



Change Through Education

AcadeMedia AB (publ)

YEAR-END REPORT July 2018 – June 2019

The Pre- and Compulsory School Segment shows a strong final quarter

Preschools gathered in one segment to better capture growth opportunities

Board proposes an ordinary dividend of SEK 1.25 (0) per share

AcadeMedia

Academedia

Year-end Report 2018/19

Fourth quarter (April – June 2019)

- Net sales increased by 5.6 percent to SEK 3,162 million (2,993). Organic growth, including bolt-on acquisitions, was 5.3 percent.
- Operating profit (EBIT) increased by 30.5 percent to SEK 218 million (167). Items affecting comparability in the period amounted to SEK -14 million (-40). Adjusted for items affecting comparability, operating profit was SEK 232 million (207).
- Net profit for the period was SEK 148 million (111).
- Cash flow from operating activities amounted to SEK 425 million (376).
- The average number of children and students, excluding the Adult Education segment, increased by 4.9 percent to 79,994 (76,233).
- Earnings per share amounted to SEK 1.41 (1.05) before dilution and SEK 1.41 (1.05) after dilution.
- As of 1 July 2019, all preschools have been gathered in one segment to capitalise on growth opportunities.

Full year (July 2018 – June 2019)

- Net sales increased by 8.4 percent to SEK 11,715 million (10,810). Organic growth including bolt-on acquisitions amounted to 4.4 percent.
- Operating profit (EBIT) increased by 2.1 percent to SEK 635 million (622). Items affecting comparability for the full year amounted to SEK 1 million (-48). Adjusted for items affecting comparability, operating profit was SEK 634 million (670).
- Net profit for the period amounted to SEK 431 million (430).
- Cash flow from operating activities amounted to SEK 684 million (928).
- The average number of children and students, excluding the Adult Education segment amounted to 79,493 (73,366), representing an increase of 8.4 percent.
- Earnings per share was SEK 4.09 (4.30) before dilution and SEK 4.09 (4.29) after dilution.
- The Board of Directors proposes a dividend of SEK 1.25 per share (0) for the 2018/19 financial year.

The Group in figures

The quarter in figures	Fourth quarter			Full year		
	2018/19	2017/18	Change	2018/19	2017/18	Change
Net sales, SEK m	3,162	2,993	5.6%	11,715	10,810	8.4%
EBITDA, SEK m	290	233	24.5%	931	872	6.8%
EBITDA margin, %	9.2%	7.8%	1.4 p.p.	7.9%	8.1%	-0.2 p.p.
Operating profit (EBIT), SEK m	218	167	30.5%	635	622	2.1%
EBIT margin, %	6.9%	5.6%	1.3 p.p.	5.4%	5.8%	-0.4 p.p.
Adjusted operating profit (EBIT)*, SEK m	232	207	12.1%	634	670	-5.4%
Adjusted EBIT margin, %	7.3%	6.9%	0.4 p.p.	5.4%	6.2%	-0.8 p.p.
Total financial items, SEK m	-14	-19	26.3%	-69	-68	-1.5%
Income before taxes, SEK m	204	148	37.8%	566	555	2.0%
Profit/loss for the period, SEK m	148	111	33.3%	431	430	0.2%
Number of children and students**	79,994	76,233	4.9%	79,493	73,366	8.4%
Number of FTEs	12,487	12,462	0.2%	12,405	11,863	4.6%

* For definitions see page 30-31. ** Excl. Adult education



CEO's comments

The fourth quarter of 2018/19 showed a substantial increase in operating profit as compared to last year. Pre- and Compulsory school showed solid improvement in fourth quarter earnings, bringing the full year adjusted EBIT-margin for the segment to 4.8 percent. Upper Secondary School had a strong year with higher margins, although the fourth quarter was weaker than last year. Adult Education performed much better this quarter compared to last year. To summarise the year as a whole, earnings and margins have improved in the Swedish Schooling segments, the Adult Education Segment is still in transition period, and International pre-school, especially Germany, is experiencing rapid growth. The board proposes a dividend of SEK 1.25 (0) per share.

Pre- and compulsory schools improve margins

The Pre- and Compulsory School Segment has shown a stable organic volume growth of three percent during the year generated mainly by adding students to existing compulsory schools. In 2019 the voucher increase for compulsory schools was also favourable (3.5 percent), while the voucher increase for preschools was only 2.0 percent. As mentioned in prior reports, we have also seen a stabilisation of staff turnover and wage inflation.

Organic volume growth, stable voucher increases, and improved staff turnover all contributed to improved margins for this segment and are key to maintaining stable and improved margins going forward.

The adjusted EBIT-margin for the fourth quarter was 8.3 percent (7.0) and 4.8 percent (4.6) for the full year. The improvement was mainly driven by a stronger margin in compulsory schools despite the slight deterioration of margin in Swedish pre-schools.

As announced previously, AcadeMedia will divest 12 preschools as of 1 July 2019 in order to focus on municipalities and units where potential for quality and profitability is better.

Record Year for Upper Secondary School Segment

2018/19 is yet another record year for the Upper Secondary School Segment although the fourth quarter included some additional expenses. Student numbers are now at almost 35,000 and AcadeMedia is a clear market leader among the independent secondary schools. The market share amount to approximately 36 percent among the independent education providers and almost 10 percent of the total market.

Praktiska Gymnasiet, a brand which came through the Vindora acquisition, is responsible for some of the growth, but it was mostly a result of opening new schools. Another four new schools will open this autumn.

Larger age groups are driving need for additional upper secondary schools. AcadeMedia has worked hard to secure attractive premises in order to support municipalities in expanding capacity. Future growth has been secured through the signing of several substantial lease contracts for new premises.

Adult education not yet in the clear

In the Adult Education Segment, the fourth quarter was substantially better than last year, but earnings were down compared to the prior quarter. This is mainly due to a normal seasonal slowdown of activity for the summer. Substantial cutbacks relating to the labour market training programs (Swedish Public Employment Service) have been carried out during the quarter and throughout the year. Reductions were mainly staff but have also impacted premises and other resources. These measures are expected to have a positive effect on margins for 2019/20.

While the business relating to municipalities and higher vocational training has continued to do well and outperform last year, the ongoing restructuring of the Swedish Public Employment Service still poses short term challenges. However, we are hopeful that this will provide opportunities for AcadeMedia within a few years. The politicians have now given Swedish Public Employment Service the assignment to develop a new system for matching of unemployed to jobs. The private providers will be given a greater role to educate and match the job seeker with available positions. The agency is planning for a new system to be trialled in 2020 and launched in 2021. The role of the agency will be to procure these services. As Sweden's leading adult education provider, we see considerable potential for capturing part of this new business.

International Preschool Segment

The International Preschool Segment, which includes preschools in Norway and Germany, is the fastest growing part of AcadeMedia. Turnover increased 11 percent in the quarter and almost 17 percent for the full year. Growth relates mainly to Germany. Adjusted EBIT improved in both countries.

The Norwegian preschool sector is currently undergoing changes relating to regulatory requirements of increased staffing which will be implemented the coming year. In addition, changes in actuarial assumptions will result in higher reported pension expenses in Norway next year. In total, this is expected to increase costs by around SEK 35 million in the fiscal year 2019/20.

New preschool segment set to capture growth

AcadeMedia's market analysis shows that the European preschool market is set to grow. Several countries have a low level of young children attending preschool which hampers the earnings capacity of the nation as well as gender equality. The Nordic countries have operated pedagogical childcare for young children for more than 50 years and we have developed a special curriculum and pedagogical processes specially designed to develop and prepare young children for the next step in their education. As such AcadeMedia is well positioned to take part in and drive this development. AcadeMedia has decided to form a segment encompassing all preschools in Sweden, Norway and Germany in order to successfully capture this growth opportunity. As CEO, I will initially lead this

segment, but the aim is to appoint a permanent head of the Preschool Segment in 2020.

I am very excited about this development as I believe this will provide us with opportunities to participate in future restructuring and development of the European preschool sector.

Change Through Education

Last quarter, AcadeMedia's management developed a revised strategic plan for the next four years. Titled "Change Through Education," this plan and mission will be our strategic guide going forward. AcadeMedia will continue to nurture innovation and be a dynamic leader in the education industry. We have great confidence in

our ability to bring positive change and development to both individuals and the societies we operate in.

Dividend proposed

Until now shareholders of AcadeMedia have injected equity capital for growth and investments. As a result of the financial development during the year and a stable outlook, the board of AcadeMedia has decided to propose a dividend of SEK 1.25 per share.

Marcus Strömberg

President and CEO
AcadeMedia AB (publ)

Capital Markets seminar, 29 August 2019

In connection with the publishing of this report, AcadeMedia is hosting a capital markets seminar with focus on the rapidly growing European preschool market. The seminar will start at 10:45 am CEST and can be followed live on the following page, <https://tv.streamfabriken.com/academedia-capital-market-seminar-2019>

A recording of the webinar and the presentation material will be available on AcadeMedia web, <https://corporate.academedia.se/>



Development in the fourth quarter (April 2019 to June 2019)

Volume development and net sales

Net sales increased by 5.6 percent and amounted to SEK 3,162 million (2,993). Organic growth including bolt-on acquisitions, amounted to 5.3 percent. Excluding the Adult Education Segment, where turnover declined, the organic growth amounted to 6.7 percent. Exchange rate development had a positive impact on sales of 0.3 percent. The average number of students, excluding the Adult Education Segment, increased by 4.9 percent to 79,994 (76,233).

Operating and adjusted profit/loss (EBIT)

Operating profit (EBIT) increased by 30 percent and amounted to SEK 218 million (167). EBIT margin was 6.9 percent (5.6). The increase was primarily related to large restructuring expenses in the Adult Education Segment last year. Adjusted EBIT amounted to SEK 232 million (207) corresponding to an adjusted EBIT margin of 7.3 percent (6.9).

