

AcademeMedia

Handelsbanken Mid Small Cap Seminar

2021-06-03



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Verkställande direktör



Katarina Wilson

CFO



>17,000
employees



>180,000
children, students, adult
participants



3 countries



> 660 units

Net sales

12,271
m. SEK



adj. EBIT





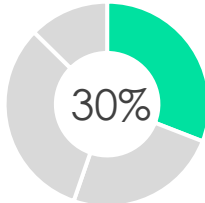
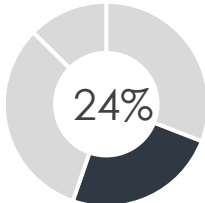
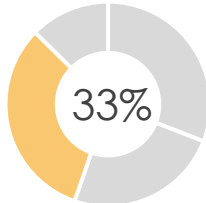
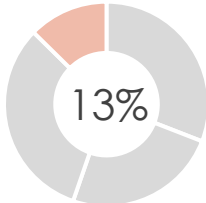
728
m. SEK

AcadeMedia change through education

AcadeMedia creates opportunities for people to develop. We are Northern Europe's largest education company, with presence in Sweden, Norway and Germany. Our size gives us the capacity to be a robust, long term partner to the communities we serve.

4 business segments and presence in 3 countries

We operate throughout the education chain

	Preschool	Compulsory School	Upper Secondary School	Adult Education
Age group	0-6 yrs	6-16 yrs	16-18 yrs	18+ yrs
Geography				
# FTE*	4 788	3 083	3 292	1 331
Net sales split*				



*) 2019/20

Our **strategies** are

- Clear focus on education and well-defined **brands**
- Knowledgeable and committed **employees and managers**
- Group-wide **quality** management model
- Continuous improvement and **innovative solutions**
- Long-term **sustainable growth**



