

AcadeMedia Investor presentation

2018-09

Education is the key to each individual's development and to a competitive society.



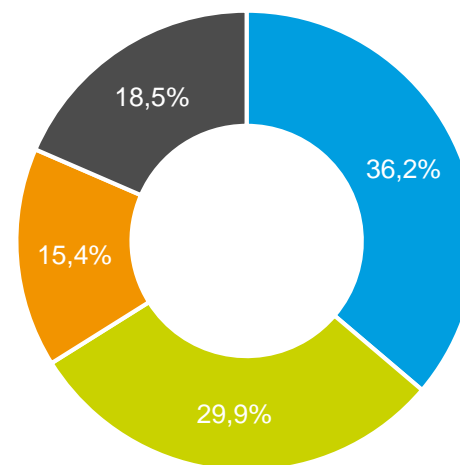
AcadeMedia in brief



Largest education provider in Northern Europe

- Net Sales 2017/18: SEK 10,810 million
- 176,200 children, students and adult education participants
- 371 pre-, compulsory-, and upper secondary schools in Sweden
- Adult education in 150 locations in Sweden
- 101 preschools in Norway, 29 preschools in Germany
- More than 16,000 employees
- Approx. 25 different brands – for example Vittra, Pysslingen, Hermods, Rytmus and NTI-gymnasiet

Net Sales Split 17/18²



- Pre- and Compulsory School
- Upper Secondary School
- Adult Education
- Preschool International



AcadeMedia key highlights

1. Sizeable underlying market with stable and predictable long-term growth drivers. Limited cyclicality.
2. Increasing share of independent education providers
3. Largest independent educational provider in Northern Europe – leading position in all segments
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

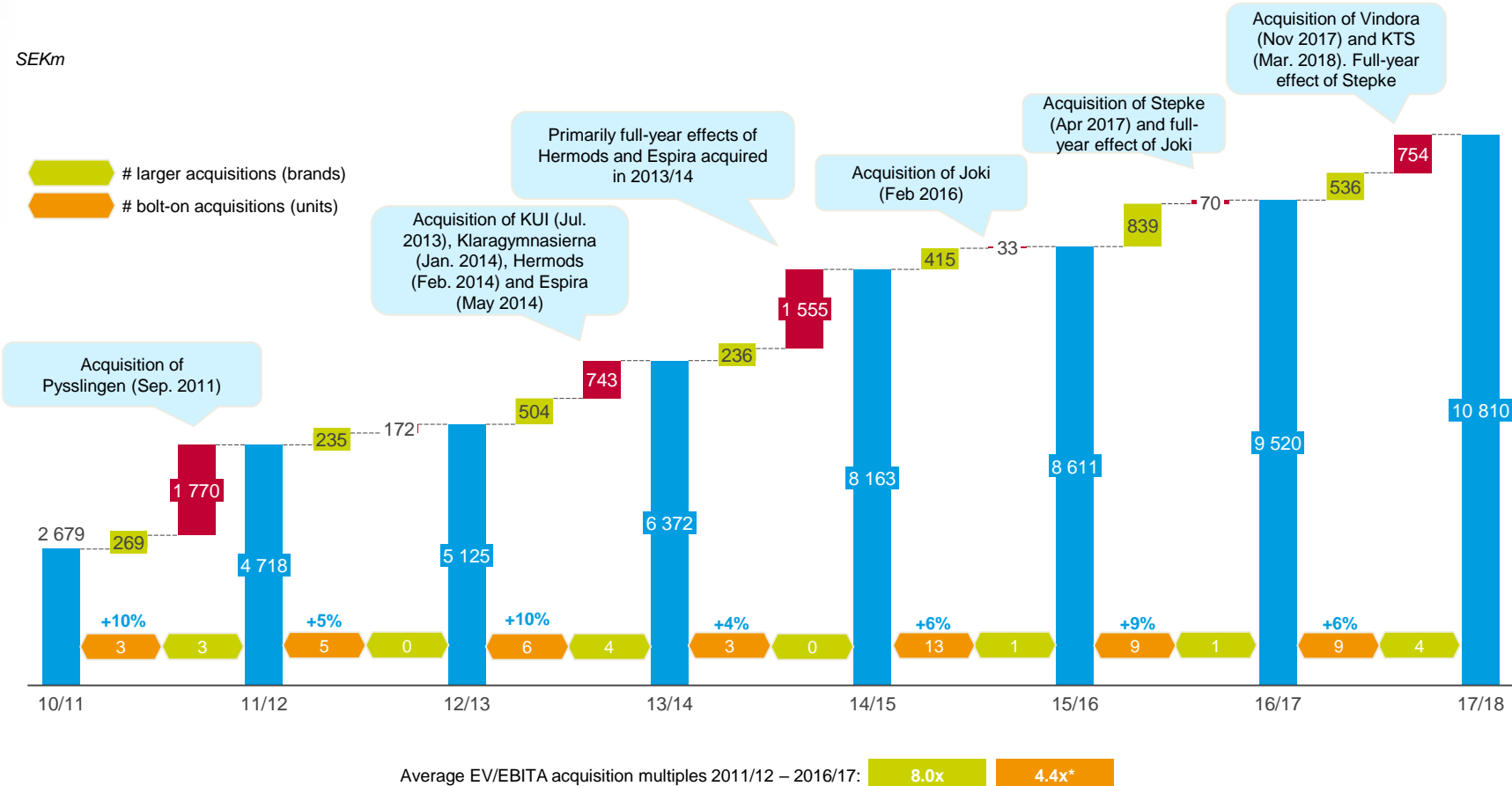


Growth track record

Proven ability to roll-out, acquire and integrate new businesses

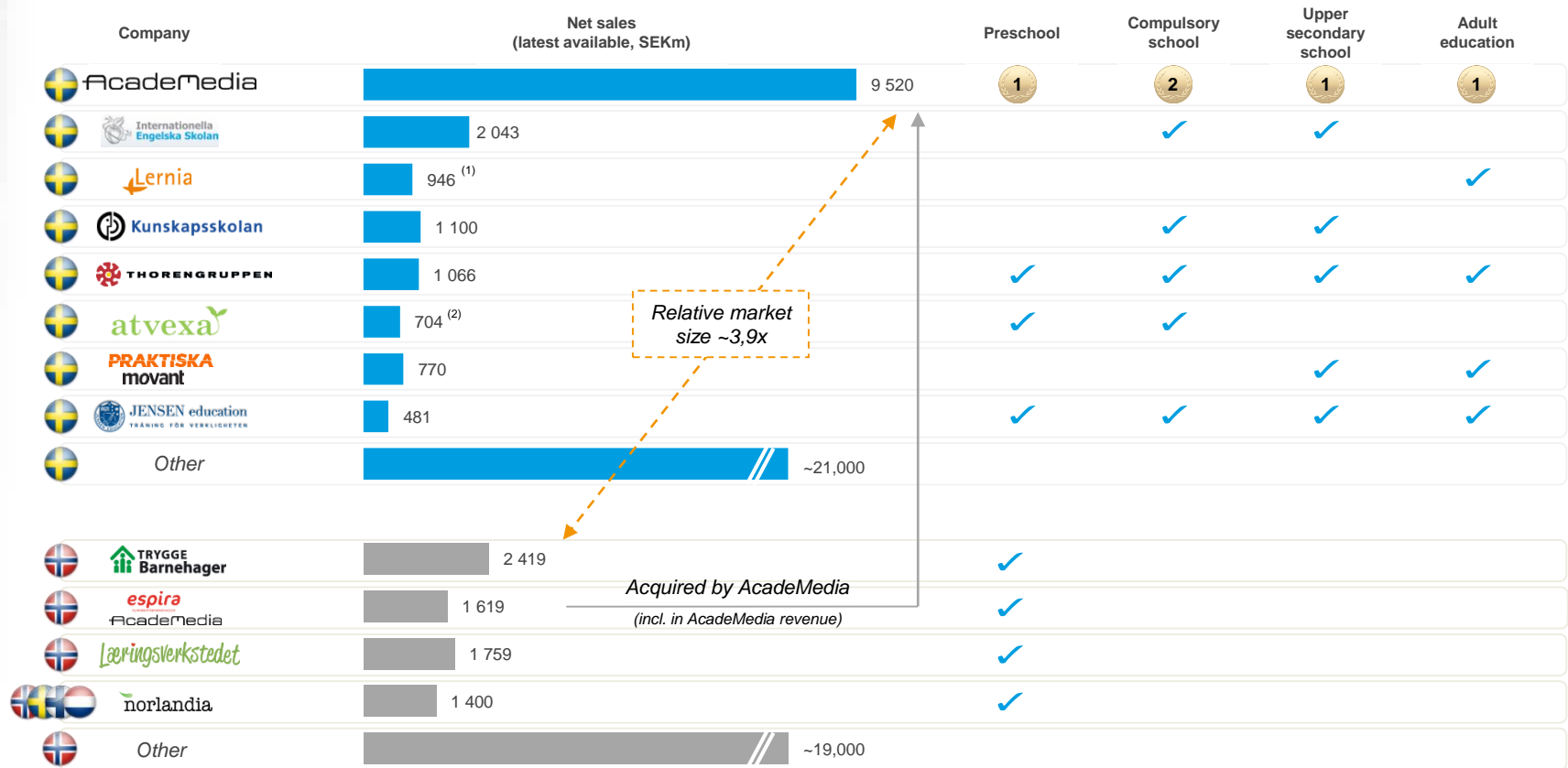
- Full year
- Organic growth
- Acquired growth