The Pre- and Compulsory school segment had a strong final quarter driven by more students and improved capacity utilisation in existing units and stabilised staff expenses. The Upper Secondary School Segment has undertaken marketing investments as well as investments to improve the quality and attractiveness of the Praktiska units. The Preschool International Segment delivered a strong quarter in both Norway and Germany. The Adult Education Segment continued to have a weak development in the operation linked to the Swedish Public Employment Service. Development in the segment was also a seasonal effect of fewer education days during this quarter.

Operating profit was also impacted by higher brand depreciation of SEK 2.5 million as a result of the reassessment of the useful life of our brands.

Net financial items

Interest expense for the quarter decreased despite higher net debt and amounted to SEK -12 million (-18). The lower interest expense is a result of the refinancing in July 2018.

Profit and comprehensive income for the period

Profit after tax for the period was to SEK 148 million (111) and tax was SEK -56 million (-37). Corresponding to an effective tax rate of 27.4 percent (25.3). The increase in tax was related to Germany.

Fourth quarter in summary by segment

	Number of students (average)		Net sales, SEK m		Adjusted EBIT, SEK m		Adj. EBIT margin		Operating profit/loss (EBIT), SEK m		EBIT margin	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Pre- and Compulsory Schools (Sweden)	33,498	32,834	1,136	1,082	94	76	8.3%	7.0%	86	76	7.6%	7.0%
Upper Secondary Schools (Sweden)	34,194	32,024	990	920	90	100	9.1%	10.9%	84	87	8.5%	9.5%
Adult Education (Sweden)	-*	-*	382	397	2	-7	0.5%	-1.8%	2	-69	0.5%	-17.4%
Preschool International	12,302	11,375	653	593	70	60	10.7%	10.1%	70	97	10.7%	16.4%
Group adj., parent company	-	-	0	1	-24	-22	-	-	-24	-24	-	-
Total	79,994	76,233	3,162	2,993	232	207	7.3%	6.9%	218	167	6.9%	5.6%

* The volume in Adult Education is not measured based on the number of participants since the study time varies.

Comprehensive income for the period was SEK 166 million (57). Actuarial gains impacted positively, SEK 7 million (-80) net after tax.

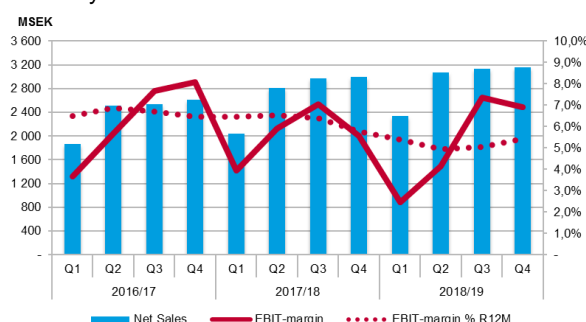
Items affecting comparability

Items affecting comparability amounted to SEK -14 million (-40) as shown by the table below.

Items affecting comparability	Fourth quarter	
	2018/19	2017/18
SEK million		
Restructuring expenses (adult)	-	-38
Restructuring expenses (upper sec.)	-14	3
Restructuring expenses (Comp. School)	-8	-
Hermods SFI	-	-23
Transaction related expenses	-	-3
Integration expenses	-	-17
Retroactive revenue from previous years	9	-
Pension adjustment Norway	-	37
Total	-14	-40

Organisational changes

In the fourth quarter, two new preschools opened in Germany, and one preschool in Norway and one upper secondary school in Sweden were acquired. At the end of June, seven units were discontinued in Sweden: three upper secondary schools, one compulsory school, and three preschools. In addition, nine preschools in Sweden were divested and three upper secondary schools were consolidated to one. Divestiture and closure of units will be visible next quarter. To better capitalise on growth opportunities in the European preschool market, a new segment has been created encompassing all preschools in Sweden, Norway and Germany.



Development in the full year (July 2018 to June 2019)

Volume development and net sales

Net sales increased by 8.4 percent in the full year and amounted to SEK 11,715 million (10,810). Organic growth, including bolt-on acquisitions, amounted to 4.4 percent. Excluding the Adult Education Segment, where turnover declined, organic growth amounted to 7.7 percent. Sales growth relating to acquisitions amounted to 3.2 percent and includes Vindora (Nov. 2017) and KTS (March 2018). Exchange rate development had a positive impact on sales of 0.8 percent. The average number of students, excluding the Adult Education Segment, increased by 8.4 percent to 79,493 (73,366).

Operating and adjusted profit/loss (EBIT)

Operating profit (EBIT) increased by 2.1 percent and amounted to SEK 635 million (622). All segments, except the Adult Education Segment, improved their operating profit. The EBIT margin was 5.4 percent (5.8). Adjusted EBIT amounted to SEK 634 million (670), corresponding to an adjusted EBIT margin of 5.4 percent (6.2).

Previous years' efforts to ensure adherence to Equal Terms law rendered substantial retroactive revenues during this fiscal year. At the same time, strategic decisions connected to the unit portfolio generated restructuring expenses. These are classified as items affecting comparability. Underlying operations develop well, except for the labour market training within the Adult Education Segment. Good volume growth, higher capacity utilisation, and stabilised development of personnel costs underpins the margin improvement in the Swedish school segments. The margin in international preschool was negatively impacted by the expense of opening new units and higher pension expenses in Norway.

At the start of the financial year the useful life of our brands was reassessed, resulting in higher depreciation for the brands of SEK 10 million for the full year.

Net financial items

Interest expense for the period decreased to SEK -51 million (-62). The lower interest expense is a result of lower interest-bearing liabilities and lower interest margin rates following the refinancing in July 2018. The financial net also included a loss of SEK 5.5 million relating to the sale of shares in Schoolido.

Full year in summary by segment

	Number of students (average)		Net sales, SEK m		Adjusted EBIT, SEK m		Adj. EBIT margin		Operating profit/loss (EBIT), SEK m		EBIT margin	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Pre- and compulsory schools (Sweden)	32,988	32,101	4,147	3,912	199	178	4.8%	4.6%	195	178	4.7%	4.6%
Upper secondary school (Sweden)	34,653	30,582	3,757	3,229	344	292	9.2%	9.0%	364	276	9.7%	8.5%
Adult education (Sweden)	-*	-*	1,478	1,666	32	137	2.2%	8.2%	17	75	1.2%	4.5%
Preschool international	11,852	10,684	2,328	1,998	135	125	5.8%	6.3%	135	162	5.8%	8.1%
Group adj., parent company	-	-	4	5	-76	-62	-	-	-76	-70	-	-
Total	79,493	73,366	11,715	10,810	634	670	5.4%	6.2%	635	622	5.4%	5.8%

* The volume in Adult Education is not measured based on the number of participants since the study time varies.

Profit and comprehensive income for the period

Profit after tax for the period amounted to SEK 431 million (430) and tax amounted to SEK -136 million (-124). This corresponds to an effective tax rate of 24.0 percent (22.4). The increase in tax was related to higher profit in Germany.

Comprehensive income for the period was SEK 324 million (416), where actuarial losses had a negative impact, SEK -104 million (-71) after tax, following revised actuarial assumptions for defined benefit pensions in Norway.

Items affecting comparability

Items affecting comparability amounted to net SEK 1 million (-48) as shown in the table below.

Items affecting comparability	Full year	
	2018/19	2017/18
Transaction related expenses	-0	-8
Retroactive revenue from previous years	45	-
Restructuring expenses (adult)	-15	-38
Restructuring expenses (upper sec.)	-14	3
Restructuring expenses (Comp. School)	-14	
Hermods SFI	-	-23
Integration expenses Vindora	-	-20
Pension adjustment Norway	-	37
Total	1	-48

Organisational changes

Prior to 2018/19 four units in Sweden closed: two preschools, one compulsory school and one upper secondary school. During the year three upper secondary schools opened with about 180 first-year students. Moreover, nine new preschools in Germany and one new in Sweden opened. In addition, one upper secondary school in Sweden and one preschool in Norway were acquired during the year.

At the end of June, seven units were discontinued in Sweden: three upper secondary schools, one compulsory school, and three preschools. In addition, nine preschools in Sweden were divested and three upper secondary schools were consolidated to one. Divestiture and closure of units will be visible in the first quarter of 2019/20.



Cash flow and financial position

Cash flow

In the fourth quarter cash flow from operating activities before changes in the net working capital amounted to SEK 246 million (206). Cash flow was affected positively by the increase in operating profit. Changes in the net working capital for the period was in line with last year and amounted to SEK 179 million (170). In total, cash flow from operating activities amounted to SEK 425 million (376). Cash flow from investing activities totalled SEK -130 million (-115), and primarily consisted of property-related investments as well as equipment. Cash flow from financing activities amounted to SEK -64 million (-103) for the quarter and consisted of interest expense and repayment of loans and short-term credit facilities. All in all, cash flow for the quarter amounted to SEK 232 million (158).

For the full year, cash flow from operating activities before changes in working capital amounted to SEK 785 million (707). Cash flow from changes in net working capital amounted to SEK -101 million (221). This development was in part caused by unusually favourable working capital at the beginning of the year following delayed payments to suppliers due to calendar effects, amounting to approximately SEK 130 million. In addition, AcadeMedia's largest customer changed to monthly pre-payments from previously quarterly pre-payments in the spring 2018. The effect on net working capital of this change was about SEK 90 million. The cash flow from changes in working capital was also negatively affected due to a calendar effect on pre-paid income in Norway, amounting to SEK 58 million. In total, cash flow from operating activities amounted to SEK 684 million (928).

Cash flow from investing activities for the full year totalled SEK -559 million (-970), with investments primarily consisting of property related investments in Norway, investments in rented property and investments in equipment. Compared to last year, property related investment increased, while acquisition related investments decreased. Last year several large investments were made, including for instance the acquisition of Vindora, which was part of last year's cash flow from investing activities. Cash flow from financing activities totalled SEK -296 million (144) relating to repayment of debt. All in all, cash flow for the full year amounted to SEK -172 million (102).