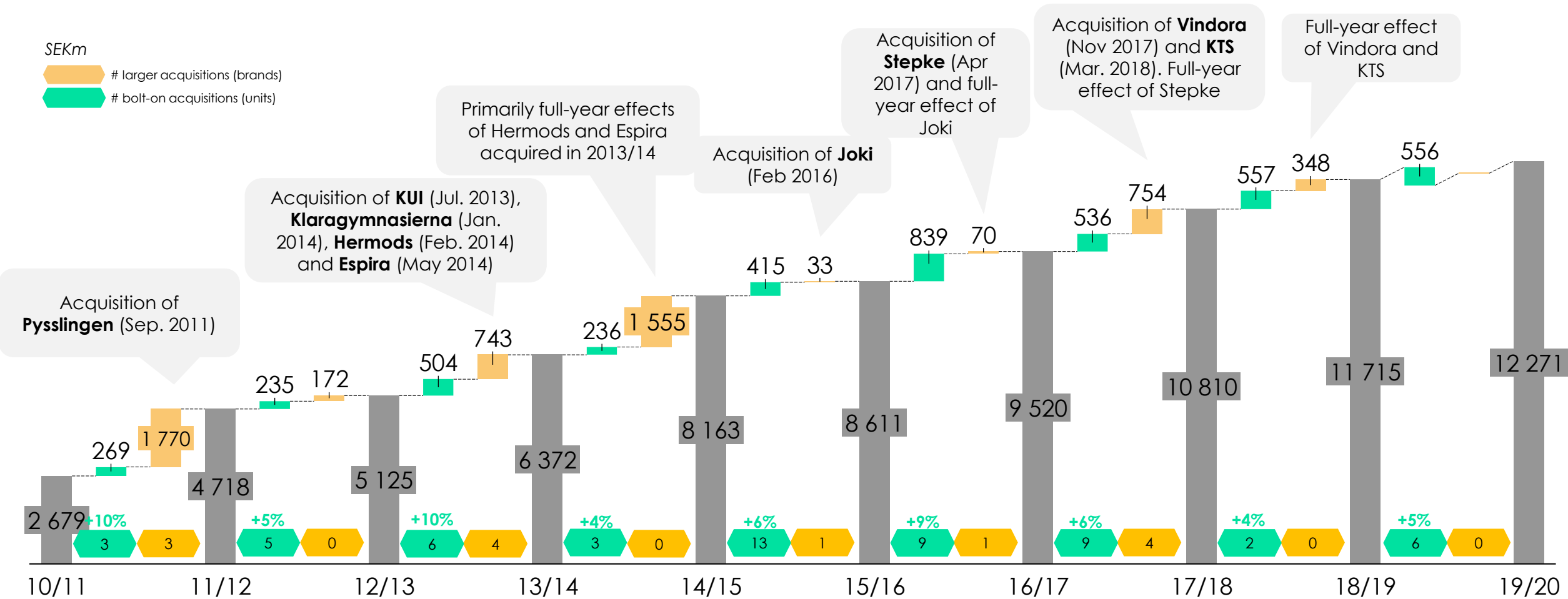
Revenue development 2010/11 – 2019/20

- Full year
- Organic growth
- Acquired growth

Strong track record of growth

SEKm

- # larger acquisitions (brands)
- # bolt-on acquisitions (units)



Definitions: Organic growth includes smaller bolt-on acquisitions and excludes changes in currency. Acquired growth refers to revenues from larger acquisitions during the last 12 months.

New establishments

Financial profile

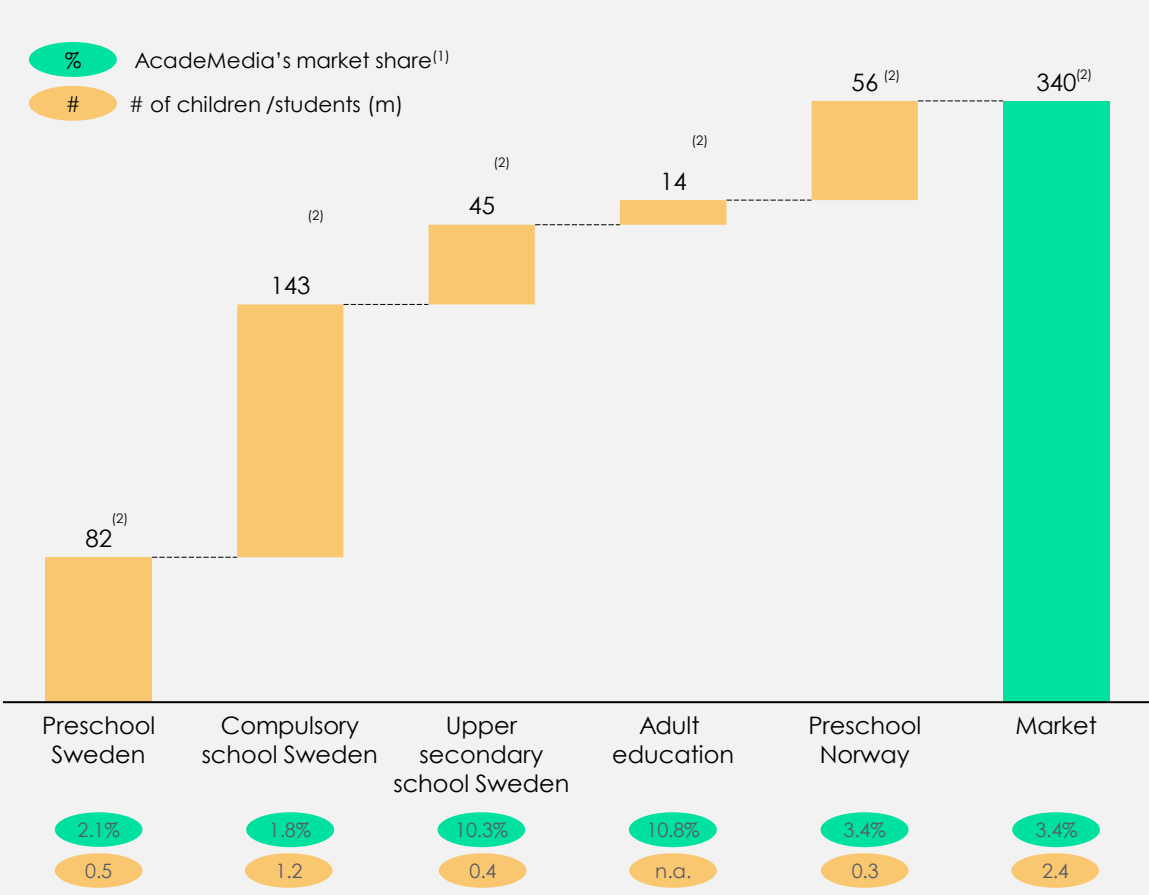
	COMPULSORY SCHOOLS	UPPER SECONDARY SCHOOLS	PRESCHOOLS SWEDEN	PRESCHOOLS NORWAY	PRESCHOOLS GERMANY
Start-up investment	SEK 5–8 million	SEK 2–3 million	SEK 1.5–2.0 million	NOK 38 million*	EUR 0.3–0.5 million
Break-even point	4 years	3 years	2 years	1 year	1 year
Time until turning a profit	5 years	5 years	3 years	2 years	2 years
Number of students when mature	400–500	200–350	90–120	80–90	75
Sales target	SEK 45 million	SEK 20–35 million	SEK 14–18 million	NOK 13 million	EUR 1.0–1.5 million
EBIT margin target	12–13% (excluding allocated fixed costs)	13–14% (excluding allocated fixed costs)	12–13% (excluding allocated fixed costs)	~15% (excluding allocated fixed costs and interest*)	~12% (excluding allocated fixed costs)
Rental agreement (contract length)	5-15 years	5-10 years	5-10 years	10-20 years	15-30 years
New establishments 2019/20	-	4 units	3 units	2 units	12–15 units