Revenue development 2010/11 – 2017/18



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. *) Refers to Swedish acquisitions whereas Preschool International has higher multiples of 8-10x.

Leading position with potential to further consolidate – Nordic perspective



- Highly fragmented market – AcadeMedia’s relative market size is ~3,9x the second largest
- Coverage of the whole educational system brings scale benefits and enables best practice sharing within and across segments

Source: Annual reports. 1) Only Lernia Education. 9) Acquired by Læringsverkstedet 2017.

Strategy



AcadeMedia's strategy

AcadeMedia shall...

- ...lead the development of future education
- ...operate along the entire education value chain
- ...offer diversity through our multi-brand strategy
- ...continue to develop and implement the AcadeMedia model for quality assurance
- ...go from good to great through best practice
- ...have a value-creating growth strategy

Roadmap 2020 – the way forward

Our goal is to lead the development of future education in terms of:

- Quality
- Attractiveness
- Efficiency
- Innovation



The education sector

A stable and growing market



The size of the public education sector

Large market where AcadeMedia still only has a small part

Sweden and Norway addressable market 2015 (SEKbn)

Germany



- Addressable market in Sweden and Norway worth approximately SEK 273bn
- Significant potential to grow in sizeable German market
- Investments in education represent a substantial part of national GDP and is high on government agendas

Source: Skolverket, SCB, SSB, Destasis. Note: 1) Refers to 2014 total education spend (not only AcadeMedia addressable market) and 2014 GDP. 2) Refers to mainland GDP. 3) Market share is based on number of students for all segments except adult education and total, where market share is calculated based on revenue. 4) 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. 5) Refers to children in both municipal and independent preschools.

Scandinavian School voucher system

System has operated for >20 years and is supported by law

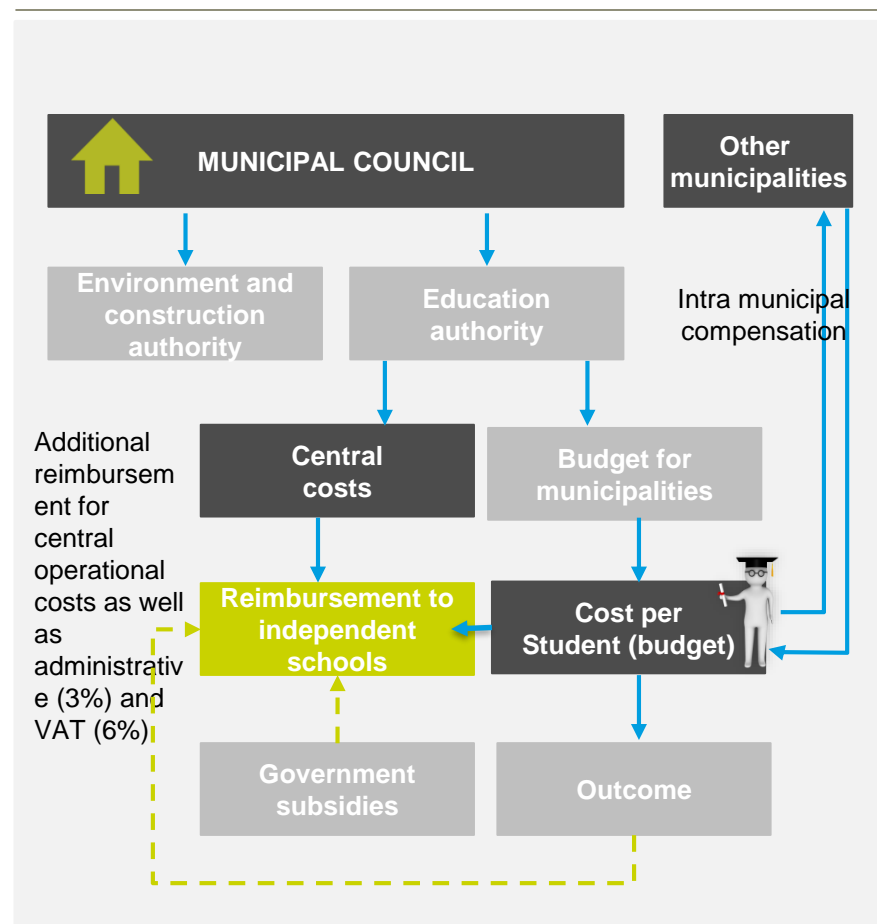
Basic reimbursement

- Every student is entitled to a school voucher
- The voucher amount for independent education is determined by the budget of the student's home municipality
- Vouchers vary between the various education levels and types
- Parents/students only choose school and have no involvement or knowledge of reimbursement level or process
- Additional reimbursement can be paid based on student needs, eg learning disabilities or socio-economic conditions

