusted for negative currency effects of SEK -97 million, net sales increased by 4.5 percent.

Operating profit (EBIT) for the first half year was SEK 26 million (25), with an operating margin of 1.5 percent (1.4). The result was negatively affected in Germany due to lower capacity utilization following the pandemic, but was mitigated by increased operating profits in Sweden following staff planning.

Operational changes

Three new preschools opened in Germany during the second quarter. After the reporting date, two additional units opened in Germany, of which one is the first unit in Bremen and thus the sixth state where AcadeMedia is established. Additional five units are planned to open in Germany during spring 2021 and the target to open 11 units in total during 20/21 remains unchanged.

In the first quarter, four new units opened, one in Germany, one in Norway, and two in Sweden. Also, two preschools in Sweden were closed, affecting the unit portfolio in the second quarter.



SEK m	Second quarter			Half year			Rolling 12 months	Full year
	2020/21	2019/20	Change	2020/21	2019/20	Change	Jan 20 - Dec 20	2019/20
Net sales	958	981	-2.3%	1,712	1,736	-1.4%	3,683	3,707
EBITDA	40	49	-18.4%	68	68	-	309	310
EBITDA margin, %	4.2%	5.0%	-0.8 p.p.	4.0%	3.9%	0.1 p.p.	8.4%	8.4%
Depreciation/amortization	-20	-22	9.1%	-42	-43	2.3%	-82	-83
Operating profit (EBIT)	19	27	-29.6%	26	25	4.0%	227	226
EBIT margin, %	2.0%	2.8%	-0.8 p.p.	1.5%	1.4%	0.1 p.p.	6.2%	6.1%
Items affecting comparability	-	-	n.a.	-	-	n.a.	53	53
Adjusted operating profit (EBIT)	19	27	-29.6%	26	25	4.0%	174	174
Adjusted EBIT margin, %	2.0%	2.8%	-0.8 p.p.	1.5%	1.4%	0.1 p.p.	4.7%	4.7%
Number of children and students	20,969	20,686	1.4%	20,817	20,351	2.3%	n.m.	20,854
Number of units	267	259	3.1%	267	256	4.3%	n.m.	259

The segments report property leasing in accordance with previous accounting practice (IAS 17). This entails that property lease payments are recognised as rent and not as finance lease.



Compulsory School

- The number of students increased by 4.8 percent to 26,193 (24,983) in the second quarter.
- Sales increased by 6.2 percent to SEK 851 million (801).
- Adjusted operating profit (adj. EBIT) increased to SEK 52 million (43).

AcadeMedia's Compulsory School segment runs compulsory schools and integrated preschools in many municipalities in Sweden under the brands Pysslingen, Vittra, Pops Academy, Noblaskolan, and Montessori Mondial. Operations are based entirely on the school voucher system. The segment had 112 units during the quarter, where of 37 integrated preschools.

Impact following the corona pandemic

The pandemic has had limited effect on operations during the quarter. A limited number of schools temporarily implemented distance education, following a significant spread of infection among students. Cancelled and postponed activities lead to lower cost of about SEK 3 million in the quarter.

From 11 January 2021, the government extended the possibility to implemented distance education for the oldest children in the compulsory school, year 7 to 9. AcadeMedia follow directives from the regional and local health experts.

Outcome for the second quarter

The average number of students increased by 4.8 percent compared with the previous year and amounted to 26,193 (24,983). The growth came from existing units which in some cases expanded their capacity as well as from for two smaller acquisitions last year, contributing 2.9 percentage points to the increase. Net sales increased by 6.2 percent and amounted to SEK 851 million (801) following a higher number of students and the annual adjustment of school vouchers.

Adjusted operating profit was SEK 52 million (43) with a margin of 6.1 percent (5.4). Result and margin were affected by higher number of students and approximately SEK 3 million in lower cost following cancelled or postponed activities due to the pandemic.

Operating profit (EBIT) increased compared with the previous year and was SEK 52 million (43). This gave an operating margin of 6.1 percent (5.4).

Outcome for the first half year

The average number of students increased by 5.4 percent and amounted to 26,182 (24,836). Net sales increased by 7.2 percent and amounted to SEK 1,495 million (1,395) following the volume increase and the annual adjustment of school vouchers.

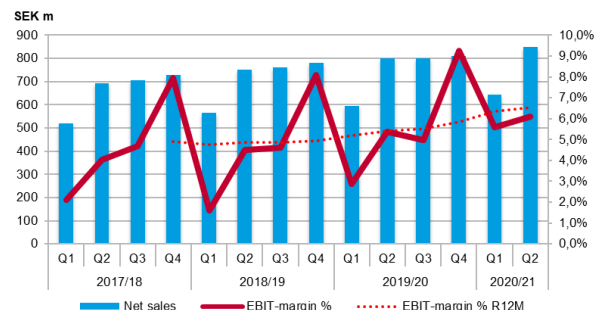
Adjusted operating profit was higher than last year, SEK 85 million (60), positively affected by more students, insurance compensation of SEK 9 million, lower cost following cancelled or postponed activities of about SEK 3 million, and more vacation days in the first quarter. Expenses relating to the insurance cases were reported throughout the previous fiscal year.

Items affecting comparability amounted to SEK 3 million relating to retroactive revenue from previous years. Operating profit (EBIT) amounted to SEK 88 million (60), and the operating margin was 5.9 percent (4.3).

Operational changes

During the second quarter, the Compulsory School Segment launched two new educational profiles, clarifying the different pedagogical offerings. This resulted in 28 of the Pysslingen units changing names – 22 to Noblaskolan and six to Montessori Mondial.

During the first quarter, one compulsory school, Rudanskolan, moved to new larger premises and expanded with an integrated preschool.



SEK m	Second quarter			Half year			Rolling 12 months	Full year
	2020/21	2019/20	Change	2020/21	2019/20	Change	Jan 20 - Dec 20	2019/20
Net sales	851	801	6.2%	1,495	1,395	7.2%	3,105	3,005
EBITDA	69	60	15.0%	121	93	30.1%	270	242
EBITDA margin	8.1%	7.5%	0.6 p.p.	8.1%	6.7%	1.4 p.p.	8.7%	8.1%
Depreciation/amortization	-18	-17	-5.9%	-34	-32	-6.3%	-67	-66
Operating profit (EBIT)	52	43	20.9%	88	60	46.7%	203	176
EBIT margin. %	6.1%	5.4%	0.7 p.p.	5.9%	4.3%	1.6 p.p.	6.5%	5.9%
Items affecting comparability	-	-	n.a.	3	-	n.a.	3	-
Adjusted operating profit (EBIT)	52	43	20.9%	85	60	41.7%	200	176
Adjusted EBIT margin, %	6.1%	5.4%	0.7 p.p.	5.7%	4.3%	1.4 p.p.	6.4%	5.9%
Number of children and students	26,193	24,983	4.8%	26,182	24,836	5.4%	n.m.	25,179
Number of units	112	109	2.8%	112	109	2.8%	n.m.	109

The segments report property leasing in accordance with previous accounting practice (IAS 17). This entails that property lease payments are recognised as rent and not as finance lease.



Upper Secondary School

- The number of students increased by 5.8 percent in the second quarter, amounting to 38,765 (36,656).
- Sales increased 6.5 percent to SEK 1,142 million (1,072).
- Adjusted operating profit (adj. EBIT) increased to SEK 97 million (76).

AcadeMedia's Upper Secondary School Segment provides upper secondary education throughout Sweden under 13 different brands, offering both academic and vocational programmes. The schools operate entirely based on the school voucher system. The segment had 146 units during the quarter.

Impact following the corona pandemic

The number of schools which transitioned to distance education gradually increased during the quarter and in December distance education was the recommended form of education for all upper secondary schools in Sweden. Non-essential activities were cancelled or postponed, leading to lower expenses of about SEK 14 million in the quarter.

AcadeMedia follow the authority's recommendations and adapt the education accordingly.