Financial position

Consolidated equity amounted to SEK 4,589 million (4,262) as of 30 June 2019 and the equity/asset ratio improved to 47.2 percent (45.4). The increase in equity and improved equity/asset ratio was attributable to the net profit for the last 12 months. However, a revaluation of the pension liability in Norway following revised actuarial assumptions had a negative effect on equity amounting to SEK -104 million (-71) for the full year after tax which also gave rise to increased pension liabilities.

Consolidated interest-bearing net debt as of 30 June 2019 amounted to SEK 2,266 million (2,179). The interest-bearing liabilities were somewhat lower compared to last year and the slightly higher net debt is attributable to lower cash. Excluding real estate loans, the adjusted net debt amounted to SEK 1,533 million (1,528). The real estate loans, which consist of both non-current loans in the Norwegian State Housing Bank (Norw. Husbanken) and short-term construction loans, increased over the past 12 months by SEK 82 million to SEK 733 million (650). Building assets increased during the equivalent period by SEK 181 million to SEK 1,129 million (948). The increase was entirely attributable to the expansion and acquisition of new preschools in Norway.

Non-current interest-bearing liabilities amounted to SEK 2,205 million (2,209) and consist of loans from banks and the Norwegian State Housing Bank, as well as lease agreements. Current interest-bearing liabilities consist of revolving credit facilities, current portions of long-term loans and construction loans, amounting to SEK 592 million (673). Net debt in relation to adjusted EBITDA (rolling 12 months) was in line with last year and amounted to 2.4 (2.4), which was better than the Group's financial target of a maximum of 3.0. The development follows seasonal pattern and is normally at its lowest in the fourth quarter as a result of the Group's cash flow being strongest in the last quarter and then net debt decreases. Property-adjusted net debt divided by adjusted EBITDA (12m) declined and was 1.6 (1.7).

During the fourth quarter, an impairment test regarding goodwill and other intangible assets with indefinite life was performed on the group's cash generating units based on long term business plans. No cash generating unit had a book value exceeding its recoverable amount. Therefore, no impairment of goodwill or impairment of other intangible asset with indefinite life was reported during 2018/19.

The Board of Directors proposal on dividends

AcadeMedia's dividend policy is that surplus can be distributed provided that AcadeMedia meets its targets relating to quality and financial position. The Board of Directors deem the financial position stable and that other objectives are met. The Board of Directors proposes an ordinary dividend of SEK 1.25 per share (0) for the fiscal year 2018/19. This corresponds to SEK 131 million (0), 31 percent (0) of the profit for the period.



Pre- and Compulsory Schools (Sweden)

- The number of children and students increased by 2.0 percent to 33,498 (32,834) in the fourth quarter.
- Sales increased 5.0 percent to SEK 1,136 million (1,082).
- Operating profit (EBIT) increased and amounted to SEK 86 million (76).

AcadeMedia's Pre- and Compulsory School segment runs preschools and compulsory schools in many municipalities in Sweden under the brands Pysslingen Förskolor, Pysslingen Skolor, and Vittra. The schools are financed by the school voucher system. The segment had 228 units in the quarter.

Fourth quarter results

The average number of children and students increased by 2.0 percent as a result of increased number of students in existing units. Net sales increased by 5.0 percent to SEK 1,136 million (1,082), which in addition to the increase in volume and the annual adjustment of school vouchers also was attributable to increased subsidies for students with special needs and state subsidies. These income items are always matched by an equivalent cost.

Operating profit (EBIT) increased and amounted to SEK 86 million (76) and the operating margin improved to 7.6 percent (7.0). More children and students in existing compulsory school units contributed to a higher capacity utilisation and improved margin. The general salary inflation has subsided, but earnings continued to be impacted by high personnel costs as a result of increased staffing at certain schools. Restructuring costs of SEK 8 million were reserved in the period. Adjusted EBIT amounted to SEK 94 million (76).

Full year results

The average number of children and students increased by 2.8 percent primarily as a result of growth in existing units. Net sales increased by 6.0 percent and amounted to SEK 4,147 million (3,912), mainly due to increased student numbers but also due to the annual

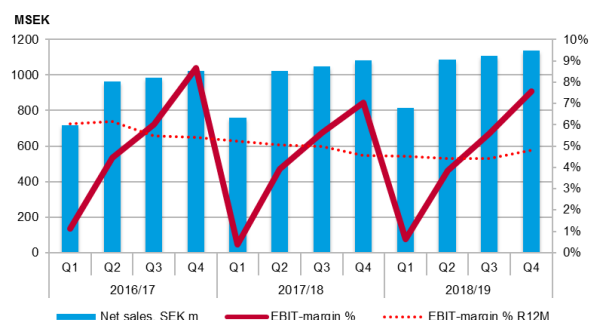
school voucher adjustment and increased subsidies for students with special needs and state subsidies.

Operating profit (EBIT) improved by 9.6 percent and amounted to SEK 195 million (178), with an operating margin of 4.7 percent (4.6). EBIT was impacted by items affecting comparability of net SEK -4 million (0); SEK 10 million (0) retroactive revenue and SEK -14 million (0) in restructuring expenses. Adjusted EBIT improved to SEK 199 million (178) as an effect of more students contributing to improved capacity utilisation, although some units continue to have challenges that need focused efforts.

Operational changes

In total, the number of units declined by two during the fiscal year following closure of two smaller preschools and one smaller compulsory school prior to the 2018/19 academic year and opening of one new preschool in the Stockholm area in the third quarter. During the year strategic decisions have been taken which impacted the unit portfolio: divestiture of nine pre-schools and closure of one compulsory school and three preschools. Divestiture and closure of units will be visible in the first quarter of 2019/20.

From 1 July 2019 all preschool operations in Sweden, Norway and Germany will be gathered in one segment. This reorganisation also affects include compulsory schools which will form an own separate segment. See note 8 for restated financial information for the new segments.



Pre- and Compulsory Schools (Sweden)	Fourth quarter			Full year		
	2018/19	2017/18	Change	2018/19	2017/18	Change
Net sales, SEK m	1,136	1,082	5.0%	4,147	3,912	6.0%
EBITDA, SEK m	105	92	14.1%	270	239	13.0%
EBITDA margin	9.2%	8.5%	0.7 p.p.	6.5%	6.1%	0.4 p.p.
Depreciation/amortisation	-18	-16	-12.5%	-72	-61	-18.0%
Acquisition related depreciations	-1	-	n.a.	-2	-	n.a.
Operating profit (EBIT), SEK m	86	76	13.2%	195	178	9.6%
EBIT margin, %	7.6%	7.0%	0.6 p.p.	4.7%	4.6%	0.1 p.p.
Items affecting comparability, SEK m	-8	-	n.a.	-4	-	n.a.
Adjusted operating profit (EBIT), SEK m	94	76	23.7%	199	178	11.8%
Adjusted EBIT margin, %	8.3%	7.0%	1.3 p.p.	4.8%	4.6%	0.2 p.p.
Number of children and students	33,498	32,834	2.0%	32,988	32,101	2.8%
Number of units	228	230	-0.9%	228	229	-0.4%



Upper Secondary Schools (Sweden)

- The number of students increased by 6.8 percent in the fourth quarter, amounting to 34,194 (32,024).
- Sales increased 7.6 percent to SEK 990 million (920).
- Operating profit (EBIT) declined by 3.4 percent and amounted to SEK 84 million (87).

AcadeMedia's Upper Secondary School segment provides upper secondary education throughout Sweden under 15 different brands, offering both academic and vocational programmes. The schools operate entirely based on the school voucher system. The segment had 144 units during the quarter.

Fourth quarter results

The number of students increased by 6.8 percent, driven by new establishments in the autumn of 2017 existing units. Net sales increased by 7.6 percent to SEK 990 million (920), due to volume growth and the annual school voucher increase.

Operating profit (EBIT) declined by 3.4 percent to SEK 84 million (87). Operating margin declined to 8.5 percent (9.5). Investments in marketing and digitalisation led to higher expenses. The Praktiska units have increased resources and costs in order to ensure quality. These efforts are to improve the schools' attractiveness and quality going forward.

Items affecting comparability impacted the operating profit (EBIT) negatively. These include restructuring expenses of SEK -14 million, and retroactive revenue from previous year SEK 9 million. Adjusted EBIT amounted to SEK 90 million (100).

Full year results

During the full year the number of students increased by 13.3 percent and net sales increased by 16.4 percent to SEK 3,757 million (3,229). This increase was due to the acquisition of Vindora (Nov 2017), new establishments in 2017 and 2018, increased number of students in existing units, as well as higher vouchers.

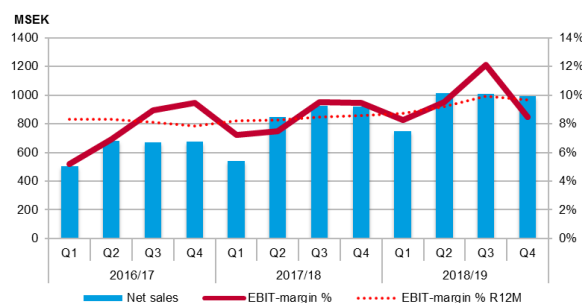
Operating profit (EBIT) increased substantially to SEK 364 million (276). The EBIT-margin also improved and amounted to 9.7 percent (8.5). The improvement was due to the acquisition of Vindora. Last year, Vindora was only included in eight of the twelve months. Items affecting comparability of SEK 20 million (-16) have also contributed to the improvement. In total, retroactive revenue relating to prior financial years contributed with SEK 34 million (0) while restructuring expenses of SEK -14 million (+3) had a negative effect. Adjusted operating profit increased to SEK 344 million (292).

Operational changes

One unit was closed prior to 2018/19 while three new units were opened. In addition, one unit was acquired during the fourth quarter, Helix Gymnasiet in Borlänge. Hence, the number of units increased by three during the fiscal year.

At the end of June 2019, three upper secondary units closed and on 1 July three upper secondary schools have been consolidated into one. The plan is to open four new units in the autumn 2019 in Nacka, Solna and Helsingborg.