Government grants

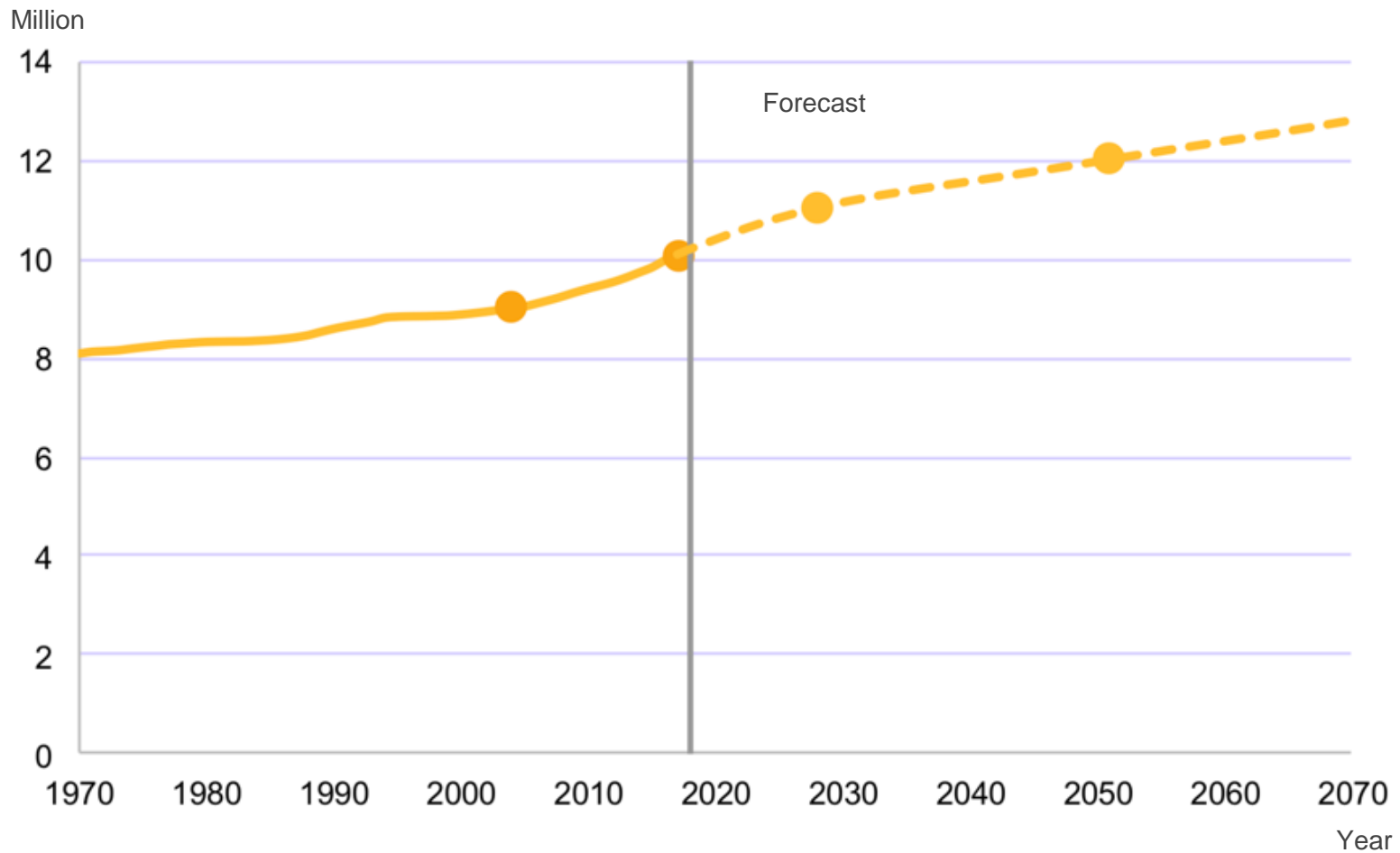
- Are paid to all schools and have recently focussed on increased professional status, eg "förstelärartillägg", "lärarlönelyftet"

Resource allocation model



Sweden's population is increasing rapidly

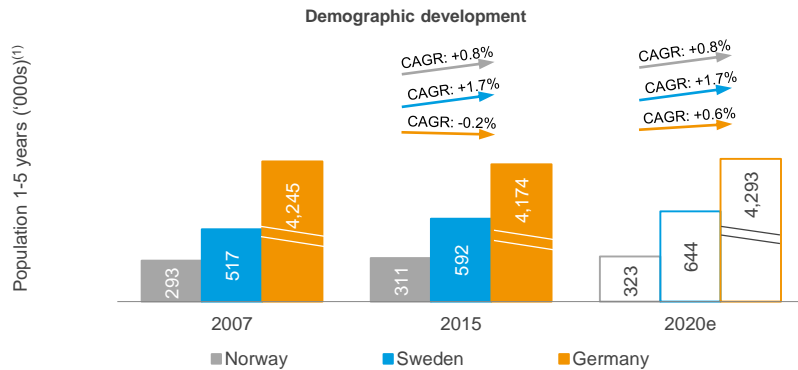
Based on health nativity rate and immigration