*Espira owns its properties during an initial phase. The property investments are fully financed by loans with the Norwegian State Housing Bank.

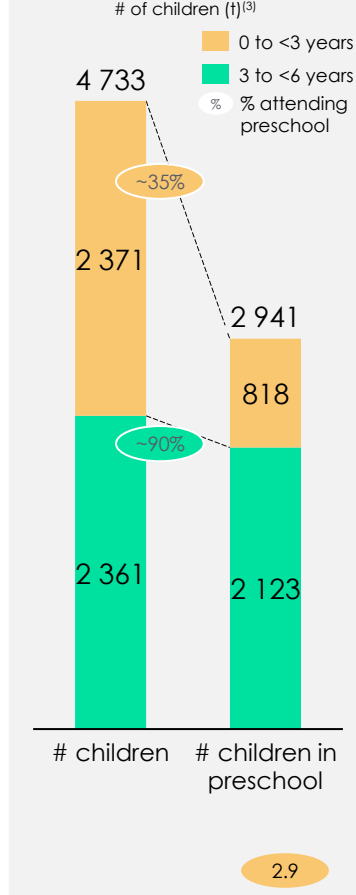
The size of the public education sector

Large market where AcadeMedia still only has a small part

Sweden and Norway addressable market 2019 (SEKbn)