AcadeMedia is working hard to secure new premises in attractive locations in order to capitalise on the new expansion needs relating to larger age groups.



Upper Secondary Schools (Sweden)	Fourth quarter			Full year		
	2018/19	2017/18	Change	2018/19	2017/18	Change
Net sales, SEK m	990	920	7.6%	3,757	3,229	16.4%
EBITDA, SEK m	121	118	2.5%	506	397	27.5%
EBITDA margin	12.2%	12.8%	-0.6 p.p.	13.5%	12.3%	1.2 p.p.
Depreciation/amortisation	-36	-31	-16.1%	-138	-119	-16.0%
Acquisition related depreciations	-1	-1	n.a.	-4	-1	-300.0%
Operating profit (EBIT), SEK m	84	87	-3.4%	364	276	31.9%
EBIT margin, %	8.5%	9.5%	-1.0 p.p.	9.7%	8.5%	1.2 p.p.
Items affecting comparability, SEK m	-6	-13	n.a.	20	-16	n.a.
Adjusted operating profit (EBIT), SEK m	90	100	-10.0%	344	292	17.8%
Adjusted EBIT margin, %	9.1%	10.9%	-1.8 p.p.	9.2%	9.0%	0.2 p.p.
Number of children and students	34,194	32,024	6.8%	34,653	30,582	13.3%
Number of units	144	141	2.1%	143	133	7.5%



Adult Education (Sweden)

- Sales declined 3.8 percent to SEK 382 million (397).
- Operating profit (EBIT) was SEK 2 million (-69).

AcadeMedia's Adult Education Segment is Sweden's largest provider of adult education. We are present in approximately 150 locations around the country and offer a solid expertise in working with integrating and educating adults. The segment operates mainly in three customer segments: The Swedish Public Employment Service, adult education provided by municipalities and higher vocational education.

Fourth quarter results

Net sales declined by 3.8 percent and amounted to SEK 382 million (397). The decline was related to labour market training program for the Swedish Public Employment Service. Operations within municipal adult education and higher vocational education show growth. Operating profit (EBIT) in the period amounted to SEK 2 million (-69), representing an operating margin of 0.5 percent (-17.4).

Adjusted operating profit increased to SEK 2 million (-7) compared to last year, but it decreased compared to the previous quarter due to fewer billable days. This is a normal seasonal effect for the labour market training program and the municipal adult education. The first and the fourth quarter normally have fewer number of working days which impacts parts the segment.

The ongoing work to reduce costs in the labour market training program, more specifically the vocational and preparatory modules contract, is going according to plan. The contract continues to be unprofitable due to low volumes, but the development is stable and is continuously adapted to local conditions. The contract ends on 31 October 2019, but with the option for the Swedish Public Employment Service to extend 1+1 year. The authority has decided to close 20 and to extend 25 of 45 locations in total.

Full year results

Net sales for the full year declined with 11.3 percent and amounted to SEK 1,478 million (1,666). Operating profit declined to SEK 17 million (75) and profit margin amounted to 1.2 percent (4.5). Adjusted operating profit was SEK 32 million (137). The weak development

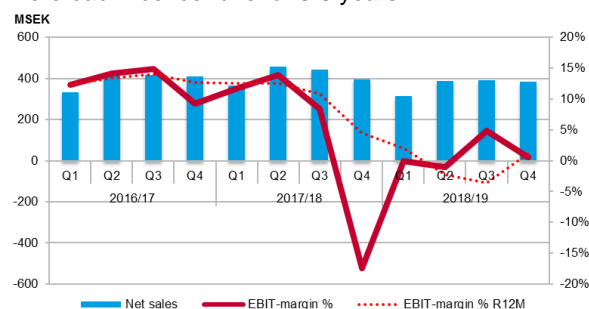
during the year is solely attributed to the labour market training business and its loss-making contracts. These contracts replaced very profitable contracts. Contractual obligations in combination with lower prices per participant and a substantial volume decline are the main reasons for the weak development. Significant cut-backs to premises and staff have been made.

During the year has demand for municipal adult education and higher vocational education developed well. Both sales and operating EBIT has showed growth

Market development

The Swedish Public Employment Service is currently adjusting to new directives. In the short term, this means challenges for AcadeMedia where local dialogue is a prerequisite for planning of our services. The authority has further revised its forecasts this quarter due to lower expected volumes. In the long term, the Swedish Public Employment Services' work will be more focused on job matching and these services will be tendered to private players – which could lead to opportunities for AcadeMedia.

In municipal adult education, a large procurement is underway with the City of Stockholm. Prices in parts of this contract are expected to decline. The allocation decision is expected in autumn 2019 with the earliest start January 2020. The procurement with the City of Gothenburg, where AcadeMedia received a good allocation, is still in an appeal process. Existing contracts have been extended until 31 Dec 2019. Further extension may apply if the appeal is delayed. In January, the Swedish National Agency for Higher Vocational Education awarded AcadeMedia a record number of training programmes for autumn 2019, where each licence runs for 3-5 years.



Adult Education (Sweden)	Fourth quarter			Full year		
	2018/19	2017/18	Change	2018/19	2017/18	Change
Net sales, SEK m	382	397	-3.8%	1,478	1,666	-11.3%
EBITDA, SEK m	6	-66	n.a.	32	83	-61.4%
EBITDA margin	1.6%	-16.6%	18.2 p.p.	2.2%	5.0%	-2.8 p.p.
Depreciation/amortisation	-3	-2	-50.0%	-10	-8	-25.0%
Acquisition related depreciations	-1	-	n.a.	-5	-	n.a.
Operating profit (EBIT), SEK m	2	-69	n.a.	17	75	-77.3%
EBIT margin, %	0.5%	-17.4%	17.9 p.p.	1.2%	4.5%	-3.3 p.p.
Items affecting comparability, SEK m	-	-61	n.a.	-15	-61	-75.4%
Adjusted operating profit (EBIT), SEK m	2	-7	n.a.	32	137	-76.6%
Adjusted EBIT margin, %	0.5%	-1.8%	2.3 p.p.	2.2%	8.2%	-6.0 p.p.



Preschool International

- The number of children increased by 8.1 percent to 12,302 (11,375) in the fourth quarter.
- Sales increased 10.1 percent to SEK 653 million (593).
- Operating profit (EBIT) was SEK 70 million (97).

AcadeMedia's Preschool International segment operates preschools in Norway and Germany under the Espira, Joki, Stepke and KTS brands. Espira is Norway's third largest preschool provider with 101 units. In Germany preschools are operated at 38 units.

Fourth quarter results

The average number of children in the fourth quarter increased by 8.1 percent to 12,302 (11,375). Sales increased by 10.1 percent to SEK 653 million (593). The increase mainly relates to higher number of children following the opening of new units in Germany, but also due to translation effects. SEK/NOK and SEK/EUR had a positive impact of 1.7 percent, corresponding to SEK 10 million.

Operating profit (EBIT) was lower than the previous year and amounted to SEK 70 million (97) and the operating margin was 10.7 percent (16.4). Last year was positively impacted with SEK 37 million relating to items affecting comparability due to new pension rules in Norway.

Adjusted operating profit increased to SEK 70 million (60) and came from improved earnings in both Norway and Germany.

Full year results

The average number of children for the full year increased by 10.9 percent. Net sales increased by 16.5 percent to SEK 2,328 million (1,998). The translation effect from SEK/NOK and SEK/EUR had a positive impact on sales of SEK 82 million, 4.1 percent.

Operating profit (EBIT) for the full year amounted to SEK 135 million (162), and the EBIT margin was 5.8 percent (8.1). Adjusted operating profit increased to SEK 135 million (125) while the margin declined to 5.8 percent (6.3). The positive development of the adjusted

operating profit is primarily attributable to Germany; however, the new openings render lower margins. Higher pension expenses in Norway, SEK 15 million, also negatively impacted the margin.

Operational changes

During the year nine new preschools opened in Germany and, in Norway, two units expanded capacity and two small preschools were merged into one. In the fourth quarter, one preschool was acquired in Norway.

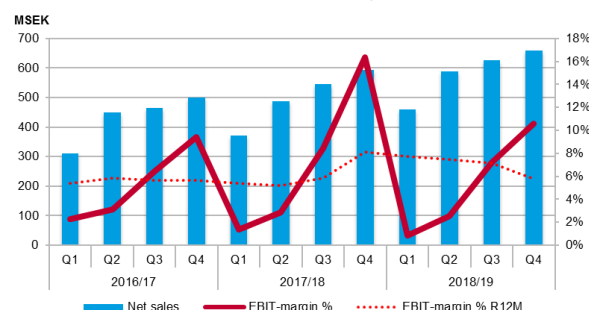
In 2019/20 an additional 12-15 new preschools are expected to open in Germany and two in Norway. Also 2020/21 has a strong pipeline with 10-15 new units in Germany.

As of 1 July 2019, all AcadeMedia preschools in Sweden, Norway and Germany will be combined in one segment. See note 8 for restated financial information for the new segments.

The staff density regulation in Norway

From 1 August 2019, staff density come into effect. The new rules will give rise to higher school vouchers in the municipalities where staffing is increased. AcadeMedia estimates that the new regulation will result in temporary earnings decline until the school vouchers gradually are raised in 2021-2022.

In addition to increased costs following the staff regulation, changes in actuarial assumptions will result in higher reported pension expenses in Norway next year. In total, this is expected to increase costs by around SEK 35 million in the fiscal year 2019/20.