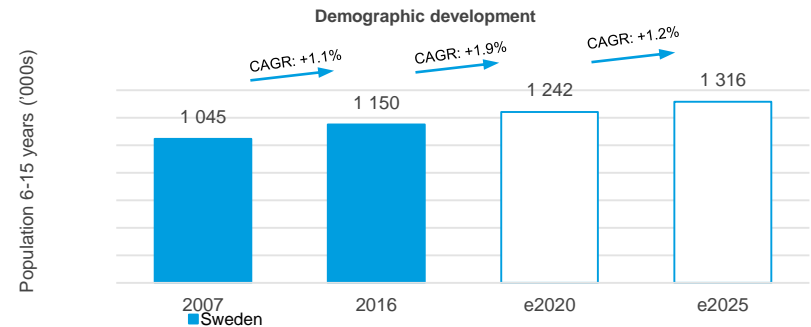
Stable long-term growth drivers

Favorable demographic development across all segments

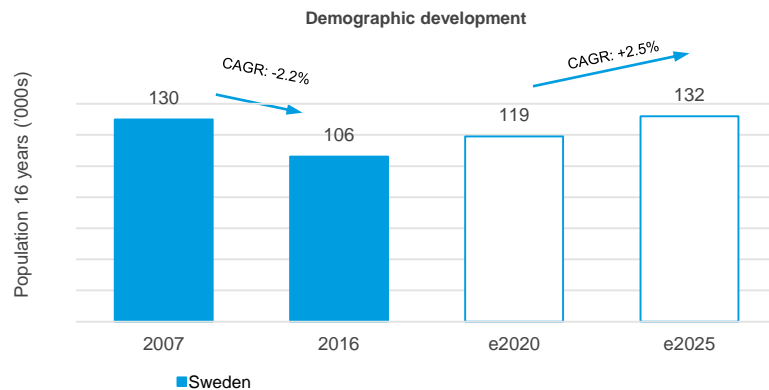
Preschool



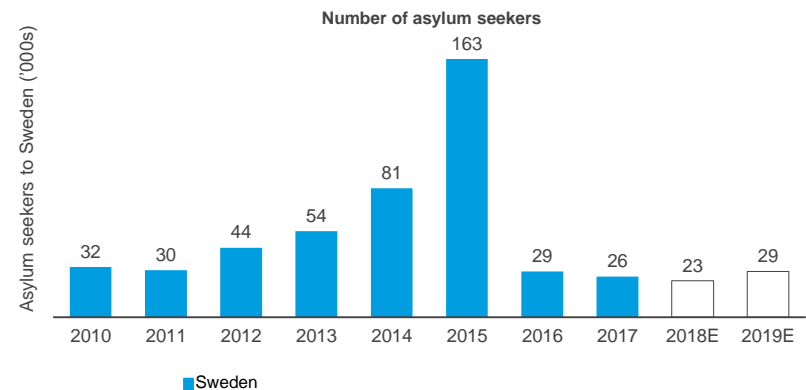
Compulsory school



Upper secondary school

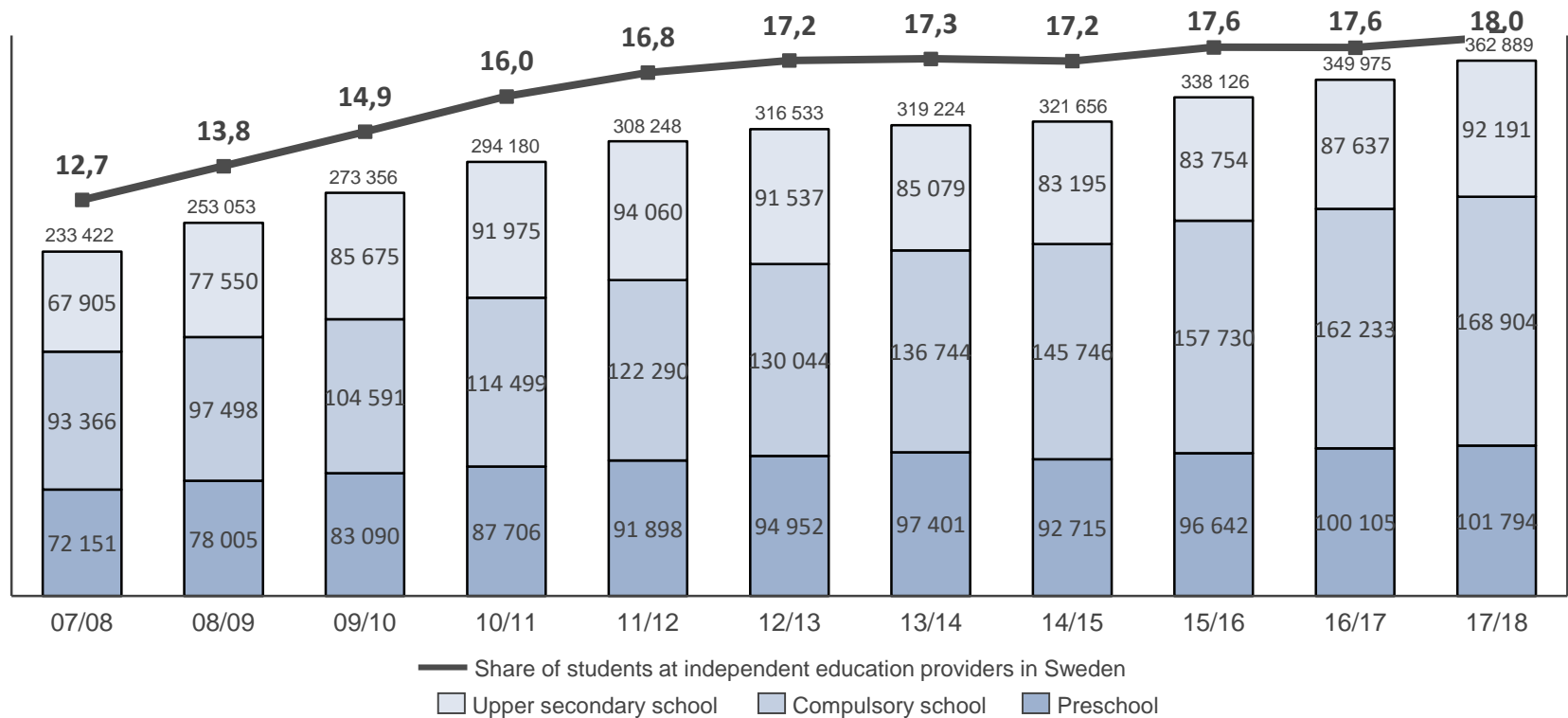


Adult education



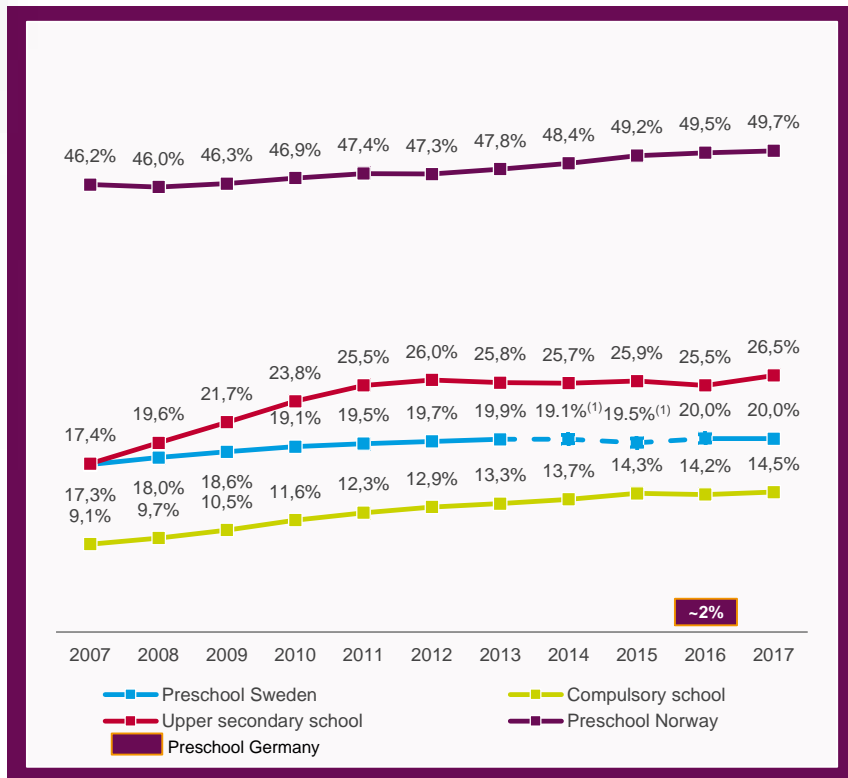
Independent providers in Sweden

Increased number of students and higher market penetration

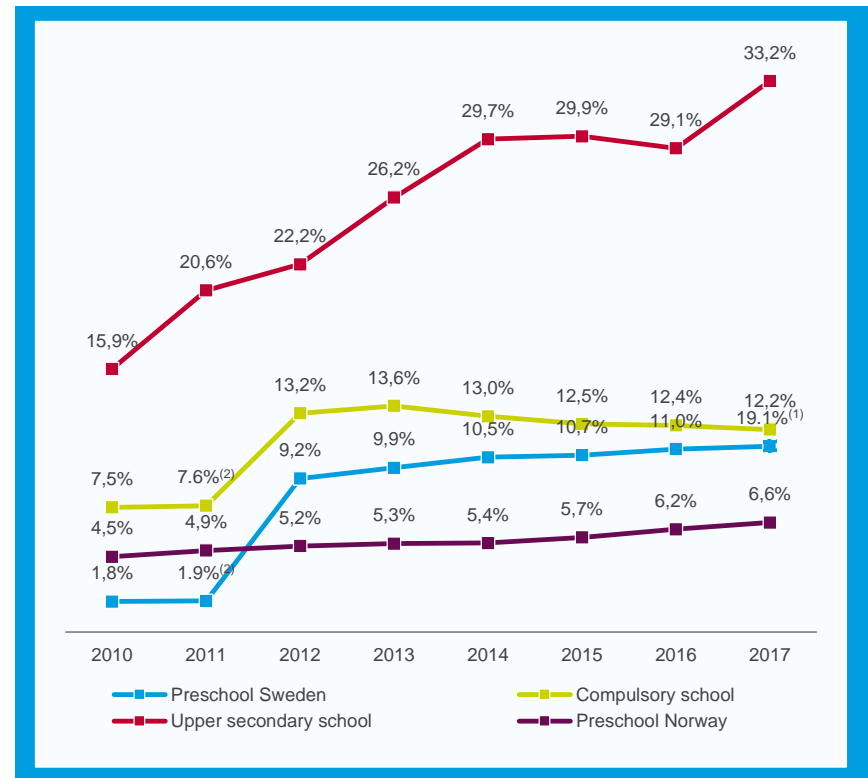


Independent providers have grown Room for increased penetration

INDEPENDENT PROVIDERS' PENETRATION OF TOTAL MARKET



ACADEMEDIA'S MARKET SHARE OF INDEPENDENT MARKET



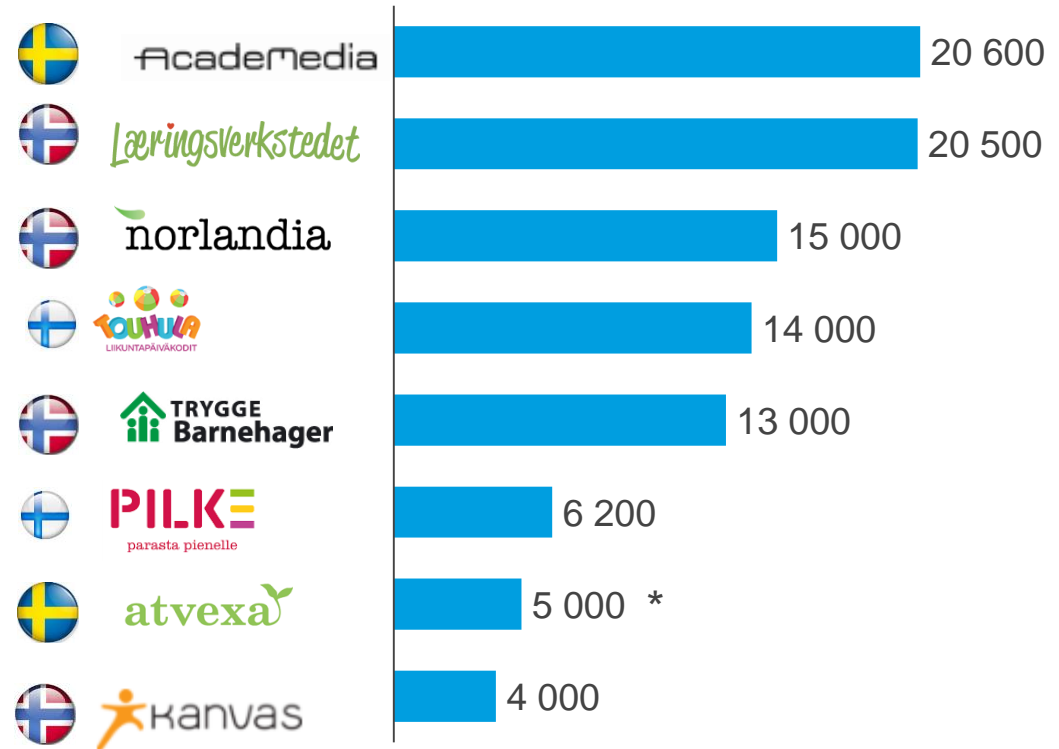
- Independent providers have grown significantly – however penetration still remains low in most segments
- AcadeMedia continues to gain market share

Source: Skolverket, SSB, Destasis. Note: Compulsory school includes preschool class. Market shares based on number of students. 1) SCB's measuring methodology changed in 2014 – on the same measuring basis 2014 and 2015 overall independent penetration is estimated to be higher. 2) Figures do not include the students in Pyslingen units acquired in 2011.

Preschool market – Current position

AcadeMedia is today together with Læringsverkstedet the leading preschool operator in the Nordic countries

- AcadeMedia today operates 250 preschools with 20 600 children in the Nordic countries.
- During the last years many operators have strengthened their positions through active new establishment and acquisition strategies. For example, Læringsverkstedet is today as big as AcadeMedia in the Nordic countries.
- Læringsverkstedet's growth has mainly been driven by an active acquisition strategy whilst Touhula's growth mainly has been by an active start-up strategy.