Outcome for the second quarter

The number of students increased by 5.8 percent compared with the previous year, amounting to 38,765 (36,656). Growth was attributable to the opening of four new schools at the beginning of the fiscal year, as well as to additional students enrolled in the 14 new establishments that opened in the autumns of 2017, 2018, and 2019. These 18 new establishments have in total admitted almost 1,000 additional students compared to last year. Net sales increased by 6.5 percent to SEK 1,142 million (1,072), a result of increased student enrolment.

Adjusted operating profit was SEK 97 million (76), representing a margin of 8.5 percent (7.1). Result and margin were affected by higher student numbers and

about SEK 14 million in lower costs as certain activities were cancelled or postponed due to the pandemic.

Operating profit (EBIT) improved and amounted to SEK 97 million (76) and the margin was 8.5 percent (7.1).

Outcome for the first half year

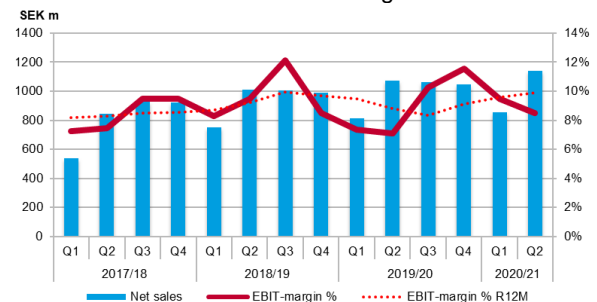
The number of students increased by 5.7 percent amounting to 38,786 (36,710) and net sales increased by 6.0 percent to SEK 1,999 million (1,886). The growth was attributable to new openings and higher school vouchers.

Adjusted operating profit was SEK 170 million (135), representing a margin of 8.5 percent (7.2). Result and margin were affected by higher student numbers, employees taking more vacation days in the first quarter generating a positive effect of SEK 10 million, and SEK 14 million in lower costs as activities were cancelled or postponed due to the pandemic.

Items affecting comparability amounted to SEK 8 million relating to retroactive revenue from previous years. Operating profit (EBIT) was SEK 177 million (135) and the margin was 8.9 percent (7.2).

Operational changes

At the start of the autumn term in 2020, four new upper secondary schools opened, located in Lund, Malmö, Nacka, and Uppsala. These schools have admitted just over 300 students. Two to three openings are planned to start in the autumn 2021. During spring, it will be clearer if these schools attract enough students to start.



SEK m	Second quarter			Half year			Rolling 12 months	Full year
	2020/21	2019/20	Change	2020/21	2019/20	Change	Jan 20 - Dec 20	2019/20
Net sales	1,142	1,072	6.5%	1,999	1,886	6.0%	4,112	3,999
EBITDA	144	119	21.0%	265	214	23.8%	581	530
EBITDA margin	12.6%	11.1%	1.5 p.p.	13.3%	11.3%	2 p.p.	14.1%	13.3%
Depreciation/amortization	-47	-43	-9.3%	-87	-79	-10.1%	-173	-165
Operating profit (EBIT)	97	76	27.6%	177	135	31.1%	407	365
EBIT margin, %	8.5%	7.1%	1.4 p.p.	8.9%	7.2%	1.7 p.p.	9.9%	9.1%
Items affecting comparability	-	-	n.a.	8	-	n.a.	19	11
Adjusted operating profit (EBIT)	97	76	27.6%	170	135	25.9%	389	354
Adjusted EBIT margin, %	8.5%	7.1%	1.4 p.p.	8.5%	7.2%	1.3 p.p.	9.5%	8.9%
Number of children and students	38,765	36,656	5.8%	38,786	36,710	5.7%	n.m.	36,400
Number of units	146	143	2.1%	147	143	2.8%	n.m.	143

The segments report property leasing in accordance with previous accounting practice (IAS 17). This entails that property lease payments are recognised as rent and not as finance lease.



Adult Education

- Sales increased 20.1 percent to SEK 484 million (403).
- Operating profit (EBIT) was SEK 75 million (31).

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 (60 percent of net sales), Higher Vocational Education (26 percent), and Labour Market Services (14 percent).

Impact following the corona pandemic

The extensive spread of the virus in Sweden required continued adjustments, education took place both as distance education and on site in smaller groups. Experienced teachers and a solid digital infrastructure has enabled a continued well-functioning operation.

Outcome for the second quarter

Net sales for the quarter increased by 20.1 percent and amounted to SEK 484 million (403) and operating profit was SEK 75 million (31), corresponding to a margin of 15.5 percent (7.7). Increased number of students in all business areas, driven by high unemployment, increased the capacity utilisation.

The number of students in AcadeMedia's Higher Vocational Education increased by approximately 30 percent compared to last year. Good allocation of educational places from the Swedish National Agency for Higher Vocational Education in both the ordinary and additional allocation rounds in 2020, as well as high demand contributed to the increase. Efforts to enhance quality increased capacity utilisation even further.

The Municipal Adult Education business continued its positive development with growth in both net sales and earnings. The contract portfolio in this business area covers many of the areas with greater demand following higher unemployment.

The number of participants in AcadeMedias Labour Market Services increased significantly compared to last year, even though the Vocational and Preparatory modules (YSM) contract was terminated in the quarter. The Swedish Public Employment Services is allocating a higher number of jobseekers to the matching services contributing to the increase.

Outcome for the first half year

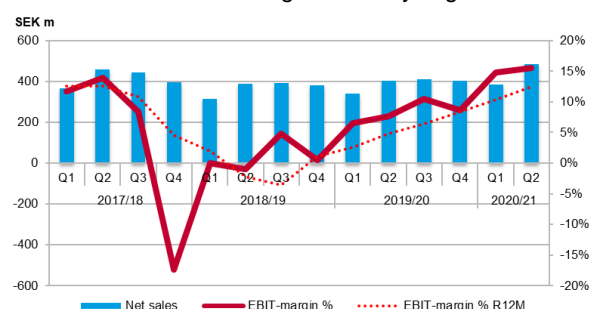
Net sales increased by 17.0 percent and amounted to SEK 869 million (743). Operating profit (EBIT) increased to SEK 132 million (53), and the margin was 15.2 percent (7.1). Increased number of participants in all business areas and higher capacity utilisation contributed to the increase.

Our judgement is still that the EBIT margin in the Adult Education Segment should over time be 9–11 percent.

Market development

Unemployment in Sweden has increased with 20 percent compared to last year, to 8.8 percent, and the Swedish Public Employment Service estimates that it will continue to increase in 2021 and 2022. To mitigate the effects of the pandemic, adult education is still one of the government's prioritised areas. The capacity expansion in adult education takes place in higher vocational education, vocational adult education, and matching services via the Swedish Public Employment Service. The pandemic has also increased the use of digital education, driving the market development and increased the digital savvy of clients and participants.

The increased demand are in areas where AcadeMedia, with a broad contract portfolio and solid experience, is well positioned to contribute. With early focus on digitalisation, AcadeMedia has two of the market's best learning platforms and the readiness to scale up to meet the increased demand for flexible education forms and the digital delivery is good.



SEK m	Second quarter			Half year			Rolling 12 months	Full year
	2020/21	2019/20	Change	2020/21	2019/20	Change	Jan 20 - Dec 20	2019/20
Net sales	484	403	20.1%	869	743	17.0%	1,684	1,557
EBITDA	79	34	132.4%	140	60	133.3%	226	146
EBITDA margin	16.3%	8.4%	7.9 p.p.	16.1%	8.1%	8 p.p.	13.4%	9.4%
Depreciation/amortization	-4	-4	-	-8	-7	-14.3%	-15	-15
Operating profit (EBIT)	75	31	141.9%	132	53	149.1%	210	131
EBIT margin, %	15.5%	7.7%	7.8 p.p.	15.2%	7.1%	8.1 p.p.	12.5%	8.4%
Items affecting comparability	-	-	n.a.	-	-	n.a.	-	-
Adjusted operating profit (EBIT)	75	31	141.9%	132	53	149.1%	210	131
Adjusted EBIT margin, %	15.5%	7.7%	7.8 p.p.	15.2%	7.1%	8.1 p.p.	12.5%	8.4%

The segments report property leasing in accordance with previous accounting practice (IAS 17). This entails that property lease payments are recognised as rent and not as finance lease.