Preschool International	Fourth quarter			Full year		
	2018/19	2017/18	Change	2018/19	2017/18	Change
Net sales, SEK m	653	593	10.1%	2,328	1,998	16.5%
EBITDA, SEK m	80	113	-29.2%	194	218	-11.0%
EBITDA margin, %	12.3%	19.1%	-6.8 p.p.	8.3%	10.9%	-2.6 p.p.
Depreciation/amortisation, SEK m	-9	-15	40.0%	-55	-52	-5.8%
Acquisition related depreciations	-1	-1	-	-4	-4	-
Operating profit (EBIT), SEK m	70	97	-27.8%	135	162	-16.7%
EBIT margin, %	10.7%	16.4%	-5.7 p.p.	5.8%	8.1%	-2.3 p.p.
Items affecting comparability, SEK m	-	37	n.a.	-	37	n.a.
Adjusted operating profit (EBIT), SEK m	70	60	16.7%	135	125	8.0%
Adjusted EBIT margin, %	10.7%	10.1%	0.6 p.p.	5.8%	6.3%	-0.5 p.p.
Number of children and students	12,302	11,375	8.1%	11,852	10,684	10.9%
Number of units	139	130	6.9%	136	123	10.6%



Quality

Quality results for the fourth quarter

At the end of the academic year in June, the grades for AcadeMedia's compulsory and upper secondary schools were compiled. The final results for compulsory schools will be presented by the National Agency for Education in their national database in September and for upper secondary schools the results will be presented in December. The results reported at this time are therefore preliminary and no national averages are available for comparison yet.

Preliminary, it can be concluded that the average grades for AcadeMedia's compulsory schools declined to 242.1 (245.8) during the 2018/19 academic year. The proportion of students with passing grades in all subjects declined to 81.9 percent (83.0). At the same time, the percentage of students eligible for upper secondary school improved and amounted to 90.7 percent (90.6). The grades in AcadeMedia's compulsory schools continue to be higher than the latest published national averages.

The study results this year for the upper secondary schools are presented both with and without Vindora to ensure a consistent comparison with last year's result.

In AcadeMedia's upper secondary schools, excluding Vindora, the percentage of students who graduated increased, 90.7 percent (88.7). Also the average final grades for students who graduated with full diplomas improved 14.3 points (14.1). The study results for upper secondary schools were slightly above respectively in line with last year's national average. The variation among AcadeMedia's upper secondary school operations is large.

When Vindora is included in the study results the percentage of students who graduated amount to 89.6 percent (-) and the average final grades for students who graduated with full diplomas amount to 14.1 points (-).

In June, results were compiled from Swedish preschools' internal assessments of how well the national curriculum was met. The results showed improvements in the areas "norms and values" and "development and learning" 5.2¹ (5.1) respectively 4.9 (4.8), while "children's influence" remained at the same levels as last year 5.1 (5.1).

The results from AcadeMedia's Norwegian preschools show that the share of parents who would recommend their child's preschool is still at a high level and has increased since last year 84.7 percent (83.9).

Quality results for the full year

In addition to the above, a number of other quality assessments have been completed during the year, in accordance with the AcadeMedia Group's annual cycle as well as for each school form. The results from the most important of these assessments have been presented in previous quarterly reports and a compilation for the fiscal year 2018/19 will be presented in AcadeMedia's quality report, which will be published in October 2019.

Examples of quality assessments performed during the year include a compilation of grades and results of national exams, student and parent surveys, employee satisfaction surveys, follow-up of inspections and quality assessments, internal inspections, assessment of educational quality etc.

All results for all quality types and from all school levels are available on AcadeMedia's homepage, <https://utbildning.academedia.se/kvalitet/kvalitetsresultat>. Updates of the quality results are made in conjunction with publication of the quarterly reports.

¹ 4 indicates an acceptable result in relation to the requirements. The scale goes in steps of two from 2 to 8.



Employees

The average number of full-time employees in the quarter was 12,487 (12,462) which is in line with last year. For the full year, the average number of full-time employees was 12,405 (11,863). The proportion of women in the Swedish operation was 67.5 percent (69.4) in the quarter. Employee turnover in Sweden, measured as the proportion of individuals who resigned, amounted to 22.6 percent accumulated over twelve months July-June, compared with 26.3 percent accumulated in the corresponding period the previous year. In the Swedish school operations, pre-, compulsory and upper secondary schools, there is a positive trend with declining employee turnover. However, in the Adult Education Segment, employee turnover has increased following the recent contract transitions and employee cut-backs, negatively impacting the consolidated group numbers. Absence due to illness for AcadeMedia's staff in Sweden (cumulative average, short-term absence < 90 days) declined to 4.4 percent (4.8) for the full year.

The annual employee satisfaction survey showed a continuing high recommendation level: 80 percent (79) in Sweden and 80 percent (84) in Norway. More detailed information can be found in the third quarter's interim report or at www.academedia.se.

Parent company

Sales during the full year amounted to SEK 5 million (9). The operating profit (EBIT) amounted to SEK -19 million (-19) and profit after tax amounted to SEK -0 million (11). The parent company's assets essentially consist of participations in Group companies. The operation is financed by equity and debt. Equity in the parent company as of 30 June 2019 was SEK 2,738 million (2,735). The parent company's current assets have increased compared to last year due to increased lending to companies in the cash pool. The parent company's interest-bearing debt as of 30 June 2019 was SEK 1,357 million (94). The increase in relation to the previous year is because the Swedish debt was moved to the parent company in connection with signing a new loan agreement in July 2018.

Owners and share capital

AcadeMedia AB (publ) is a public limited company that has been listed on Nasdaq Stockholm since June 2016. As of 30 June 2019, share capital was SEK 105,463,885 and the number of shares amounted to a total of 105,463,885 shares distributed among 105,215,643 ordinary shares and 248,242 Class C shares. The quota value is SEK 1.00 per share. Mellby Gård AB is the largest shareholder in AcadeMedia with 21.0 percent of the capital as of 30 June 2019.

During the second quarter AcadeMedia has fulfilled its obligation in accordance with the share-based incentive programme launched 2016 to senior managers in AcadeMedia. 76,758 C-shares were converted to ordinary shares and distributed to the qualifying participants. As a result of the conversion, the number of votes has increased by 69,082 from 105,171,385 to 105,240,467. The total number of shares is unchanged.

The Annual General Meeting 2018 resolved on a directed issue of convertibles (Convertible program 2019/2023) to the employees, primarily in Sweden. AcadeMedia's employee convertible schemes was taken up by approximately 270 employees, with a total value of SEK 20 million and run at interest from the 15th of March.

Significant events after the end of the reporting period

No significant events occurred after 30 June 2019.

Other Group information

Risks and uncertainties

AcadeMedia categorises risks as operating, external and financial and they are described in detail in AcadeMedia AB's 2017/18 Annual Report, published 26 October 2018. Operating risks are the most crucial risks for AcadeMedia and include variations in demand and number of students and participants, risk relating to the supply of qualified employees and payroll expenses, risk relating to quality deficiencies, contractual compliance within adult education, AcadeMedia's reputation and brand, permits, and liability and property risk.

In addition to the risks described in the Annual Report, the development of the adult education market, especially related to the Swedish Public Employment Service, as well as new regulations around staff and teacher density in Norway are perceived as new risk factors.



Seasonal variations

AcadeMedia's four segments have different seasonal variations. The three school segments have 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 2017/18 Annual Report, published 26 October 2018.

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

Adult education does not have a recurring seasonal pattern in the same way as the school segments. The contract portfolio and public spending have a greater influence on the variations. The number of working days or education days in the period may have some effect.

Outlook

AcadeMedia does not publish any forecasts.

Annual General Meeting 2019

AcadeMedia's Annual General Meeting will take place on Tuesday the 26 of November 2019 at ABF-huset, Sveavägen 41, Stockholm.

Shareholders who wish to submit proposals to the Nomination Committee for the Annual General Meeting on 26 November 2019 can do so by e-mail to valberedning@academedia.se. Proposals should be submitted to the Nomination Committee before 1 October 2019.



Calendar

23 October 2019	Interim report first quarter
25 October 2019	Annual Report 2018/19
26 November 2019	Annual General Meeting 2019
31 January 2020	Interim report second quarter
5 May 2020	Interim report third quarter

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

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

Stockholm 29 August 2019

Marcus Strömberg
Chief Executive Officer

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This is a translation of the Swedish interim report. In the event of differences, the Swedish interim report shall prevail.

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 29 August 2019.



Consolidated statement of comprehensive income

SEK m		Fourth quarter		Full year	
		2018/19	2017/18	2018/19	2017/18
Net Sales	2	3,162	2,993	11,715	10,810
Cost of goods sold		-254	-257	-997	-920
Other external expenses		-662	-625	-2,517	-2,320
Personnel expenses		-1,942	-1,837	-7,272	-6,650
Depreciation/amortisation		-68	-65	-280	-244
Acquisition related depreciations		-4	-2	-16	-6
Items affecting comparability ¹⁾		-14	-40	1	-48
		-2,943	-2,826	-11,080	-10,188
OPERATING INCOME		218	167	635	622
Interest income and similar profit/loss items	6	1	1	3	5
Interest expense and similar profit/loss items	6	-15	-20	-72	-73
		-14	-19	-69	-68
INCOME BEFORE TAX		204	148	566	555
Tax		-56	-37	-136	-124
PROFIT/LOSS FOR THE PERIOD		148	111	431	430
Other comprehensive income					
<i>Items that will not be reclassified to profit/loss</i>					
Remeasurement of defined benefit pension plans		10	-103	-133	-92
Deferred tax relating to defined benefit pension plans		-2	24	29	21
		7	-80	-104	-71
<i>Items that may be reclassified to profit/loss</i>					
Translation differences		11	26	-3	57
Other comprehensive income for the period		18	-54	-106	-14
COMPREHENSIVE INCOME FOR THE PERIOD		166	57	324	416
Profit for the period attributable to:					
Stockholders of the parent company		148	111	431	430
Non-controlling interests		-	-	-	-
Comprehensive income for the period attributable to:					
Stockholders of the parent company		166	57	324	416
Non-controlling interests		-	-	-	-
Earnings per share basic (SEK)		1.41	1.05	4.09	4.30
Earnings per share basic/diluted (SEK)		1.41	1.05	4.09	4.29
Earnings per share based on number of shares outstanding 30 June 2019 (SEK)		1.41	1.05	4.09	4.09

^{*)} Items affecting comparability are specified on page 4 and 5 and definitions are on pages 30 to 31.