- AcadeMedia, Læringsverkstedet and Norlandia are active in more than one country.



Not:* Atvexa is part of Læringsverkstedet since Oct-2017

Preschool market – Development

Shortage of preschools in existing market, AcadeMedia has a unique position to accelerate growth

AcadeMedia has identified a large need of new preschool places in the markets where AcadeMedia currently is operating. AcadeMedia has a unique position to accelerate growth and create shareholder value

Sweden

High penetration, but positive demographic development (1,4%) and strong urbanization. Need of 400-500 new preschools until 2022.

Norway

Stable demographics, and strong urbanization drives demand. Need of 100-200 new preschools until 2022.

Germany

Low penetration, and positive demographic development and strong urbanization. Need of 3500-4500 new preschools until 2022.



Det jagår flera om och nybyggnationen av skolor i Uppsala, bland annat har Tundaskolan rivits. Där byggs det en ny skola. FOTO: SVT

21 nya förskolor i Uppsala inom

NYHETER

Här vill Nacka bygga över 19 000 bostäder

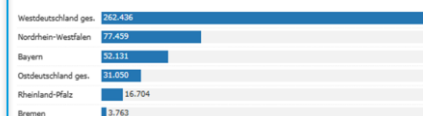
BARNEHAGEKØ

Bygger 25 nye barnehager på ett år

626 nye barnehageplasser

In Deutschland fehlen fast 300.000 Kitaplätze

Es fehlen Kitaplätze



Market development - Germany

300 000 preschool spots is missing in Germany, whereof 230 000 spots for children under 3 years old

In Deutschland fehlen fast 300.000 Kitaplätze

Das Angebot an Kitaplätzen ist laut einer Studie des IW Köln weiterhin zu gering. In NRW und Bremen sind die Betreuungslücken besonders groß.

In diesen Bundesländern fehlen die meisten Kita-Plätze

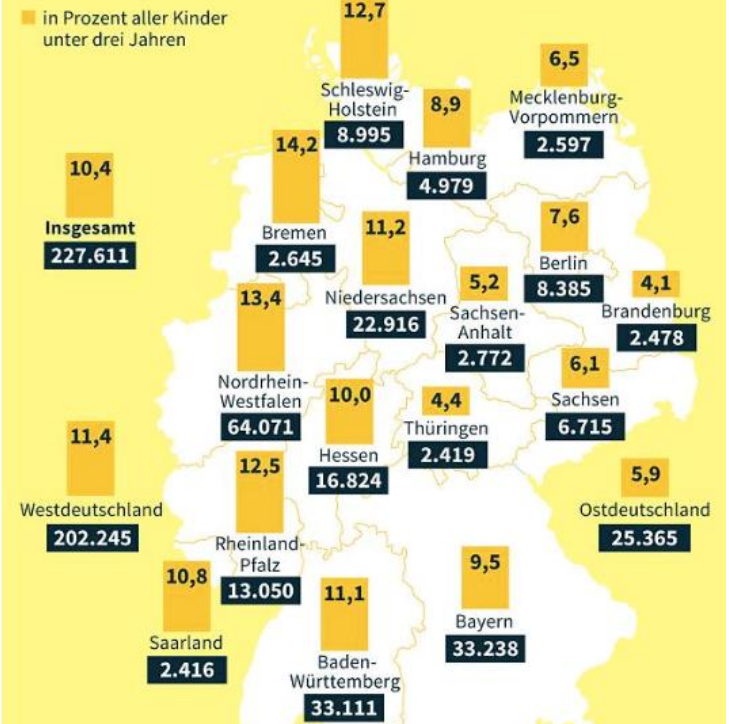


In Deutschland fehlen fast 300.000 Kita-Plätze. Eltern stehen stundenlang Schlange, um ihre Kinder unterzubringen. In einigen Bundesländern ist die Situation besonders besorgniserregend.