Quality

AcadeMedia's vision is to lead the development of education for the future. One of our goals in achieving this is to be a leader in learning, where the main indicator is '100% – everyone should achieve their educational objectives'. We can only accomplish this by providing the highest quality education in the areas in which the Group operates. To attain our goal, AcadeMedia maintains strong focus on systematic quality enhancing work. We have a group-wide quality management model, and our size enables us to pursue development initiatives and find ways for the structured exchange of experiences on a large scale. We are constantly developing as a learning organisation.

"By offering a superior learning environment, AcadeMedia helps people and communities develop and grow. All students have the same right to a quality education, regardless of place of residence or background. A good atmosphere for learning is also about determining the needs of and opportunities for each individual student. We will also be a learning organisation, where both employees and leaders can develop professionally." AcadeMedia's sustainability report.

Quality results for the second quarter

During the second quarter AcadeMedia's quality report and sustainability report for the fiscal year 2019/20 was published. The reports are available on AcadeMedia's web.

Preschools

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

Compulsory Schools

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

Upper Secondary Schools

In December 2020, the Swedish national agency for education published the results for students who graduated from upper secondary school in the spring of 2020. Due to the changed legal situation, only the national average was reported and not the results at unit and principal level. Consequently, the comparison with the national averages below are based on AcadeMedia's own and preliminary grade compilations that were presented in the year-end report for 2019/20.

The percentage of AcadeMedia's students who met the upper secondary school graduation requirements was according to the preliminary results 90.3 percent (89.5). The national average was 91.4 percent (91.0). The preliminary grade point average for students with diplomas was 14.2 (14.1), the national average was 14.4 (14.4) points. The variation in grading results is still large between the operations within AcadeMedia.

Adult Education

Compilations of the Adult Education's participant surveys with respect to the autumn term of 2020 show that participants' satisfaction remains high but decreased compared to the previous year to 85.5 percent (86.4). The propensity to recommend AcadeMedia to others continued to increase, 87.7 percent (86.4).

Employees

The average number of full-time employees in the quarter was 13,127 (12,723) which represents an increase of 3.2 percent. The proportion of women in the Swedish operation was 67.2 percent (67.4) in the quarter. Employee turnover in Sweden, measured as the proportion of individuals who resigned, was 8.8 percent aggregated over the six-month July – December period, compared with 11.8 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 4.9 percent (3.8) during the first six months.

Parent Company

Revenues during the first six months amounted to SEK 5 million (4). Operating profit (EBIT) for the first six months amounted to SEK -6 million (-8) and profit after tax was SEK -5 million (-15). The Parent Company's assets essentially consist of participations in subsidiaries and intercompany receivables. Operations are funded by equity, bank loans, and intra group loans. Equity in the Parent Company as of 31 December 2020 was SEK 2,561 million (2,596). The Parent Company's external interest-bearing debt as of 31 December 2020 was SEK 1,091 million (1,372).

Owners and share capital

AcadeMedia AB (publ) is a public limited company listed on Nasdaq Stockholm since 2016. As of 31 December 2020, 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, where the C-shares are owned by AcadeMedia AB. 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 2020.



Significant events after the end of the reporting period

Preliminary school voucher increases

Preliminary school voucher increases in Sweden for 2021 amount to 1.7 (2.1) percent on average. A lower increase of the Swedish school voucher compared to previous years was expected and in line with previous communication. In Norway, the school voucher increase will amount to 4.4 percent (3.7) and is based on the actual municipal cost for the financial year 2019 adjusted with a cost index for 2020 and 2021. 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.

Record allocation of Higher Vocational Education for AcadeMedia

The Swedish National Agency for Higher Vocational Education has granted more educational places than any previous year in the January 2021 allocation. AcadeMedia's Higher Vocational Education business has been awarded 7,660 educational places, corresponding to approximately 19.3 percent (14.5) of the total number of places granted. The share amounts to 16.4 percent adjusted for the allocation awarded to KYH, part of the acquired Swedish Education Group. Including the new allocation, the number of educational places at AcadeMedia's Higher Vocational Education business is expected to increase to 9,000 to 10,000 for the autumn 2021 start.

Changes in Executive Management Team

Paula Hammerskog was appointed Head of Communications at AcadeMedia, as Annette Lilliestierna decided to leave the company. The transition took place on 1 February 2021. Paula Hammerskog, currently Head of Safety and Security at AcadeMedia, has extensive experience from various assignments within the company and is a member of AcadeMedia's Executive Management Team since 2012. Between 2012 and 2018 Paula Hammerskog held the position of Head of Communications. Paula Hammerskog will retain responsibility for safety and security for the time being.

Acquisition of Stockholms Internationella Montessoriskola (Stims)

On 1 February 2021, AcadeMedia acquired Stockholms Internationella Montessoriskola (Stims). A compulsory school with an integrated preschool with approx. 800 students. The school will be part of the Compulsory School Segment.

Other

Risks and uncertainties

AcadeMedia categorises risks as operating, external and financial and they are described in detail in AcadeMedia AB's 2019/20 Annual Report. Operational risks are the most significant risks for AcadeMedia and include variations in demand and number of students and participants, risks relating to the supply of qualified employees and payroll expenses, risks 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.

The spread of the coronavirus had a significant impact on AcadeMedia's operations during spring 2020 as a result of decisions made by the governments in the countries where AcadeMedia operates. However, the financial impact during the 2019/20 fiscal year was limited. Since the start of the semester, all segments returned to ordinary activities, but during the second wave of the pandemic during the autumn certain operations have returned to distance education. Also activities have been cancelled or postponed for future periods and new establishments delayed even though full close-down of operations were limited. Depending on how the spread of the infection develop, it is uncertain how this pandemic will impact moving forward. There is a risk that operations again will close for periods, that new openings will be delayed, and that the future school voucher development is negatively affected following weaker economies in the municipalities.

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 2019/20 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. The corona pandemic has resulted in activities which are not necessary have been cancelled or postponed. This might have an impact on the otherwise stable seasonal variations.

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

3 February 2021	Interim report Q2
6 May 2021	Interim report Q3
31 August 2021	Year-end Report
29 October 2021	Interim report Q1
29 October 2021	Annual report 2020/21

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

The Board of Directors and the Chief Executive Officer certify that the interim report gives a true and fair view 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 3 February 2021

Anders Bülow
Chairman

Marcus Strömberg
Chief Executive Officer

Johan Andersson
Board Member

Ann-Marie Begler
Board Member

Anki Bystedt
Board Member

Pia Rudengren
Board Member

Silvija Seres
Board Member

Håkan Sörman
Board Member

Sofia Lundström
Employee representative

Anders Lövgren
Employee representative

AcadeMedia AB (publ)

Corp. reg. no. 556846-0231
Box 213, 101 24 Stockholm
Telephone- +46-8-794 42 00

www.academedias.se

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

For more information, please contact:

Marcus Strömberg, President and CEO
Telephone: +46-8-794 4200
E-mail: marcus.stromberg@academedias.se

Katarina Wilson, CFO
Telephone: +46-8-794 42 91
E-mail: katarina.wilson@academedias.se

This information is information that AcadeMedia AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08:00 CET on 3 February 2021.