Consolidated statement of financial position in summary

SEK m	Note	30 June 2019	30 June 2018
ASSETS			
Intangible non-current assets		6,231	6,175
Buildings		1,129	948
Other property, plant and equipment		787	651
Other non-current assets		71	50
Total non-current assets		8,218	7,823
Current receivables		976	860
Cash and cash equivalents		527	699
Total current assets		1,502	1,560
TOTAL ASSETS		9,720	9,383
EQUITY AND LIABILITIES			
Total equity		4,589	4,262
Non-current liabilities to credit institutions		2,131	2,163
Provisions and other non-current liabilities		379	182
Total non-current liabilities	5	2,509	2,345
Current interest-bearing liabilities		592	673
Other current liabilities		2,030	2,103
Total current liabilities	5	2,621	2,776
TOTAL EQUITY AND LIABILITIES		9,720	9,383

Consolidated statement of changes in equity in summary

Total equity attributable to owners of the parent company

SEK m	1 Jul 2018 30 June 2019	1 July 2017 30 June 2018
Opening balance	4,262	3,443
Profit/loss for the period	431	430
Other comprehensive income	-106	-14
Total profit/loss for the group	324	416
Transactions with owners*	3	403
Closing balance	4,589	4,262

*) Transactions with owners include a share-matching program of SEK 0.8 million and issued convertibles of SEK 2.1 million. Transactions with owners in the prior year includes a rights issue of SEK 401.1 million after issue-related expenses, a share-matching program of SEK 0.7 million and premium for issued warrants of SEK 1.0 million.



Consolidated cash flow statement in summary

SEK m	Note	Fourth quarter		Full year	
		2018/19	2017/18	2018/19	2017/18
Operating profit/loss (EBIT)		218	167	635	622
Adjustment for items affecting cash flow		56	77	282	227
Tax paid		-28	-38	-132	-142
Cash flow from operating activities before changes in working capital		246	206	785	707
Cash flow from changes in working capital		179	170	-101	221
Cash flow from operating activities		425	376	684	928
Cash flow from investing activities		-130	-115	-559	-970
Cash flow from financing activities		-64	-103	-296	144
CASH FLOW FOR THE PERIOD		232	158	-172	102
Cash and cash equivalents at beginning of period		291	534	699	579
Exchange-rate differences in cash and cash equivalents		4	7	-1	18
Cash and cash equivalents at end of period		527	699	527	699



Parent company income statement in summary

SEK m	Fourth quarter		Full year	
	2018/19	2017/18	2018/19	2017/18
Net sales	1	3	5	9
Operation expenses	-7	-9	-24	-27
OPERATING PROFIT/LOSS	-6	-6	-19	-19
Interest income and similar profit/loss items	16	0	17	0
Interest expense and similar profit/loss items	-7	-1	-32	-5
	9	-1	-15	-4
Year-end appropriations	34	37	34	37
PROFIT/LOSS BEFORE TAX	37	31	-0	14
Tax	-8	-4	-	-3
PROFIT/LOSS FOR THE PERIOD	29	26	-0	11

Parent company other comprehensive income

SEK m	Fourth quarter		Full year	
	2018/19	2017/18	2018/19	2017/18
Profit/Loss for the period	29	26	-0	11
Other comprehensive income for the period	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	29	26	-0	11

Parent company balance sheet in summary

SEK m	30 June 2019	30 June 2018
ASSETS		
Participations in Group companies	2,247	2,247
Deferred tax assets	-	-
Total non-current assets	2,247	2,247
Current receivables	3,853	2,765
Cash and bank balances	329	394
Total current assets	4,182	3,159
TOTAL ASSETS	6,430	5,406
EQUITY AND LIABILITIES		
Restricted equity	105	105
Non-restricted equity	2,633	2,630
Total equity	2,738	2,735
Non-current liabilities	1,094	1
Current liabilities	2,598	2,670
TOTAL EQUITY AND LIABILITIES	6,430	5,406



Parent company statement of changes in equity

Total equity attributable to owners of the parent company

SEK m	1 July 2018 30 June 2019	1 July 2017 30 June 2018
Opening balance	2,735	2,321
Profit/loss for the period	0	11
Other comprehensive income	-	-
Total profit/loss for the group	0	11
Transactions with owners*	3	403
Closing balance	2,738	2,735

**) Transactions with owners include a share-matching program of SEK 0.8 million and issued convertibles of SEK 2.1 million. Transactions with owners from previous year include a rights issue of SEK 401.1 million after issue-related expenses, a share-matching program of SEK 0.7 million and premium for issued warrants of SEK 1.0 million*



Notes and accounting policies

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 pages 13 to 14.

Note 1: Accounting policies

AcadeMedia applies the International Financial Reporting Standards (IFRS) as adopted by the EU. The accounting policies applied are the same as those described in AcadeMedia's 2017/18 Annual Report, which is available at <https://corporate.academedia.se>. No new accounting policies effective from 2018/19 have had any material impact on AcadeMedia. This Interim Report is prepared in accordance with IAS 34 Interim Financial Reporting, as well as the Annual Accounts Act. The parent company applies the Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR 2, Accounting for Legal Entities. The interim report includes pages 1 to 31 and pages 1 to 14 are an integrated part of this financial report.

The useful life of the brands was reassessed, and now amounts to 20 years, and will result in depreciation increasing by SEK 10 million per year. This depreciation is reported on a separate line in the income statement called Depreciation related to acquisitions. Other acquisition related depreciations are also included here.

IFRS 15 Revenue from contracts with customers came into force on 1 January 2018, replacing all published standards and interpretations previously used for revenue. IFRS 15 provides a single model for revenue recognition under which revenue is recognised when promised goods or services are transferred to a customer. This can occur over time or at a point in time. The revenue consists of the amount that the Company expects to receive as consideration for the transferred goods or services. The standard is applicable to the Group as of 1 July 2018. An assessment of the standard's impact on the financial reports shows that the new standard will not have any impact on AcadeMedia's financial reports except extended disclosure requirements.

IFRS 9 Financial Instruments deals with classification, measurement and reporting of financial assets and liabilities and replaces parts of IAS 39. IFRS 9 maintains a mixed valuation approach, but simplifies this approach in certain regards. There will be three valuation categories for financial assets: amortized cost, fair value in other comprehensive income (OCI) and fair value through profit or loss. The classification is determined at the first reporting date. IFRS 9 also introduces a new model for calculating credit loss provisions based on estimated credit losses and reduces the requirement for hedge accounting by replacing the 80–125 criteria with requirements for a financial relationship between hedging instruments and hedged items and that the hedge ratio should be the same as that applied in risk management. The hedging documentation has also been amended to some extent compared to that presented under IAS 39. The standard is effective for AcadeMedia from 1 July 2018. The standard has no impact on AcadeMedia's financial reports except extended disclosure requirements.

IFRS 16 "Leases": A new leasing standard was published by IASB in January 2016 which will replace IAS 17 Leasing contracts as well as associated interpretations IFRIC 4, SIC-15 and SIC-27. The standard was accepted by EU on 9 November 2017. IFRS 16 requires assets and liabilities related to leasing, with the exception of short-term leases and low-value assets, to be recognised as a liability and asset in the balance sheet. The accounting is based on the view that the lessee has the right to use an asset for a specific time period and at the same time the obligation to pay for this right. Accounting for the lessor will essentially remain unchanged. The standard will come into place for the financial year starting 1 January 2019 or later. AcadeMedia will not apply IFRS 16 for the financial year starting 1 July 2019. AcadeMedia has during the year analysed and assessed implications from the implementation.

One effect on AcadeMedia from the implementation of IFRS 16 is that total assets will increase by approximately SEK 7 billion as of 1 July 2019. This outcome follows that most of the group's lease agreements will be reported gross in the balance sheet as right-of-use assets and lease liability. The Group's operating profit 2019/20, based on existing portfolio of right of use assets, is expected to improve by approximately SEK 200 million following lower lease expenses in the operating profit compared to how lease contracts are reported according to IAS 17. Financial expenses in 2019/20, based on existing portfolio of right of use assets, are expected to increase by approximately SEK 350 million compared to reporting of lease contracts according to IAS 17 due to the financial components in the lease calculations. This will have a negative net effect on earnings before tax. Additional information concerning the impact on the group from application of IFRS 16 will be presented in connection with publication of the report for the first quarter 2019/20. For more information about last year's lease obligations, please see note 3 in the 2017/18 annual report. In the coming interim reports, the financial statements will also be presented without the effects from implementation of IFRS 16 to enable comparison with previous years.



Note 2: Income

SEK m	Fourth quarter		Full year	
	2018/19	2017/18	2018/19	2017/18
Income related to education	3,084	2,907	11,397	10,553
State subsidies	38	45	154	126
Other income	39	41	165	131
Net sales	3,162	2,993	11,715	10,810

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 instruction. 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 assessed using the same fundamental principles, but also takes into account the empirical estimate of the number of participants who do not complete the education that they started, as well as estimates of compensation received based on the number of participants that complete the education.

State subsidies includes 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 subsidy. Contributions received to cover costs are recognised as an expense reduction of the applicable expense item, for example teacher salary premiums, head teacher premiums and other wage subsidies, and are recognised net under personnel expenses.

Other income refers to income not directly related to education, such as rental income and resale of computers.

Note 3: Related party transactions

Related party transactions are described in detail in the 2017/18 annual report. During the fiscal year has the senior executives in Academedia AB acquired synthetic share options in AcadeMedia issued Mellby Gård AB the largest shareholder. AcadeMedia AB has not been involved in the offer. The synthetic share options have been acquired at a price deemed to correspond to the market value of the options. Moreover, no transaction with related parties has taken place except remuneration to board members. The senior executives' holdings are shown on AcadeMedia's homepage <https://corporate.academedia.se/>.