Germany

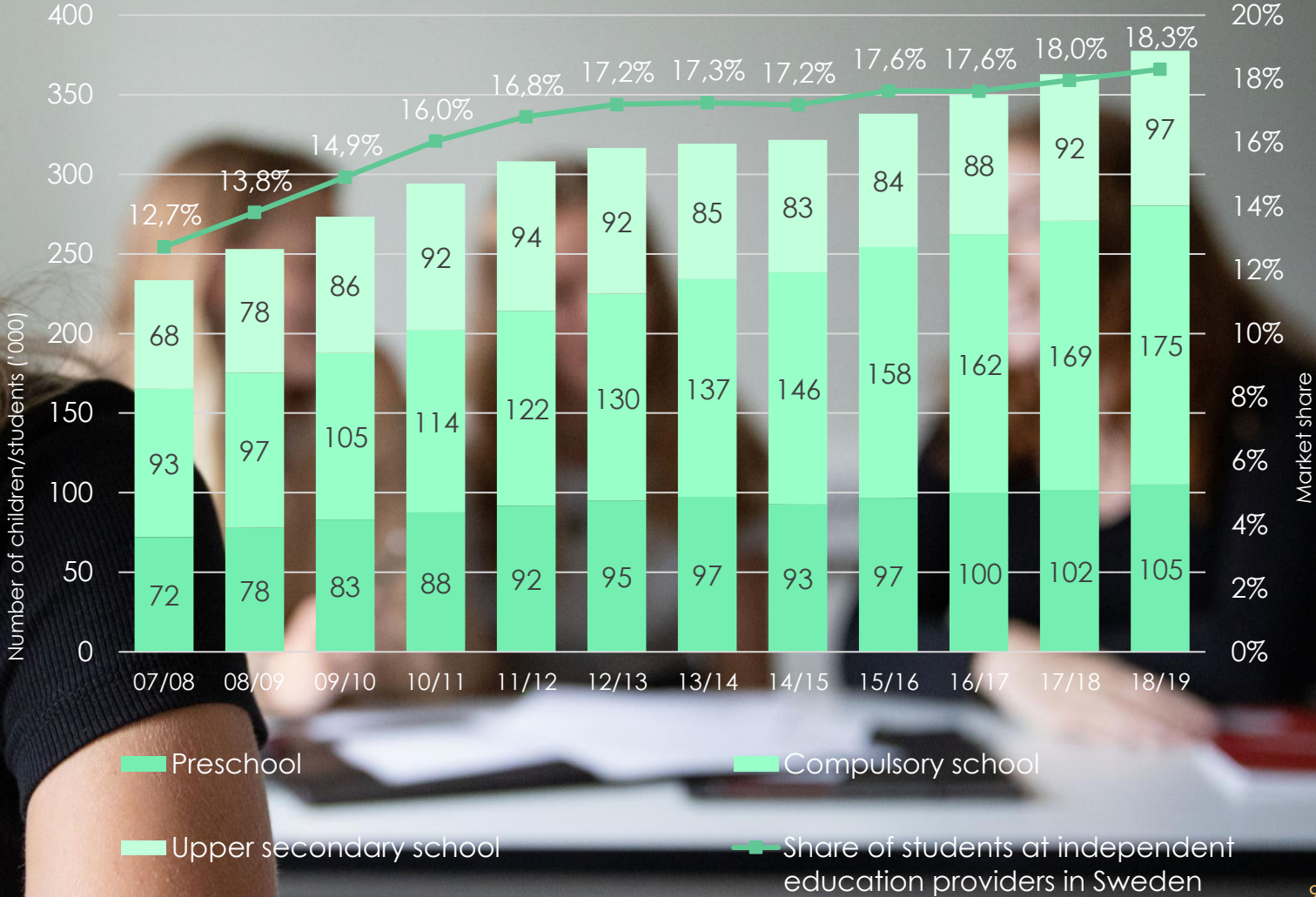


- Addressable market in Sweden and Norway worth approximately SEK 340 bn.
- Significant potential to grow in sizeable German market. Shortage of 300-350 (t) places.
- High unemployment and additional funding from the government drive growth in the adult education sector.
- Investments in education represent a substantial part of national GDP and is high on government agendas.

Source: Skolverket, SCB, SSB, Destatis. Note 1) Market share is based on number of students for all segments except adult education and total, where market share is calculated based on revenue. 2) Based on the total number of students (municipal and independent) multiplied by the average municipal cost per student, as the municipal cost (budgeted) is the basis for reimbursement to independent providers according to the equal terms principle. 3) Refers to children in both municipal and independent preschools.