Consolidated statement of comprehensive income

SEK m	Note	Second quarter		Half year		Rolling 12 m	Full year
		2020/21	2019/20	2020/21	2019/20	Jan 20- Dec 20	2019/20
Net Sales	3	3,436	3,258	6,077	5,760	12,589	12,271
Cost of services		-293	-293	-524	-517	-1,001	-993
Other external expenses		-324	-345	-590	-590	-1,236	-1,237
Personnel expenses		-2,149	-2,055	-3,700	-3,580	-7,712	-7,591
Depreciation/amortization		-387	-364	-769	-743	-1,540	-1,513
Items affecting comparability ¹⁾		-9	-0	1	-0	36	36
TOTAL OPERATING EXPENSES		-3,163	-3,057	-5,583	-5,430	-11,452	-11,299
OPERATING INCOME		273	201	495	330	1 138	973
Interest income and similar profit/loss items		0	-0	0	0	4	4
Interest expense and similar profit/loss items	6	-100	-103	-205	-211	-415	-421
Net financial items		-100	-103	-204	-211	-410	-417
INCOME BEFORE TAX		173	98	290	119	727	556
Tax		-40	-23	-66	-28	-163	-125
PROFIT/LOSS FOR THE PERIOD		133	75	224	91	564	431
Other comprehensive income							
<i>Items that will not be reclassified to profit/loss</i>							
Remeasurement of defined benefit pension plans		14	-	14	-	-4	-18
Deferred tax relating to defined benefit pension plans		-3	-	-3	-	1	4
		11	-	11	-	-3	-14
<i>Items that may be reclassified to profit/loss</i>							
Translation differences		-8	-16	-11	-18	-65	-72
Other comprehensive income for the period		3	-16	-0	-18	-68	-86
COMPREHENSIVE INCOME FOR THE PERIOD		136	58	224	73	496	345
Profit for the period attributable to:							
Stockholders of the parent company		133	75	224	91	564	431
Comprehensive income for the period attributable to:							
Stockholders of the parent company		136	58	224	73	496	345
Earnings per share basic (SEK)		1.26	0.71	2.13	0.87	5.36	4.09
Diluted earnings per share (SEK)		1.26	0.71	2.12	0.87	5.35	4.09
Earnings per share based on number of shares outstanding (SEK)		1.26	0.71	2.13	0.87	5.36	4.09

¹⁾ Items affecting comparability are specified on page 3 and 4. Key performance indicator definitions are on pages 30 to 31. Please see note 2 for information on how application of IFRS 16 impact the financial reports.



Consolidated statement of financial position in summary

SEK m	Note	Dec 31, 2020	Dec 31, 2019	June 30, 2020
ASSETS				
Intangible non-current assets		6,293	6,242	6,191
Buildings		998	1,170	1,001
Right-of-use assets ¹		7,758	7,416	7,347
Other property, plant, and equipment ¹		803	716	713
Other non-current assets		75	70	34
Total non-current assets		15,926	15,613	15,285
Current receivables		638	933	704
Cash and cash equivalents ²		787	470	528
Total current assets		1,425	1,404	1,232
TOTAL ASSETS		17,351	17,017	16,518
EQUITY AND LIABILITIES				
Total equity		4,874	4,535	4,807
Non-current liabilities to credit institutions		1,865	2,073	1,890
Long-term lease liability ¹		6,724	6,395	6,346
Provisions and other non-current liabilities ¹		256	311	231
Total non-current liabilities		8,845	8,778	8,466
Current interest-bearing liabilities ¹		387	666	270
Short-term lease liability ¹		1,136	1,099	1,010
Other current liabilities		2,110	1,938	1,965
Total current liabilities		3,632	3,703	3,244
TOTAL EQUITY AND LIABILITIES		17,351	17,017	16,518

¹ Right-of-use assets have increased by SEK 197 million as per 31 December 2019 compared to the interim report 2019/20, following a reclassification of inventories that are financed with financial leasing from Other property, plant and equipment to Right-of-use assets. Corresponding lease liability of SEK 199 million is reclassified as Lease liability. Please see note 2 for information on how application of IFRS 16 impact the financial reports.

² Cash includes Cash related to payroll tax withholdings with SEK 42 million (SEK 46 million per 31 Dec 2019 and SEK 29 million per 30 June 2020.)

Consolidated statement of changes in equity in summary

Total equity attributable to owners of the Parent Company

SEK m	Jul-Dec 2020/2021	Jul-Dec 2019/2020	Jul-Jun 2019/2020
Opening balance	4,807	4,589	4,589
Profit/loss for the period	224	91	431
Other comprehensive income for the period	-0	-18	-86
Consolidated statement of comprehensive income	224	73	345
Dividend paid	-158	-132	-132
Other transactions with owners ¹	0	4	4
Closing balance	4,874	4,535	4,807

¹ Other transactions with owners in the current year includes a share-matching program of SEK +0.3 million. Transactions with owners in the previous year includes new share issue connected to warrants SEK 4,1 million and share-matching program of SEK 0.2 million.



Consolidated cash flow statement

MSEK	Second quarter		Half year		Full year
	2020/21	2019/20	2020/21	2019/20	2019/20
Operating profit/loss (EBIT)	273	201	495	330	973
Depreciation/amortisation	387	364	769	743	1,513
Adjustment for items affecting cash flow	26	-37	22	-14	-55
Tax paid	-32	-21	-37	-47	-120
Cash flow from operating activities before changes in working capital	655	506	1,248	1,011	2,311
Cash flow from changes in working capital	277	146	83	-33	211
Cash flow from operating activities	932	652	1,331	978	2,521
Acquisition of subsidiaries	-171	-26	-171	-27	-51
Investments in buildings	-16	-21	-22	-54	-60
Leasehold improvements	-17	-28	-46	-80	-134
Investments in equipment	-28	-27	-68	-65	-115
Investments in intangible non-current assets	-1	-11	-1	-13	-17
Divestment of tangible non-current assets	-	-	62	-	-
Investments in non-current financial assets	-3	1	-3	0	0
Divestment of non-current assets	-	-	-	-	3
Cash flow from investing activities	-236	-112	-248	-240	-375
Interest received (+) and paid (-)	-7	-11	-17	-24	-44
Interest paid, lease liabilities	-93	-90	-186	-183	-365
Dividend paid	-158	-132	-158	-132	-132
New share issue	-	4	-	4	4
Increase (+)/decrease (-) of interest-bearing liabilities	122	67	103	104	-378
Repayment of lease liabilities	-255	-272	-564	-561	-1,215
Cash flow from financing activities	-391	-434	-822	-791	-2,130
CASH FLOW FOR THE PERIOD	305	106	261	-52	16
Cash and cash equivalents at beginning of period	483	368	528	527	527
Exchange-rate differences in cash and cash equivalents	-1	-4	-2	-4	-15
Cash and cash equivalents at end of period	787	470	787	470	528

Please see note 2 for information on how application of IFRS 16 impact the financial reports.



Parent company income statement in summary

SEK m	Second quarter		Half year		Full year
	2020/21	2019/20	2020/21	2019/20	2019/20
Net sales	3	2	5	4	8
Operation expenses	-7	-6	-11	-12	-25
OPERATING PROFIT/LOSS	-4	-5	-6	-8	-17
Interest income and similar profit/loss items	5	2	9	3	12
Interest expense and similar profit/loss items	-4	-7	-9	-15	-31
Net financial items	0	-5	0	-12	-19
Year-end appropriations	-	-	-	-	100
PROFIT/LOSS BEFORE TAX	-4	-10	-6	-20	64
Tax	1	2	1	5	-14
PROFIT/LOSS FOR THE PERIOD	-3	-7	-5	-15	50

Parent company other comprehensive income

SEK m	Second quarter		Half year		Full year
	2020/21	2019/20	2020/21	2019/20	2019/20
Profit/Loss for the period	-3	-7	-5	-15	50
Other comprehensive income for the period	-	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-3	-7	-5	-15	50

Parent company balance sheet in summary

SEK m	Dec 31 2020	Dec 31 2019	June 30 2020
ASSETS			
Participations in Group companies	3,261	2,247	3,261
Total non-current assets	3,261	2,247	3,261
Current receivables	2,909	3,791	2,840
Cash and cash equivalents	581	319	303
Total current assets	3,490	4,111	3,143
TOTAL ASSETS	6,751	6,358	6,405
EQUITY AND LIABILITIES			
Restricted equity	106	106	106
Non-restricted equity	2,455	2,490	2,618
Total equity	2,561	2,596	2,723
Non-current liabilities	878	1,022	951
Current liabilities	3,312	2,740	2,730
TOTAL EQUITY AND LIABILITIES	6,751	6,358	6,405



Parent Company statement of changes in equity

SEK m	Jul-Dec 2020/2021	Jul-Dec 2019/2020	Jul-Jun 2019/2020
Opening balance	2,723	2,738	2,738
Profit/loss for the period	-5	-15	51
Other comprehensive income for the period	-	-	-
Total profit/loss for the group	-5	-15	51
Merger related effects	0	-	62
Dividend	-158	-132	-132
Other transactions with owners ¹	0	4	4
Closing balance	2,561	2,596	2,723

¹ Other transactions with owners in the current year includes a share-matching program of SEK +0.3 million. Transactions with owners in the previous year includes new share issue connected to warrants SEK +4,1 million and share-matching program of SEK +0.2 million.