Quelle: NZ4/ Peter Hoentjes

Kinderbetreuung: Die Lücken in den Ländern

So viele Betreuungsplätze für Kinder unter drei Jahren fehlen, um die Wünsche der Eltern zu erfüllen



Kinder unter drei Jahren: Stand 31.12.2015, Kinder in Betreuung: Stand 31.3.2016, Betreuungsbedarf: Stand 2015

Urspungsdaten: Bundesministerium für Familie, Senioren, Frauen und Jugend, Statistisches Bundesamt
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Institut der deutschen Wirtschaft Köln

Market development

Unconsolidated markets, possibility to accelerate growth through acquisitions.

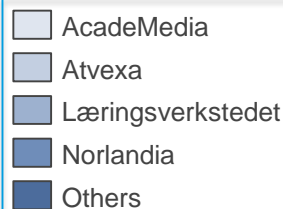
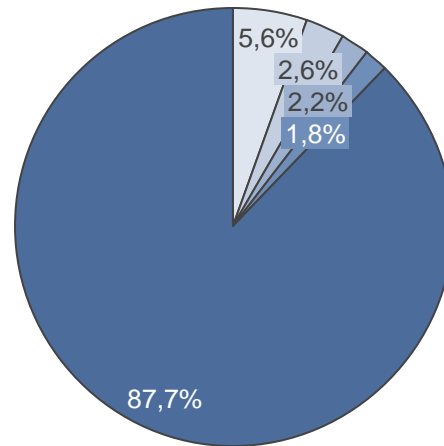
The Swedish and Norwegian preschool markets are still very fragmented and unconsolidated.

27% of all preschools in Sweden is operated by a independent operator, in Norway 53% is operated by a independent operator.

In Sweden the four largest operators run 12,2% of all independent preschools, in Norway the four largest operators run 16,7% of all independent preschools.

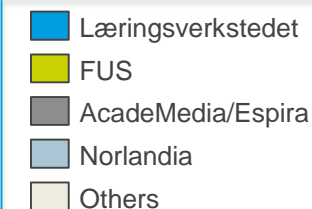
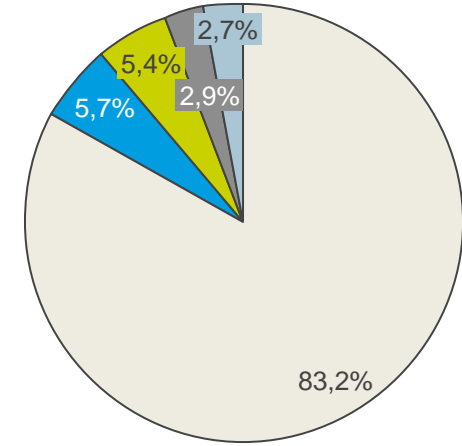
Sweden: There is a total of 9 813 preschools in Sweden, 7 105 are operated by the municipalities, 2 708 are operated by independent companies/operators. The four biggest operators run in total 333 preschools in Sweden.

Independent market - Sweden



Norway: There is a total of 6 087 preschools in Norway, 2 861 are operated by the municipalities, 3 226 are operated by independent companies/operators. The four biggest operators run in total 543 preschools in Norway.