Note 4: Acquisitions

Acquiring company	Acquired company	Acquisition date	Segment
Espira Barnehager AS	Casa Musica Barnehager AS	01-apr-19	International preschool
ACM 2001 AB	Helixutbildningar AB	01-maj-19	Upper secondary school

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

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

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

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

Acquisition effects of acquisitions made (SEK m)	Other	Total
Purchase consideration including transaction expenses and interest compensation	43	43
Purchase consideration excluding transaction expenses and including interest	42	42
Fair value of acquired net assets excluding goodwill	-21	-21
Total goodwill	21	21



Fair values acquired (SEK m)	Other	Total
Intangible non-current assets	0	0
Property, plant and equipment	37	37
Financial non-current assets	0	0
Current assets	16	16
Cash and cash equivalents	7	7
Interest-bearing liabilities	-30	-30
Non-interest-bearing liabilities	-5	-5
Current tax liability	-2	-2
Deferred tax liability	-3	-3
Net assets acquired	21	21

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

Impact of the acquisitions on the Group's cash and cash equivalents (SEK m)	Other	Total
Purchase consideration excluding transaction expenses and including interest	31	31
Less purchase consideration that has not been settled in cash as of June 30, 2018.	11	11
Cash and cash equivalents at time of acquisition	-7	-7
Impact on the Group's cash and cash equivalents	34	34

Contribution of acquisitions to consolidated profit (SEK m)	Other	Total
Net sales	10	10
Operating profit (EBIT)	2	2

If the units had been included in consolidated profit from July 1, 20178 the contribution would have been (SEK m)	Other	Total
Net sales	47	47
Operating profit (EBIT)	10	10

During the year, certain acquisition analyses for previous years' acquisitions were completed. With respect to KTS, this led to an adjustment of goodwill of SEK 10.6 million when the full reported additional purchase price was not paid out.

After the end of the reporting period AcadeMedia have divested nine preschool units.

Note 5: Specification of liabilities

SEK m	30 June 2019	30 June 2018
Non-current liabilities		
Non-current liabilities to credit institutions excl. property loans	1,486	1,560
Non-current interest-bearing liabilities - properties	644	603
Non-current liabilities (interest-bearing)	74	46
Non-current liabilities (non-interest-bearing)	305	135
TOTAL Non-current liabilities	2,509	2,345
Current liabilities		
Liabilities to credit institutions and other current interest-bearing liabilities	503	625
Current interest-bearing liabilities - properties	89	48
Accounts payable and other current non-interest-bearing liabilities	719	773
Accrued expenses and deferred income	1,310	1,331
TOTAL current liabilities	2,621	2,776



Note 6: Specification of financial income and expenses

SEK m	Fourth quarter		Full year	
	2018/19	2017/18	2018/19	2017/18
Interest income and similar profit/loss items				
Interest income	0	1	1	2
Derivatives	-	-	-	-
Foreign exchange gains	0	1	2	4
Other	-	-	-	0
Interest income and similar profit/loss items	1	1	3	5
Interest expense and similar profit/loss items				
Interest expense	-12	-18	-51	-62
Borrowing costs *	-2	-1	-7	-5
Foreign exchange losses	-	-	-3	-0
Other**	-1	-1	-11	-5
Interest expense and similar profit/loss items	-15	-20	-72	-73

*) Administrative charges for loans are expensed over the term of the loan.

***) Capital loss on SEK 5.5 million related to the sale of shares in Schoolido in Q2 2018/19

During the year, the shares in Schoolido were sold given that it is deemed that too much capital is needed to further develop the company. IST, who run several other EdTech-companies, acquired Schoolido and will further develop the company. AcadeMedia will retain licenses to Schoolido's digital education material at reduced prices. The capital loss of SEK 5.5 million is included in Other in the table above.

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 additional consideration. Since loans with credit institutions are at variable interest, which is essentially 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 the financial instruments are approximately equal to their book values.



Note 8: New segment reporting as of 1 July 2019

As of 1 July 2019, AcadeMedia will implement a new organisation where the different types of education are streamlined. The reorganisation includes all preschools and means that all Swedish and international preschools will be combined in one new segment and that AcadeMedia's compulsory schools will be a separate segment in the Group's segment reporting. Thus, the Group will continue to have four segments, the Preschool Segment, the Compulsory School Segment, Upper Secondary School Segment, and Adult Education Segment.

Annual and Quarterly financial statements for the new segments are presented below. The Upper Secondary School Segment and Adult Education Segment are not affected by the reorganisation.

SEK million, unless otherwise stated	Full year*		2018/19*				2017/18*			
Preschool International	2018/19	2017/18	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	20,576	19,471	21,319	20,975	20,267	19,741	20,531	20,087	18,876	18,389
Net sales	3,619	3,262	1,009	974	924	712	947	888	815	612
EBITDA	262	278	106	92	44	20	134	89	41	13
EBITDA margin, %	7.2%	8.5%	10.5%	9.4%	4.8%	2.8%	14.1%	10.0%	5.0%	2.1%
Depreciation/amortisation	-68	-63	-12	-19	-18	-18	-18	-16	-15	-14
Acquisition related depreciations	-5	-4	-1	-1	-1	-1	-1	-1	-1	-1
Operating profit/loss (EBIT)	189	210	92	72	24	0	115	72	25	-2
EBIT margin, %	5.2%	6.4%	9.1%	7.4%	2.6%	-	12.1%	8.1%	3.1%	-0.3%
Items affecting comparability	-	37	-	-	-	-	37	-	-	-
Adjusted operating profit/loss (EBIT)	189	173	92	72	24	0	78	72	25	-2
Adjusted EBIT margin, %	5.2%	5.3%	9.1%	7.4%	2.6%	-	8.2%	8.1%	3.1%	-0.3%
Number of preschool units	255	241	258	255	253	253	249	248	236	230

SEK million, unless otherwise stated	Full year*		2018/19*				2017/18*			
Compulsory Schools (Sweden)	2018/19	2017/18	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	24,265	23,314	24,482	24,417	24,195	23,964	23,678	23,645	23,141	22,791
Net sales	2,857	2,648	780	760	752	565	728	706	694	520
EBITDA	203	180	79	51	50	23	71	46	41	21
EBITDA margin, %	7.1%	6.8%	10.1%	6.7%	6.6%	4.1%	9.8%	6.5%	5.9%	4.0%
Depreciation/amortization	-60	-50	-15	-16	-15	-13	-13	-13	-13	-11
Acquisition related depreciations	-1	-	-0	-0	-0	-0	-	-	-	-
Operating profit/loss (EBIT)	141	130	63	35	34	9	58	33	28	11
EBIT margin, %	4.9%	4.9%	8.1%	4.6%	4.5%	1.6%	8.0%	4.7%	4.0%	2.1%
Items affecting comparability	-4	-	-8	-	4	-	-	-	-	-
Adjusted operating profit/loss (EBIT)	145	130	71	35	30	9	58	33	28	11
Adjusted EBIT margin, %	5.1%	4.9%	9.1%	4.6%	4.0%	1.6%	8.0%	4.7%	4.0%	2.1%
Number of education units	109	111	109	109	109	109	111	111	111	110

*) Proforma



Multi-year review

SEK million, unless otherwise stated	Fourth quarter		Full year				
	2018/19	2017/18	2018/19	2017/18	2016/17	2015/16	2014/15
Profit/loss items, SEK m							
Net sales	3,162	2,993	11,715	10,810	9,520	8,611	8,163
Items affecting comparability	-14	-40	1	-48	-23	-32	-79
EBITDA	290	233	931	872	827	722	720
Depreciation/amortisation	-68	-65	-280	-244	-208	-185	-198
Depreciation related to acquisitions	-4	-2	-16	-6	-4	-2	-5
Operating profit/loss (EBIT)	218	167	635	622	615	535	517
Net financial items	-14	-19	-69	-68	-80	-127	-269
Profit/loss for the period before tax	204	148	566	555	535	408	248
Profit/loss for the period after tax	148	111	431	430	416	319	222
Balance sheet items, SEK m							
Non-current assets	8,218	7,823	8,218	7,823	6,574	6,141	5,884
Current receivables and inventories	976	860	976	860	695	697	670
Cash and cash equivalents	527	699	527	699	579	331	695
Non-current interest-bearing liabilities	2,205	2,209	2,205	2,209	2,200	2,116	2,609
Non-current non-interest-bearing liabilities	305	135	305	135	114	113	197
Current interest-bearing liabilities	592	673	592	673	516	568	715
Current non-interest-bearing liabilities	2,030	2,103	2,030	2,103	1,577	1,382	1,425
Equity	4,589	4,262	4,589	4,262	3,443	2,990	2,304
Total assets	9,720	9,383	9,720	9,383	7,849	7,169	7,250
Capital employed	7,386	7,144	7,386	7,144	6,158	5,674	5,628
Net debt	2,266	2,179	2,266	2,179	2,133	2,342	2,629
Property adjusted net debt	1,533	1,528	1,533	1,528	1,550	1,866	2,295
Key ratios							
Net sales, SEK m	3,162	2,993	11,715	10,810	9,520	8,611	8,163
Organic growth incl. Bolt-on acquisitions, %	5.3%	4.1%	4.4%	5.8%	9.0%	6.4%	3.7%
Acquired growth, larger acquisitions, %	-	9.8%	3.2%	7.9%	0.8%	0.4%	24.4%
Change in currency, %	0.3%	0.7%	0.8%	-0.1%	0.8%	-1.3%	-
Operating margin (EBIT), %	6.9%	5.6%	5.4%	5.8%	6.5%	6.2%	6.3%
Adjusted EBIT, SEK m	232	207	634	670	638	567	596
Adjusted EBIT margin, %	7.3%	6.9%	5.4%	6.2%	6.7%	6.6%	7.3%
Adjusted EBITDA, SEK m	304	274	930	920	850	754	799
Adjusted EBIT margin, %	9.6%	9.1%	7.9%	8.5%	8.9%	8.8%	9.8%
Net margin, %	4.7%	3.7%	3.7%	4.0%	4.4%	3.7%	2.7%
Return on capital employed, %, (12 months)	8.7%	10.1%	8.7%	10.1%	10.9%	10.1%	10.8%
Return on equity, % (12 months)	9.7%	11.2%	9.7%	11.2%	12.9%	12.1%	9.9%
Equity/assets ratio, %	47.2%	45.4%	47.2%	45.4%	43.9%	41.7%	31.8%
Interest coverage ratio, times	12.5	10.9	12.5	10.9	9.4	4.8	2.8
Net debt/Adjusted EBITDA (12 months)	2.4	2.4	2.4	2.4	2.5	3.1	3.3
Adjusted net debt/adjusted EBITDA (12 months)	1.6	1.7	1.6	1.7	1.8	2.5	2.9
Cash flow from investing activities	-130	-115	-559	-970	-374	-386	-68
Number of full-time employees	12,487	12,462	12,405	11,863	10,564	9,714	9,159