Sweden

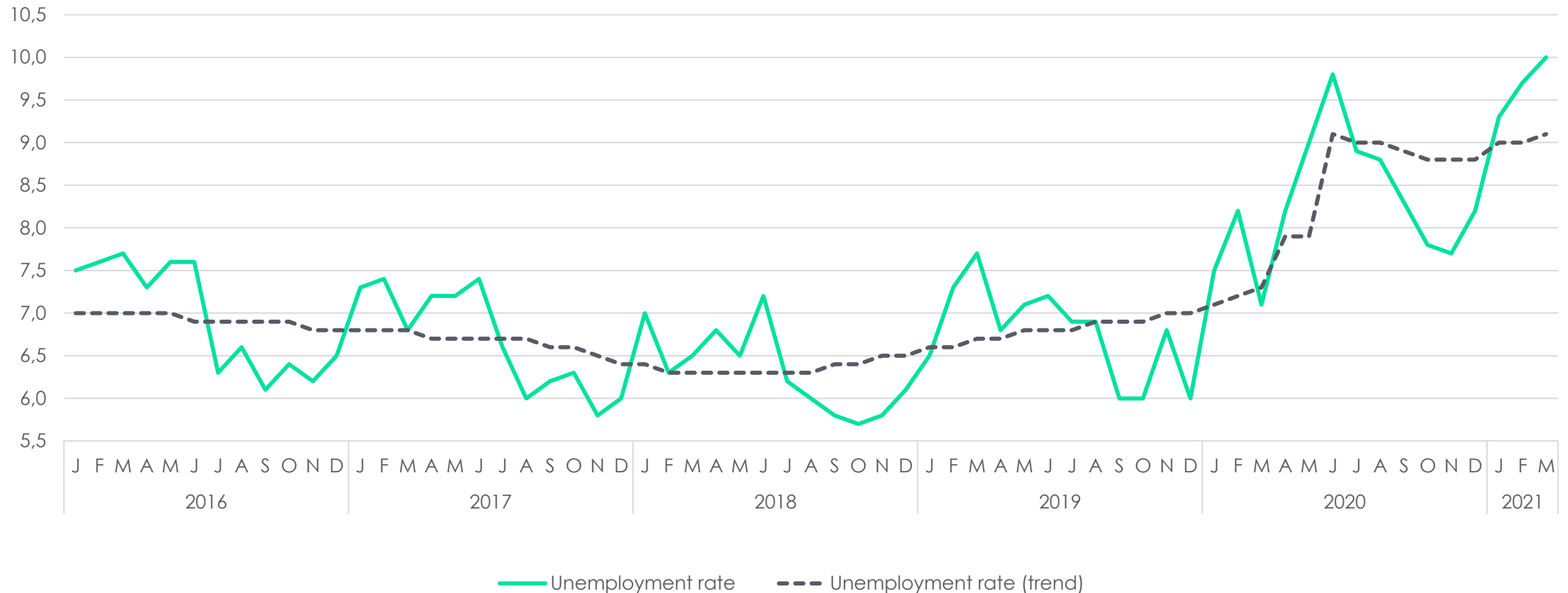
Independent education providers continue to gain market share



... and unemployment is high

Increased unemployment and shortage of skilled labour

Unemployment rate



Financial performance vs targets

All targets are met for the 2nd quarter running (Q3 20/21)

			Q3 R12M (FY 19/20)
Growth	5-7%	<p>Financial targets are unchanged</p> <ul style="list-style-type: none"> Annual revenue growth rate of 5-7% including organic growth and smaller bolt-on acquisitions but excluding larger strategic acquisitions and FX 	7.3%¹ (5.4%)
Profitability²	7-8%	<ul style="list-style-type: none"> Adj. EBIT margin of 7-8% over time 	7.2% (5.9%)
Capital structure²	<3.0x	<ul style="list-style-type: none"> Net debt / adj. EBITDA below 3.0x Leverage may temporarily, exceed the maximum level 	1.2x (1.7x)
Use of free cash flow	n.a.	<ul style="list-style-type: none"> Free cash flow primarily to be reinvested Excess cash distributed to the shareholders while still maintaining quality and leverage targets 	1.50 SEK/ share (1.25)

¹ Q3R12 20/21 vs Q3R12 19/20

² Defined excluding effects of IFRS 16

Investment highlights

1. Sizeable underlying market with **stable and predictable long-term growth drivers**. Limited cyclicality in school business.
2. Largest independent educational provider in Northern Europe – **leading position** in all segments
3. Established and growing fast in the **German preschool market**.
4. **Strong cash flow generation** and limited capital requirements for growth
5. Proven track record of **stable organic growth** combined with **successful acquisitions**
6. **Unique model** for assuring high quality, school attractiveness and sustainable growth
7. **EdTech** a new business opportunity



In focus right now

The pandemic – a test of our core business

The pandemic has affected our business for the past 12+ months, giving rise to several operational challenges. Our entire organisation has worked hard to **adapt to the temporary new normal**.