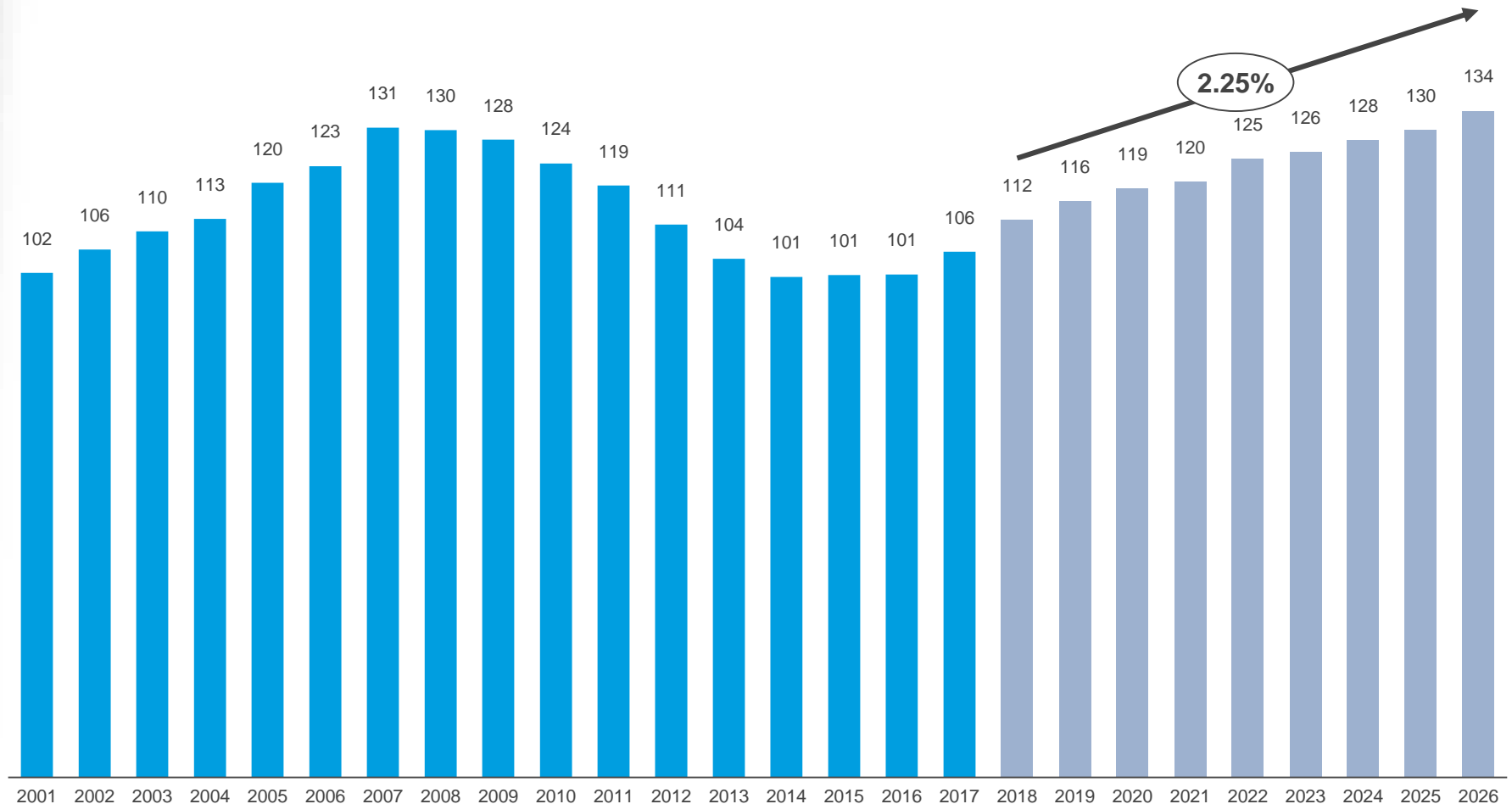
Independent market - Norway



Secondary school – shift in demography

Growth in the number of students in coming years

Number of 16 year olds

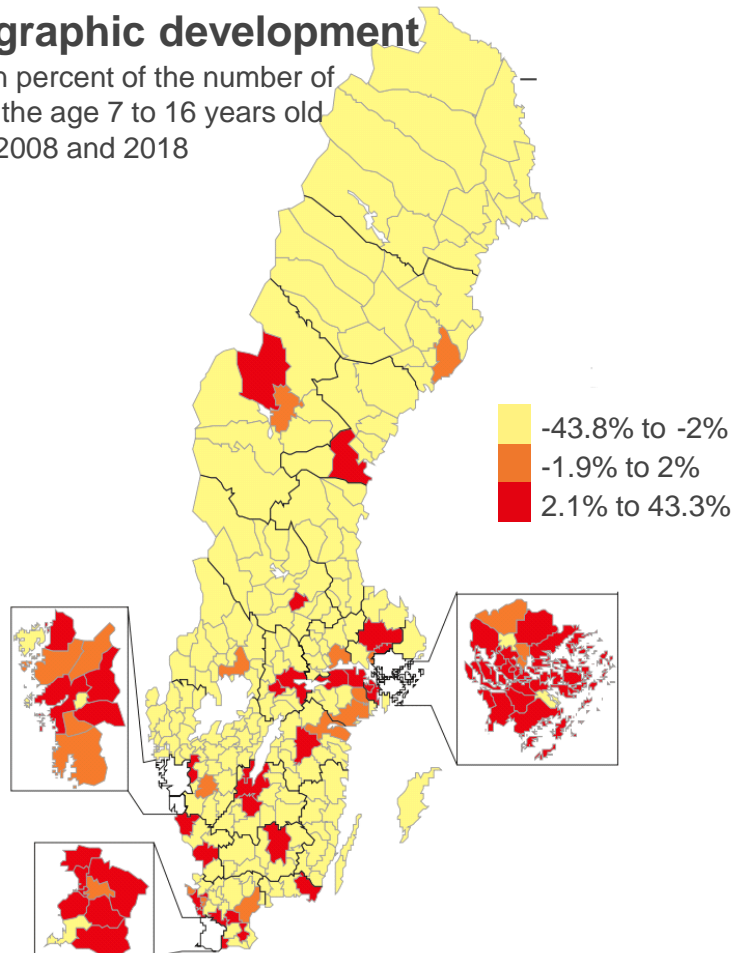


Secondary school - urbanization trend

An important growth driver in high population areas

Demographic development

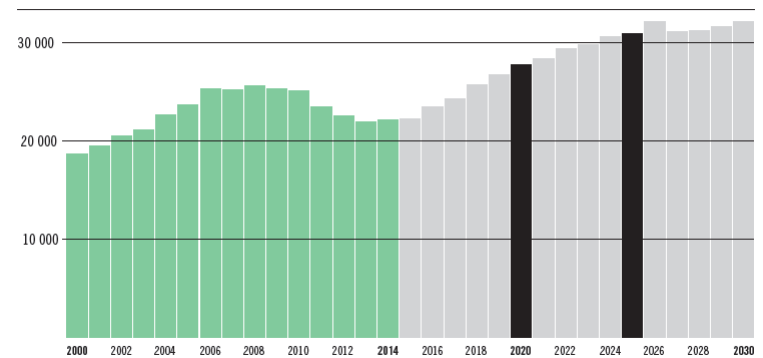
Change in percent of the number of people in the age 7 to 16 years old between 2008 and 2018



Source: Svenskt näringsliv / SCB

Number of 16 year olds, Stockholms län

16-ÅRINGAR 2000-2030



Growing market with new possibilities

Increasing demand of education at all levels

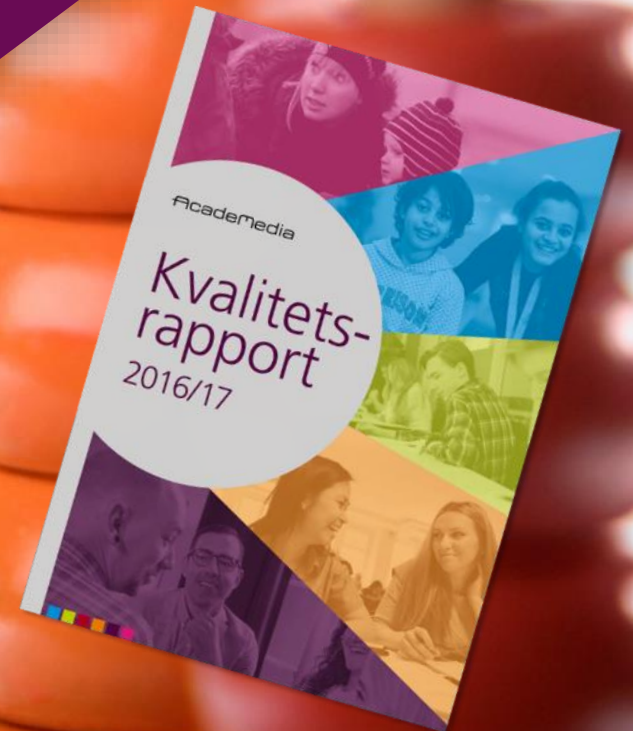
- The need for education is growing with the positive demographic trends
- New possibilities
 - 300,000 new preschool places in Germany
 - 1,000 new compulsory schools needed in Sweden
 - Norwegian labor market education is being deregulated

AcadeMedias view on current market outlook

Summary

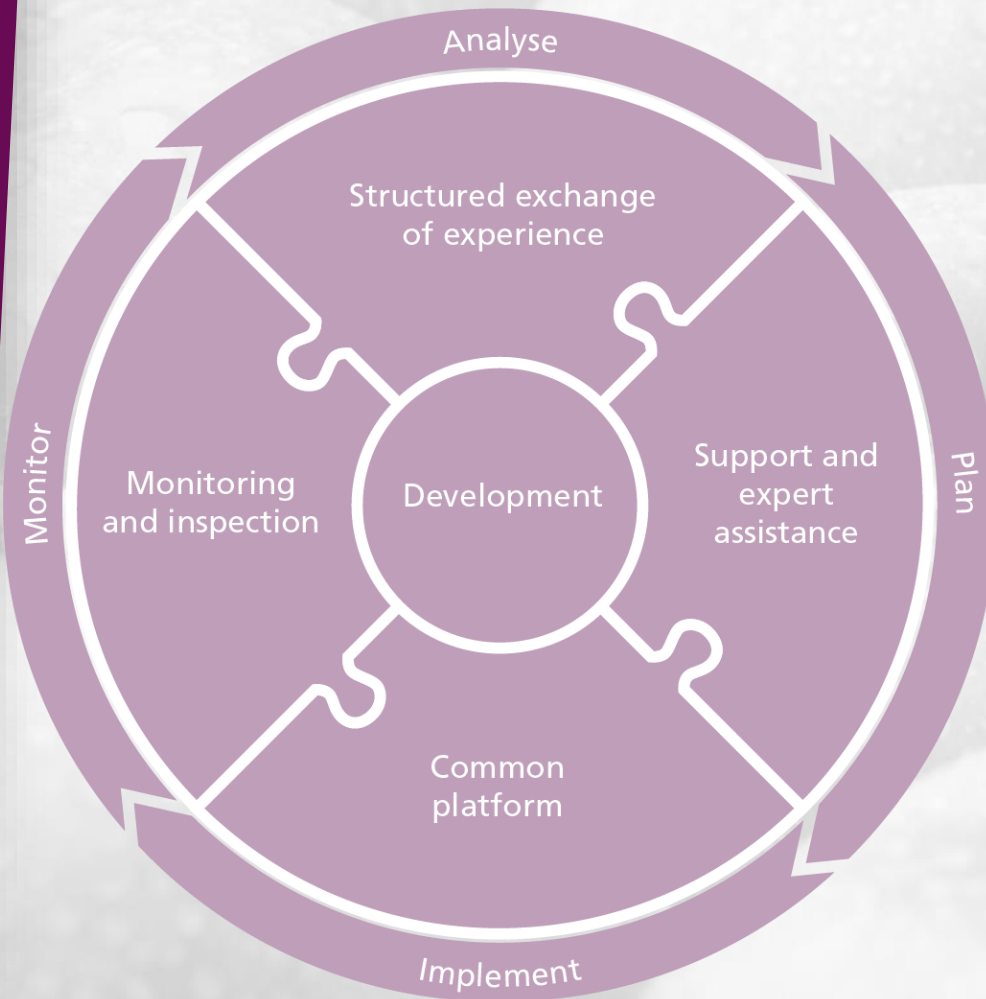
- **Sweden:** Favorable demographic trends support underlying market growth in all school segments in Sweden. Urbanization further strengthens demand.
- **Norway:** Stable demographics, but strong urbanization drives demand
- **Germany:** Very high shortage of preschool places in Germany. More than 300,000 places missing. In the three regions Nordrhein-Westfalen, Bayern, and Baden Wurtemberg more than 165,000 places are missing
- **Adult education:** A strong Swedish economy with low unemployment rates and a sharp decline in migration volumes has had a negative impact on the adult education market