Notes and accounting policies

The interim report includes pages 1 to 31 and pages 1 to 13 are an integrated part of this financial report.

Significant events after the end of the reporting period are presented on page 12. Segment reporting is presented on pages 7 to 10. Disclosures about risk factors and seasonality are presented on page 12.

Note 1: Accounting policies

This Interim Report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting, as well as applicable stipulations in the Annual Accounts Act. The Interim report for the Parent Company is prepared in accordance with chapter 9 Interim report in the Annual Accounts Act.

The accounting policies and basis of calculation applied are the same as those described in AcadeMedia's 2019/20 Annual Report, which was prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

New and amended accounting standards from 1 July 2020

New and amended standards and interpretations applicable from 1 July 2020 have not and will not have any significant effect on the financial reports.



Note 2: Financial reports disclosing the impact from implementation of IFRS 16

Below, the effects on the financial reports following the implementation of IFRS 16 Leases are disclosed.

Consolidated statement of comprehensive income

SEK m	Second quarter 20/21			Half year 20/21			Full year 19/20		
		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
Net Sales	3,436	-	3,436	6,077	-	6,077	12,271	-	12,271
Cost of services	-293	-	-293	-524	-	-524	-993	-	-993
Other external expenses	-324	355	-679	-590	713	-1,303	-1,237	1,384	-2,621
Personnel expenses	-2,149	-	-2,149	-3,700	-	-3,700	-7,591	-	-7,591
Depreciation/amortization	-387	-296	-91	-769	-594	-175	-1,513	-1,175	-338
Items affecting comparability	-9	-	-9	1	-	1	36	-	36
TOTAL OPERATING EXPENSES	-3,163	59	-3,222	-5,583	118	-5,701	-11,299	209	-11,509
OPERATING INCOME	273	59	214	495	118	376	973	209	763
Interest income and similar profit/loss items	0	-	0	0	-	0	4	-	4
Interest expense and similar profit/loss items	-100	-91	-9	-205	-183	-21	-421	-360	-61
Net financial items	-100	-91	-9	-204	-183	-21	-417	-360	-56
INCOME BEFORE TAX	173	-32	205	290	-65	355	556	-151	707
Tax	-40	7	-48	-66	14	-81	-125	33	-159
PROFIT/LOSS FOR THE PERIOD	133	-25	158	224	-50	274	431	-117	548
Other comprehensive income for the period	3	-	3	-0	-	-0	-86	-	-86
COMPREHENSIVE INCOME FOR THE PERIOD	136	-25	161	224	-50	274	345	-117	462
Earnings per share basic (SEK)	1.26	-0.24	1.50	2.13	-0.48	2.61	4.09	-1.12	5.21
Earnings per share basic/diluted (SEK)	1.26	-0.24	1.49	2.12	-0.48	2.60	4.09	-1.12	5.21
Earnings per share based on number of shares outstanding (SEK)	1.26	-0.24	1.50	2.13	-0.48	2.61	4.09	-1.12	5.21



Consolidated cash flow statement

SEK m	Second quarter 20/21			Half year 20/21		
		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
Operating profit/loss (EBIT)	273	59	214	495	118	376
Depreciation/amortisation	387	296	91	769	594	175
Adjustment for items affecting cash flow	26	-	26	22	-	22
Tax paid	-32	-	-32	-37	-	-37
Cash flow from operating activities before changes in working capital	655	355	300	1,248	713	536
Cash flow from changes in working capital	277	-44	321	83	-28	111
Cash flow from operating activities	932	311	621	1,331	684	647
Cash flow from investing activities	-236	-	-236	-248	-	-248
Cash flow from financing activities	-391	-311	-80	-822	-685	-137
CASH FLOW FOR THE PERIOD	305	-0	305	261	-0	261

Consolidated statement of financial position in summary

SEK m	31 Dec 2020			31 Dec 2019		
		IFRS 16 effect	Excl. IFRS 16		IFRS 16 effect	Excl. IFRS 16
ASSETS						
Intangible non-current assets	6,293	-	6,293	6,242	-	6,242
Buildings	998	-	998	1,170	-	1,170
Right-of-use assets	7,758	7,556	201	7,416	7,220	197
Other property, plant, and equipment	803	-	803	716	-	716
Other non-current assets	75	47	28	70	17	53
Total non-current assets	15,926	7,604	8,323	15,613	7,236	8,377
Current receivables	638	-282	920	933	-	933
Cash and cash equivalents	787	-	787	470	-	470
Total current assets	1,425	-282	1,706	1,404	-	1,404
TOTAL ASSETS	17,351	7,322	10,029	17,017	7,236	9,780
EQUITY AND LIABILITIES						
Total equity	4,874	-168	5,041	4,535	-59	4,594
Non-current liabilities to credit institutions	1,865	-	1,865	2,073	-	2,073
Long-term lease liability	6,724	6,635	89	6,395	6,307	88
Provisions and other non-current liabilities	256	-	256	311	-	311
Total non-current liabilities	8,845	6,635	2,209	8,778	6,307	2,471
Current interest-bearing liabilities	387	-	387	666	-	666
Short-term lease liability	1,136	1,020	115	1,099	988	111
Other current liabilities	2,110	-166	2,276	1,938	-	1,938
Total current liabilities	3,632	854	2,779	3,703	988	2,715
TOTAL EQUITY AND LIABILITIES	17,351	7,322	10,029	17,017	7,236	9,780



Note 3: Revenue

SEK m	Second quarter		Half year		Full year
	2020/21	2019/20	2020/21	2019/20	2019/20
Education-related income	3,343	3,152	5,909	5,591	11,939
State subsidies	46	58	82	93	176
Other income	46	47	86	76	157
Net Sales	3,436	3,258	6,077	5,760	12,271

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 2019/20 Annual Report. Related party transactions take place at an arm's length basis. During the first half year no significant related-party transactions took place.

Note 5: Acquisitions

Acquiring company	Acquired company	Acquisition date	Segment
ACM 2001 AB	RE Skolor AB ¹	17-dec-20	VUX/Gym/Grund

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

The acquisition above represent a combined value of less than 5 percent of the Group. Voting rights amount to 100 percent.

The purchase consideration was in the form of cash.

Details of the net assets acquired and goodwill 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	216
Purchase consideration excluding transaction expenses and including interest	214
Fair value of acquired net assets excluding goodwill	-89
Total goodwill	125

¹ RE Skolor AB owns 100% of the shares in Swedish Education Group AB.



Fair values acquired (SEK m)	Total
Intangible non-current assets	1
Property, plant and equipment	63
Right-of-use assets	273
Financial non-current assets	13
Current assets	26
Cash and cash equivalents	43
Interest bearing liabilities	0
Interest bearing liabilities - IFRS 16	-273
Non-interest bearing liabilities	-46
Current tax liability	-4
Deferred tax liability	-6
Net assets acquired	89

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	214
Less purchase consideration that has not been settled in cash as of December 31, 2020	0
Cash and cash equivalents at time of acquisition	-43
Impact on the Group's cash and cash equivalents	171

If the units had been included in consolidated profit from July 1, 2020 the contribution would have been (SEKm)	Total
Net sales	191
Operating profit (EBIT)	18

The 1 February 2021, ie after the end of the reporting period, 100% of the shares in Stockholms Internationella Montessoriskola AB was acquired. See also Significant events after the reporting date.