Thousands of lessons and examinations have been delivered online. However, we came well prepared as **digitalisation has been part of our strategic focus** for several years.

Against the backdrop of the pandemic, **our organisation and business model has proven to be strong**.

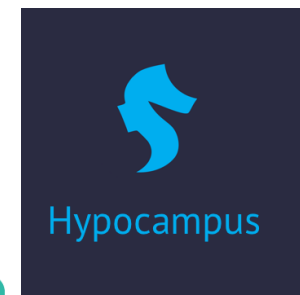
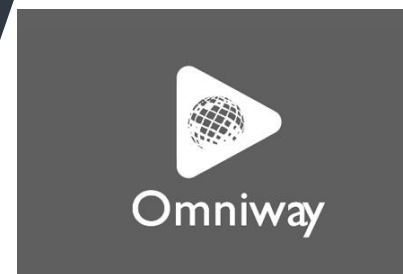


Digitalisation in fast forward

Digitalisation has long been a priority area, with **focus on improving internal processes**. Many of these are closely associated with teaching, enabling more time spent on teaching for our teachers. Digitalisation improves quality of education and makes administrative processes more efficient.

The pandemic made it necessary to work even more dedicated with digitalisation, fast forwarding the development. Today, **digitalisation is an integral part of how we work in all segments**.

We have now also started to see **EdTech as a business opportunity**.



Looking ahead – a new business opportunity

Category

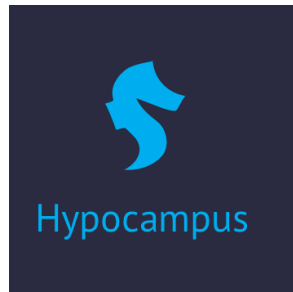
Marketplaces

Byta
Gymnasium.se
presenteras av AcadeMedia

@gymnasiekoll.se

studier.se

Digital study support



Digital educational services

Linguista

movant
SAKERHETSUTBILDNINGAR

Snacka med
SYV

Snacka om
LÄXAN

CAMPUS
online

En digital plattform för elever
och lärare på gymnasiet

Technology platforms

CORTEXIO

Learning platforms



AcademeMedia

Sustainability | change through education

Sustainability – three focus areas

Learning

People

Environment



>17,000
employees



>180,000
children, students, adult
participants



3 countries



> 660 units

Sustainability – education is our biggest contribution

Learning

High quality education



Teaching the importance of sustainability



>17,000 employees



>180,000 children, students, adult participants



3 countries



> 660 units

Sustainability – people, our most important resource

People

- Our employees are our most important resource.
- AcadeMedia Academy a cornerstone in the development of our employees
- Social responsibility among our suppliers



>17,000
employees

18.4%
Employee
turnover (SE)

72 of 100
Employee
satisfaction (SE)

4.6%
Absence due to
illness (SE)

4.3 of 5.0
Employee
satisfaction (NO)

gender equality



72 | 28%
employees

47 | 53%
board of
directors

60 | 40%
senior
executives

Sustainability – we need to walk the talk

Environment

- Four areas where we have the largest environmental impact
- Areas with high pedagogical importance

CO2

Responsible purchasing

Food waste

Reduce waste

Sustainability – we need to walk the talk

Environment

- Four areas where we have the largest environmental impact
- Areas with high pedagogical importance

CO2

1 000 000 kvm

Responsible purchasing

> 20 000 computers
> 16 000 000 meals

Food waste

800 ton

Reduce waste

?



Q&A

AcademeMedia

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change through education

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