Quarterly data, Group

Quarterly data SEK million, unless otherwise stated	2018/19				2017/18			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	3,162	3,135	3,076	2,343	2,993	2,967	2,813	2,037
EBITDA	290	310	205	126	233	275	232	132
Depreciation/amortisation	-68	-76	-73	-64	-65	-65	-64	-50
Acquisition related depreciations	-4	-4	-4	-4	-2	-2	-1	-1
Items affecting comparability	-14	20	-11	5	-40	-5	-1	-2
Operating income (EBIT)	218	231	128	58	167	209	166	80
Total financial items	-14	-14	-23	-17	-19	-15	-17	-16
Income before taxes	204	216	105	41	148	194	149	64
Tax for the current period	-56	-45	-25	-10	-37	-42	-33	-13
Profit/loss for the period	148	172	79	31	111	152	116	51
Number of children/students, schools	79,994	79,873	79,335	78,770	76,233	76,188	72,945	68,098
Number of full-time employees	12,487	12,605	12,473	12,055	12,462	12,320	11,789	10,882
Number of education units	511	507	505	505	501	500	489	446
Key ratios								
Operating margin (EBIT), %	6.9%	7.4%	4.2%	2.5%	5.6%	7.0%	5.9%	3.9%
Adjusted EBIT	232	210	139	52	207	214	167	82
Adjusted EBIT, %	7.3%	6.7%	4.5%	2.2%	6.9%	7.2%	5.9%	4.0%
Net margin, %	4.7%	5.5%	2.6%	1.3%	3.7%	5.1%	4.1%	2.5%
Return on equity, % (12 months)	9.7%	9.1%	9.0%	10.6%	11.2%	12.7%	12.7%	13.1%
Return on capital employed, % (12 Months)	8.7%	8.5%	8.8%	9.5%	10.1%	10.6%	10.6%	11.0%
Equity/assets ratio, %	47.2%	46.8%	45.6%	44.3%	45.4%	45.9%	45.0%	42.6%
Net debt/Adjusted EBITDA (12 months)	2.4	2.8	2.7	2.9	2.4	2.6	2.6	2.4
Interest coverage ratio	12.5	10.8	10.3	10.6	10.9	11.9	11.6	10.1
Other								
Cash flow from operating activities	425	129	348	-219	376	153	257	142
Cash flow from investing activities	-130	-170	-103	-156	-115	-124	-668	-63



Quarterly data, segment

SEK million, unless otherwise stated	2018/19				2017/18			
Pre- and Compulsory Schools (Sweden)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	33,498	33,321	32,751	32,381	32,834	32,732	31,727	31,111
Net sales	1,136	1,107	1,088	816	1,082	1,049	1,021	760
EBITDA	105	82	61	22	92	75	56	17
EBITDA margin, %	9.2%	7.4%	5.6%	2.7%	8.5%	7.1%	5.5%	2.2%
Depreciation/amortisation	-18	-19	-18	-16	-16	-16	-16	-13
Acquisition related depreciations	-1	-1	-1	-1	-	-	-	-
Operating profit/loss (EBIT)	86	62	42	5	76	59	40	3
EBIT margin, %	7.6%	5.6%	3.9%	0.6%	7.0%	5.6%	3.9%	0.4%
Items affecting comparability	-8	-	4	-	-	-	-	-
Adjusted operating profit/loss (EBIT)	94	62	38	5	76	59	40	3
Adjusted EBIT margin, %	8.3%	5.6%	3.5%	0.6%	7.0%	5.6%	3.9%	0.4%
Number of education units	228	228	227	227	230	230	228	226

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

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



Quarterly data, segment (cont.)

SEK million, unless otherwise stated	2018/19				2017/18			
Preschool International	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	12,302	12,071	11,711	11,324	11,375	11,000	10,290	10,069
Net sales	653	626	589	461	593	545	488	372
EBITDA	80	62	32	21	113	60	27	18
EBITDA margin, %	12.3%	9.9%	5.4%	4.6%	19.1%	11.0%	5.5%	4.8%
Depreciation/amortisation	-9	-16	-15	-15	-15	-13	-12	-12
Acquisition related depreciations	-1	-1	-1	-1	-1	-1	-1	-1
Operating profit/loss (EBIT)	70	45	15	4	97	46	14	5
EBIT margin, %	10.7%	7.2%	2.5%	0.9%	16.4%	8.4%	2.9%	1.3%
Items affecting comparability	-	-	-	-	37	-	-	-
Adjusted operating profit/loss (EBIT)	70	45	15	4	60	46	14	5
Adjusted EBIT margin, %	10.7%	7.2%	2.5%	0.9%	10.1%	8.4%	2.9%	1.3%
Number of preschool units	139	136	135	135	130	129	119	114

SEK million, unless otherwise stated	2018/19				2017/18			
Group-OH and adjustments	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	0	4	0	0	1	3	0	0
EBITDA	-22	-15	-21	-13	-23	-20	-13	-9
Depreciation/amortisation	-2	-1	-1	-1	-1	-1	-1	-1
Acquisition related depreciations	-	-	-	-	-	-	-	-
Operating profit/loss (EBIT)	-24	-16	-22	-14	-24	-21	-14	-10
Items affecting comparability	-	-	-0	-	-3	-4	0	-2
Adjusted operating profit/loss (EBIT)	-24	-16	-22	-14	-22	-17	-14	-9

SEK million, unless otherwise stated	2018/19				2017/18			
Group	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	79,994	79,873	79,335	78,770	76,233	76,188	72,945	68,098
Net sales	3,162	3,135	3,076	2,343	2,993	2,967	2,813	2,037
EBITDA	290	310	205	126	233	275	232	132
EBITDA margin, %	9.2%	9.9%	6.7%	5.4%	7.8%	9.3%	8.2%	6.5%
Depreciation/amortisation	-68	-76	-73	-64	-65	-65	-64	-50
Acquisition related depreciations	-4	-4	-4	-4	-2	-2	-1	-1
Operating profit/loss (EBIT)	218	231	128	58	167	209	166	80
EBIT margin, %	6.9%	7.4%	4.2%	2.5%	5.6%	7.0%	5.9%	3.9%
Items affecting comparability	-14	20	-11	5	-40	-5	-1	-2
Adjusted operating profit/loss (EBIT)	232	210	139	52	207	214	167	82
Adjusted EBIT margin, %	7.3%	6.7%	4.5%	2.2%	6.9%	7.2%	5.9%	4.0%
Net financial items	-14	-14	-23	-17	-19	-15	-17	-16
Profit/loss after financial items	204	216	105	41	148	194	149	64
Tax	-56	-45	-25	-10	-37	-42	-33	-13
Profit/loss for the period	148	172	79	31	111	152	116	51
Number of full-time employees (period)	12,487	12,605	12,473	12,055	12,462	12,320	11,789	10,882
Number of units	511	507	505	505	501	500	489	446



Reconciliation of alternative performance measures

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

SEK million, unless otherwise stated	Full year				
	2018/19	2017/18	2016/17	2015/16	2014/15
Net debt					
Non-current interest-bearing liabilities	2,205	2,209	2,200	2,116	2,609
+ Current interest-bearing liabilities	592	673	516	568	715
- Non-current interest-bearing receivables*	4	4	4	11	-
- Cash and cash equivalents	527	699	579	331	695
= Net debt	2,266	2,179	2,133	2,342	2,629
Property-adjusted net debt					
Net debt (as described above)	2,266	2,179	2,133	2,342	2,629
- non-current property loans	644	603	467	278	174
- current property loans	89	48	116	197	161
= Property adjusted net debt	1,533	1,528	1,550	1,865	2,295
Return on capital employed %, 12 months					
Adjusted operating profit EBIT (12 months)	634	670	638	567	596
+ Interest income	1	2	7	6	13
divided by					
Average equity (12 months)	4,426	3,853	3,216	2,647	2,247
+ average non-current interest-bearing liabilities (12 months)	2,207	2,204	2,158	2,363	2,815
+ average current interest-bearing liabilities (12 months)	632	594	542	641	592
= Return on capital employed %, 12 months	8.7%	10.1%	10.9%	10.1%	10.8%
Return on equity %, 12 months					
Profit/loss after tax (12 months)	431	430	416	319	222
divided by					
Average equity (12 months)	4,426	3,853	3,216	2,647	2,247
= Return on equity %, 12 months	9.7%	11.2%	12.9%	12.1%	9.9%

*) Included in Other non-current assets

**) The numbers for the quarter are the same for the full year

SEK million, unless otherwise stated	2018/19				2017/18			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Interest coverage ratio								
Adjusted operating profit EBIT (12 months)	634	609	613	641	670	693	676	650
+ Interest income (12 months)	1	1	2	2	2	1	1	6
+ Other financial income (12 months)	2	2	4	4	4	3	0	-
divided by								
Interest expense (12 months)	-51	-57	-60	-61	-62	-59	-58	-65
= Interest coverage ratio	12.5	10.8	10.3	10.6	10.9	11.9	11.6	10.1



Definitions

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

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

² According to ESMA guidelines on performance measures, each performance measure must be justified.



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

Other

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