Note 6: Specification of financial income and expenses

SEK m	Second quarter		Half year		Full year
	2020/21	2019/20	2020/21	2019/20	2019/20
Interest expense and similar profit/loss items					
Interest expense	-6	-9	-15	-21	-41
Borrowing costs *	-1	-2	-1	-4	-7
Interest expense on the lease liability	-93	-90	-186	-183	-365
Exchange rate losses	-	-0	-0	-1	-3
Other	-1	-1	-2	-3	-5
Interest expense and similar profit/loss items	-100	-103	-205	-211	-421
<i>Interest expense on property related lease liability</i>	-91	-88	-183	-180	-360

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

Note 7: 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 million, unless otherwise stated	Second quarter		Half year		Full year				
	2020/21	2019/20	2020/21	2019/20	2019/20	2018/19 ¹	2017/18 ¹	2016/17 ¹	2015/16 ¹
Profit/loss items, SEK m									
Net sales	3,436	3,258	6,077	5,760	12,271	11,715	10,810	9,520	8,611
Items affecting comparability	-9	-0	1	-0	36	1	-48	-23	-32
EBITDA	661	565	1,264	1,073	2,486	931	872	827	722
Depreciation/amortization	-387	-364	-769	-743	-1,513	-296	-250	-212	-186
Operating profit/loss (EBIT)	273	201	495	330	973	635	622	615	535
Net financial items	-100	-103	-204	-211	-417	-69	-68	-80	-127
Profit/loss for the period before tax	173	98	290	119	556	566	555	535	408
Profit/loss for the period after tax	133	75	224	91	431	431	430	416	319
Balance sheet items, SEK m									
Non-current assets	15,926	15,613	15,926	15,613	15,285	8,218	7,823	6,574	6,141
Current receivables and inventories	638	933	638	933	704	976	860	695	697
Cash and cash equivalents	787	470	787	470	528	527	699	579	331
Non-current interest-bearing liabilities	1,889	2,100	1,889	2,100	1,914	2,205	2,209	2,200	2,116
Long-term lease liability	6,724	6,395	6,724	6,395	6,346	-	-	-	-
Non-current non-interest-bearing liabilities	232	283	232	283	207	305	135	114	113
Current interest-bearing liabilities	387	666	387	666	270	592	673	516	568
Short-term lease liability	1,136	1,099	1,136	1,099	1,010	-	-	-	-
Current non-interest-bearing liabilities	2,110	1,938	2,110	1,938	1,965	2,030	2,103	1,577	1,382
Equity	4,874	4,535	4,874	4,535	4,807	4,589	4,262	3,443	2,990
Total assets	17,351	17,017	17,351	17,017	16,518	9,720	9,383	7,849	7,169
Capital employed*	7,521	7,559	7,521	7,559	7,250	7,386	7,144	6,158	5,674
Net debt*	1,693	2,490	1,693	2,490	1,797	2,266	2,179	2,133	2,342
Property adjusted net debt*	1,016	1,716	1,016	1,716	1,138	1,533	1,528	1,550	1,866
Key ratios									
Net sales, SEK m	3,436	3,258	6,077	5,760	12,271	11,715	10,810	9,520	8,611
Organic growth incl. Bolt-on acquisitions, %	7.3%	6.0%	7.3%	6.4%	5.4%	4.4%	5.8%	9.0%	6.4%
Acquired growth, larger acquisitions, %	-	-	-	-	-	3.2%	7.9%	0.8%	0.4%
Change in currency, %	-1.8%	-0.1%	-1.8%	-0.1%	-0.7%	0.8%	-0.1%	0.8%	-1.3%
Operating margin (EBIT), %	7.9%	6.2%	8.1%	5.7%	7.9%	5.4%	5.8%	6.5%	6.2%
Adjusted EBIT, SEK m	224	150	375	225	728	634	670	638	567
Adjusted EBIT margin, %	6.5%	4.6%	6.2%	3.9%	5.9%	5.4%	6.2%	6.7%	6.6%
Adjusted EBITDA, SEK m	315	237	550	391	1,066	930	920	850	754
Adjusted EBIT margin, %	9.2%	7.3%	9.1%	6.8%	8.7%	7.9%	8.5%	8.9%	8.8%
Return on capital employed, %, (12 months)*	11.7%	9.1%	11.7%	9.1%	10.0%	8.7%	10.1%	10.9%	10.1%
Return on equity, %(12 months)*	13.8%	10.5%	13.8%	10.5%	11.4%	9.7%	11.2%	12.9%	12.1%
Equity/assets ratio, %*	50.3%	47.0%	50.3%	47.0%	51.5%	47.2%	45.4%	43.9%	41.7%
Interest coverage ratio, times*	21.5	13.9	21.5	13.9	15.9	12.5	10.9	9.4	4.8
Net debt/Adjusted EBITDA (12 months)*	1.4	2.5	1.4	2.5	1.7	2.4	2.4	2.5	3.1
Adjusted net debt/adjusted EBITDA (12 months)*	0.8	1.7	0.8	1.7	1.1	1.6	1.7	1.8	2.5
Free cash flow	572	260	529	138	805	356	688	658	394
Cash flow from investing activities	-236	-112	-248	-240	-375	-559	-970	-374	-386
Number of full-time employees	13,127	12,723	12,971	12,623	12,686	12,405	11,863	10,564	9,714

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

Quarterly data SEK million, unless otherwise stated	2020/21		2019/20				2018/19			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	3,436	2,641	3,227	3,284	3,258	2,502	3,162	3,135	3,076	2,343
EBITDA	661	603	713	700	565	508	290	310	205	126
Depreciation/amortization	-387	-382	-379	-391	-364	-379	-72	-80	-77	-68
Items affecting comparability	-9	10	-	36	-	-	-14	20	-11	5
Operating income (EBIT)	273	221	334	309	201	129	218	231	128	58
Total financial items	-100	-104	-105	-101	-103	-108	-14	-14	-23	-17
Income before taxes	173	117	229	208	98	22	204	216	105	41
Tax for the current period	-40	-26	-50	-47	-23	-5	-56	-45	-25	-10
Profit/loss for the period	133	91	179	161	75	16	148	172	79	31
Number of children/students, schools	85,927	85,642	82,999	82,940	82,325	81,468	79,994	79,873	79,335	78,770
Number of full-time employees	13,127	12,814	12,738	12,759	12,723	12,524	12,487	12,605	12,473	12,055
Number of education units	525	525	516	512	511	504	511	507	505	505
Key ratios										
Operating margin (EBIT), %	7.9%	8.4%	10.4%	9.4%	6.2%	5.2%	6.9%	7.4%	4.2%	2.5%
Adjusted EBIT	224	151	279	224	150	75	232	210	139	52
Adjusted EBIT, %	6.5%	5.7%	8.6%	6.8%	4.6%	3.0%	7.3%	6.7%	4.5%	2.2%
Adjusted EBITDA	315	235	363	313	237	153	304	290	216	120
Adjusted EBITDA, %	9.2%	8.9%	11.2%	9.5%	7.3%	6.1%	9.6%	9.3%	7.0%	5.1%
Net margin, %	3.9%	3.4%	5.5%	4.9%	2.3%	0.6%	4.7%	5.5%	2.6%	1.3%
Return on equity, % (12 months) ¹	14.0%	12.8%	11.5%	10.7%	10.6%	10.0%	9.7%	9.1%	9.0%	10.6%
Return on capital employed, % (12 Months) ¹	11.7%	10.8%	10.0%	9.3%	9.1%	8.8%	8.7%	8.5%	8.8%	9.5%
Equity/assets ratio, % ¹	50.3%	51.5%	51.5%	49.6%	47.0%	46.9%	47.2%	46.8%	45.6%	44.3%
Net debt/Adjusted EBITDA (12 months) ¹	1.4	1.6	1.7	2.3	2.5	2.6	2.4	2.8	2.7	2.9
Interest coverage ratio ¹	21.5	18.4	15.9	15.3	13.9	13.3	12.5	10.8	10.3	10.6
Other										
Free cash flow	572	-42	560	107	260	-122	362	21	270	-296
Cash flow from operating activities	621	26	634	139	325	326	425	129	348	-219
Cash flow from investing activities	-236	-12	-97	-38	-112	-128	-130	-170	-103	-156

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 million, unless otherwise stated	2020/21		2019/20				2018/19			
Preschool Segment	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children (average)	20,969	20,664	21,404	21,310	20,686	20,015	21,319	20,975	20,267	19,741
Net sales	958	755	964	1,007	981	755	1,009	974	924	712
Net sales Sweden	328	247	338	332	329	242	356	348	336	251
Net sales Norway	481	364	499	533	514	389	544	519	490	369
Net sales Germany	149	144	127	142	137	123	108	107	99	91
EBITDA	40	28	99	142	49	19	106	92	44	20
EBITDA margin, %	4.2%	3.7%	10.3%	14.1%	5.0%	2.5%	10.5%	9.4%	4.8%	2.8%
Depreciation/amortization	-20	-22	-19	-22	-22	-21	-14	-20	-20	-19
Operating profit/loss (EBIT)	19	7	80	121	27	-2	92	72	24	0
EBIT margin, %	2.0%	0.9%	8.3%	12.0%	2.8%	-0.3%	9.1%	7.4%	2.6%	0.0%
Items affecting comparability	-	-	-	53	-	-	-	-	-	-
Adjusted operating profit/loss (EBIT)	19	7	80	68	27	-2	92	72	24	0
Adjusted EBIT margin, %	2.0%	0.9%	8.3%	6.8%	2.8%	-0.3%	9.1%	7.4%	2.6%	0.0%
Number of preschool units	267	266	262	260	259	253	257	254	252	252

SEK million, unless otherwise stated	2020/21		2019/20				2018/19			
Compulsory School Segment	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	26,193	26,170	25,706	25,339	24,983	24,689	24,482	24,417	24,195	23,964
Net sales	851	644	809	801	801	594	780	760	752	565
EBITDA	69	52	92	58	60	33	79	51	50	23
EBITDA margin, %	8.1%	8.1%	11.4%	7.2%	7.5%	5.6%	10.1%	6.7%	6.6%	4.1%
Depreciation/amortization	-18	-16	-17	-17	-17	-15	-16	-16	-16	-14
Operating profit/loss (EBIT)	52	36	75	40	43	17	63	35	34	9
EBIT margin, %	6.1%	5.6%	9.3%	5.0%	5.4%	2.9%	8.1%	4.6%	4.5%	1.6%
Items affecting comparability	-	3	-	-	-	-	-8	-	4	-
Adjusted operating profit/loss (EBIT)	52	33	75	40	43	17	71	35	30	9
Adjusted EBIT margin, %	6.1%	5.1%	9.3%	5.0%	5.4%	2.9%	9.1%	4.6%	4.0%	1.6%
Number of education units	112	112	111	109	109	108	110	110	110	110

SEK million, unless otherwise stated	2020/21		2019/20				2018/19			
Upper Secondary School Segment	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	38,765	38,808	35,889	36,291	36,656	36,764	34,194	34,481	34,873	35,065
Net sales	1,142	856	1,049	1,064	1,072	814	990	1,006	1,011	750
EBITDA	144	121	163	153	119	95	121	160	133	92
EBITDA margin, %	12.6%	14.1%	15.5%	14.4%	11.1%	11.7%	12.2%	15.9%	13.2%	12.3%
Depreciation/amortization	-47	-40	-42	-44	-43	-36	-37	-39	-37	-30
Operating profit/loss (EBIT)	97	81	121	109	76	60	84	122	96	62
EBIT margin, %	8.5%	9.5%	11.5%	10.2%	7.1%	7.4%	8.5%	12.1%	9.5%	8.3%
Items affecting comparability	-	8	-	11	-0	-	-6	20	-	5
Adjusted operating profit/loss (EBIT)	97	73	121	98	76	60	90	102	96	56
Adjusted EBIT margin, %	8.5%	8.5%	11.5%	9.2%	7.1%	7.4%	9.1%	10.1%	9.5%	7.5%
Number of education units	146	147	143	143	143	143	144	143	143	143



SEK million, unless otherwise stated	2020/21		2019/20				2018/19			
Adult Education Segment	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	484	385	405	410	403	339	382	392	388	315
EBITDA	79	61	39	47	34	26	6	22	-1	4
EBITDA margin, %	16.3%	15.8%	9.6%	11.5%	8.4%	7.7%	1.6%	5.6%	-0.3%	1.3%
Depreciation/amortization	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4
Operating profit/loss (EBIT)	75	57	35	43	31	22	2	19	-4	0
EBIT margin, %	15.5%	14.8%	8.6%	10.5%	7.7%	6.5%	0.5%	4.8%	-1.0%	0.0%
Items affecting comparability	-	-	-	-	-	-	-	-	-15	-
Adjusted operating profit/loss (EBIT)	75	57	35	43	31	22	2	19	11	0
Adjusted EBIT margin, %	15.5%	14.8%	8.6%	10.5%	7.7%	6.5%	0.5%	4.8%	2.8%	0.0%

SEK million, unless otherwise stated	2020/21		2019/20				2018/19			
Group-OH and adjustments	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	1	1	1	3	0	0	0	4	0	0
EBITDA	329	342	320	300	302	335	-22	-15	-21	-13
Depreciation/amortization	-298	-301	-298	-305	-279	-303	-2	-1	-1	-1
Operating profit/loss (EBIT)	31	41	23	-4	23	32	-24	-16	-22	-14
Items affecting comparability	-9	-	0	-28	-	-	-	-	-0	-
Adjusted operating profit/loss (EBIT)	-19	-18	-32	-26	-27	-22	-24	-16	-22	-14

SEK million, unless otherwise stated	2020/21		2019/20				2018/19			
Group	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	85,927	85,642	82,999	82,940	82,325	81,468	79,994	79,873	79,335	78,770
Net sales	3,436	2,641	3,227	3,284	3,258	2,502	3,162	3,135	3,076	2,343
EBITDA	661	603	713	700	565	508	290	310	205	126
EBITDA margin, %	19.2%	22.8%	22.1%	21.3%	17.3%	20.3%	9.2%	9.9%	6.7%	5.4%
Depreciation/amortization	-387	-382	-379	-391	-364	-379	-72	-80	-77	-68
Operating profit/loss (EBIT)	273	221	334	309	201	129	218	231	128	58
EBIT margin, %	7.9%	8.4%	10.4%	9.4%	6.2%	5.2%	6.9%	7.4%	4.2%	2.5%
Items affecting comparability	-9	10	-	36	-0	-	-14	20	-11	5
Effect of IFRS 16 on operating profit	59	59	55	50	51	54	-	-	-	-
Adjusted operating profit/loss (EBIT)	224	151	279	224	150	75	232	210	139	52
Adjusted EBIT margin, %	6.5%	5.7%	8.6%	6.8%	4.6%	3.0%	7.3%	6.7%	4.5%	2.2%
Net financial items	-100	-104	-105	-101	-103	-108	-14	-14	-23	-17
Profit/loss after financial items	173	117	229	208	98	22	204	216	105	41
Tax	-40	-26	-50	-47	-23	-5	-56	-45	-25	-10
Profit/loss for the period	133	91	179	161	75	16	148	172	79	31
Number of full-time employees (period)	13,127	12,814	12,738	12,759	12,723	12,524	12,487	12,605	12,473	12,055
Number of units	525	525	516	512	511	504	511	507	505	505



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 million, unless otherwise stated	Second quarter		Half year		Full year			
	2020/21	2019/20	2020/21	2019/20	2019/20	2018/19	2017/18	2016/17
Adjusted operating profit								
Operating profit	273	201	495	330	973	635	622	615
- Items affecting comparability	-9	-0	1	-0	36	1	-48	-23
- IFRS 16 impact	59	51	118	105	209	-	-	-
= Adjusted operating profit	224	150	375	225	728	634	670	638
Adjusted EBIT margin								
Adjusted operating profit	224	150	375	225	728	634	670	638
Divided by /Net sales	3,436	3,258	6,077	5,760	12,271	11,715	10,810	9,520
= Adjusted EBIT margin	6.5%	4.6%	6.2%	3.9%	5.9%	5.4%	6.2%	6.7%
Adjusted EBITDA								
Adjusted operating profit	224	150	375	225	728	634	670	638
- Depreciation excluding depreciation relating to property rental agreements	-91	-87	-175	-166	-338	-296	-250	-212
= Adjusted EBITDA	315	237	550	391	1 066	930	920	850
Net debt								
Non-current interest-bearing liabilities	8,613	8,495	8,613	8,495	8,260	2,205	2,209	2,200
+ Current interest-bearing liabilities	1,522	1,764	1,522	1,764	1,279	592	673	516
- Non-current interest-bearing receivables*	-	4	-	4	-	4	4	4
- Cash and cash equivalents	787	470	787	470	528	527	699	579
- IFRS 16 Non-current and current lease liabilities ¹	7,656	7,295	7,656	7,295	7,214	-	-	-
= Net debt	1,693	2,490	1,693	2,490	1,797	2,266	2,179	2,133
Property-adjusted net debt								
Net debt (as described above)	1,693	2,490	1,693	2,490	1,797	2,266	2,179	2,133
- non-current property loans	654	672	654	672	597	644	603	467
- current property loans	22	102	22	102	62	89	48	116
= Property adjusted net debt	1,016	1,716	1,016	1,716	1,138	1,533	1,528	1,550
Return on capital employed %, 12 months								
EBIT (12 months)	878	667	878	667	728	634	670	638
+ Interest income	0	1	0	1	0	1	2	7
divided by								
Average equity (12 months)	4,704	4,399	4,704	4,399	4,698	4,426	3,853	3,216
+ average non-current interest-bearing liabilities (12 months)	8,554	5,344	8,554	5,344	5,232	2,207	2,204	2,158
+ average current interest-bearing liabilities (12 months)	1,643	1,190	1,643	1,190	935	632	594	542
- IFRS 16 average equity ¹	-113	-29	-113	-29	-59	-	-	-
- IFRS 16 average non-current and current lease liabilities ¹	7,475	3,647	7,475	3,647	3,607	-	-	-
= Return on capital employed %, 12 months	11.7%	9.1%	11.7%	9.1%	10.0%	8.7%	10.1%	10.9%
Return on equity %, 12 months								
Profit/loss after tax (12 months)	564	411	564	411	431	431	430	416
- IFRS 16 profit/loss after tax (12 months)	-109	-59	-109	-59	-117	-	-	-
divided by								
Average equity (12 months)	4,704	4,399	4,704	4,399	4,698	4,426	3,853	3,216
- IFRS 16 average equity ¹	-113	-29	-113	-29	-59	-	-	-
= Return on equity %, 12 months	14.0%	10.6%	14.0%	10.6%	11.4%	9.7%	11.2%	12.9%



SEK million, unless otherwise stated	2020/21		2019/20				2018/19			
Interest coverage ratio	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Adjusted operating profit EBIT (12 months)	878	805	728	681	667	656	634	609	613	641
+ Interest income (12 months)	0	0	0	1	1	1	1	1	2	2
+ Other financial income (12 months)	4	4	4	4	2	2	2	2	4	4
divided by										
Interest expense (12 months)	-404	-404	-406	-316	-229	-142	-51	-57	-60	-61
- Interest expense (12 months) IFRS 16	-363	-360	-360	-271	-180	-92	-	-	-	-
= Interest coverage ratio (Excl. IFRS 16)	21.5	18.4	15.9	15.3	13.9	13.3	12.5	10.8	10.3	10.6

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.

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 from 1 July 2019, which means that the previous year's accounts have not been restated.

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 ²	Profit/loss for the most recent 12-month period according to IAS 17 i.e. excluding the effects of the implementation of IFRS16, divided by average equity applying IAS 17 (opening balance + closing balance)/2.	Return on equity is a profitability measure used to set profit (loss) in relation to shareholders' paid-in and earned capital.
Return on capital employed ²	Adjusted operating profit/loss (EBIT) for the most recent 12-month period plus interest income, divided by average capital.	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 depreciation/amortisation and impairment of non-current assets and right-of-use assets. This KPI is only used for monitoring the segments which accounts for leasing of properties in accordance with IAS 17.	EBITDA is used to measure profit (loss) from operating activities, regardless of depreciation/amortisation.
EBITDA margin	EBITDA as a percentage of net sales.	EBITDA margin is used to set EBITDA in relation to sales.
Equity excl. IFRS16 ²	Equity according to IAS 17 i.e. excluding the effects of the implementation of IFRS16.	Equity excluding IFRS16 is used to be able to calculate return on equity consistently.
Net financial items	Financial income less financial expenses.	The measure Net financial items is used to illustrate the outcome of the Company's financial activities.
Free cash flow ²	Cash flow from operating activities and changes in working capital inclusive of property lease payments 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 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.
Adjusted EBITDA ²	Operating profit/loss according to the previous standard IAS 17 i.e. excluding the effects of IFRS16 and before amortisation/depreciation of intangible assets and property, plant, and equipment, and excluding items affecting comparability.	Adjusted EBITDA is used to measure underlying profit from operating activities, excluding depreciation/amortisation and items affecting comparability.
Adjusted EBITDA margin ²	Adjusted EBITDA as a percentage of net sales.	Adjusted EBIT margin sets underlying operating profit excluding amortisation in relation to sales.
Adjusted net debt ²	Net debt less real estate-related	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 ²	Adjusted net debt divided by adjusted EBITDA for the past 12 months	Net debt/adjusted EBITDA is a theoretical measure of how many years it would take, with current earnings (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 ²	Operating profit/loss (EBIT) according to the previous standard IAS 17 i.e. excluding the effects of the implementation of IFRS 16, adjusted for items affecting comparability.	Adjusted EBIT is used to get a better picture of the underlying operating profit.
Adjusted EBIT margin ²	Adjusted EBIT as a percentage of net sales.	Adjusted EBIT margin sets underlying operating profit in relation to sales.
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, to property-related items such as capital gains, major property damage not covered by insurance, advisory costs relating to larger acquisitions or fundraising, major integration costs resulting from	Items affecting comparability are used to illustrate the profit/loss items that are not included in ongoing operating activities, to obtain a clearer picture of the underlying profit trend.

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

² The key indicator was calculated applying IAS 17 ie excluding effects from implementing IFRS 16, as the implementation had a significant impact on assets and liabilities as well as items in the income statement. By excluding the IFRS 16 effects continuity is achieved.



	acquisitions or reorganisations according to plan, as well as costs arising from strategic decisions and major restructuring that result in closing units.	
Net debt ²	Interest-bearing debt excluding property-related lease liabilities net of cash and cash equivalents and interest-bearing receivables.	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 ²	Net debt (closing balance for the period) divided by adjusted EBITDA for the past 12 months. .	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.
Interest coverage ratio ²	Adjusted EBIT for the past 12 months plus financial income, in relation to interest expense excluding interest expense attributable to property-related leasing liabilities.	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.	The operating margin shows the percentage of sales remaining after operating expenses, which can be allocated to other purposes.
Operating profit/loss (EBIT)	Operating profit/loss before net financial items and tax. .	Operating profit/loss (EBIT) is used to measure operating profit before financing and tax.
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 ²	Equity according to IAS 17 i.e. excluding the effects of the implementation of IFRS16 in percent of total assets excluding property-related right of use assets.	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 ²	Total assets, less non-interest-bearing current liabilities, provisions, and deferred tax liabilities adjusted for property-related lease liabilities. Or: Equity plus interest-bearing liabilities but excluding property-related lease liabilities.	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.