Quality & Staff



The AcadeMedia model

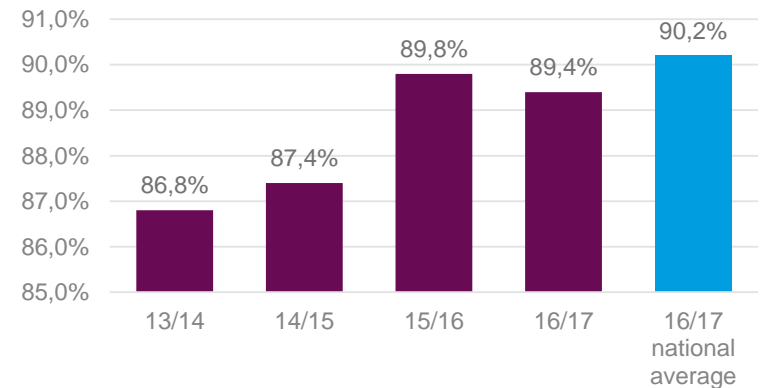
Our quality assurance model



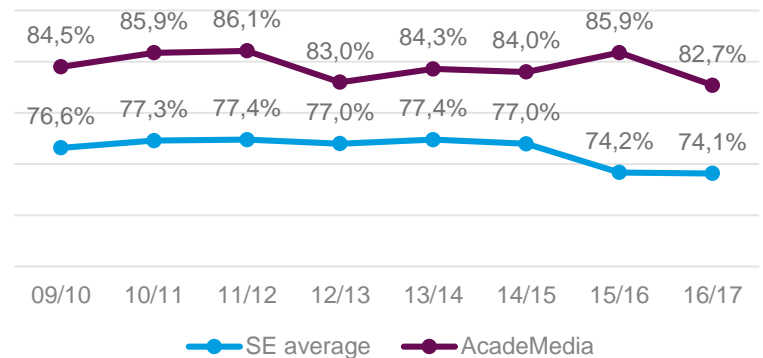
Key Quality results

- Regulatory inspections of 179 compulsory and upper secondary schools. The Inspectorate found no cause for criticism at 133 of these schools which is a very good result.
- Upper secondary schools slight decline vs last year
 - Preliminary statistics of students to reach graduation requirements decreased to 89.4% (89.8) vs national average of 90,2%
- Quality lead in AcadeMedia's compulsory schools is maintained
 - Proportion of students with E or higher in all subjects 82.7% (85.9%) vs national average of 74.1%*

Upper secondary schools: % of students passed



Compulsory schools - % of students w/o any F



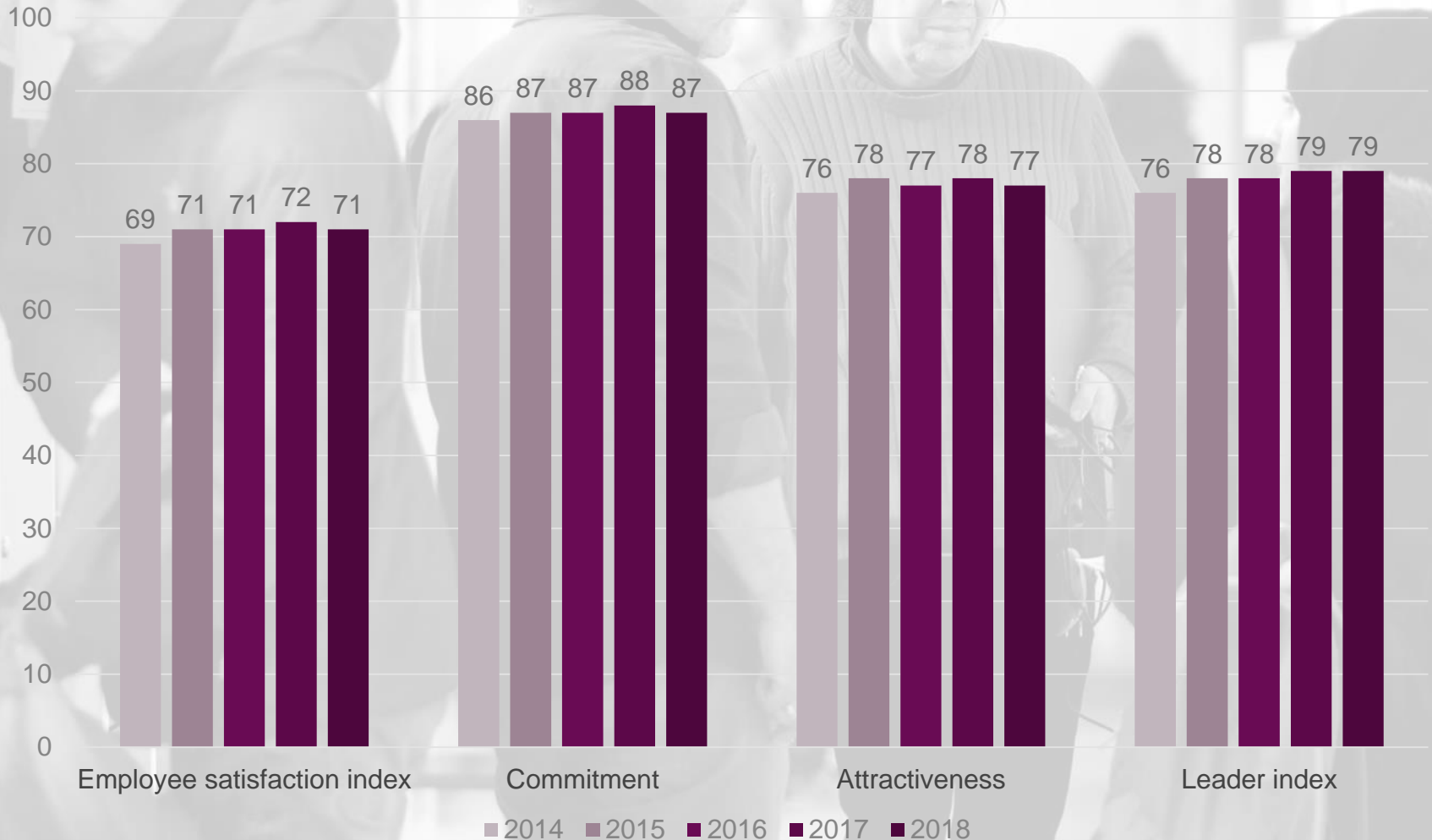
Our employees are our key asset

- Approx. 16,300 employees, whereof 13 100 in Sweden
- Approx. 9,000 educators
- 74% women and 26% men
- 68% female managers
- 500 employees with senior positions
- 432 lead teachers

Average as of Q4 2017/18

The employee satisfaction survey 2018

Continued high employee satisfaction



Our business segments



Segment overview

Full year 2017/18

- **Pre- and Compulsory Schools** net sales grew following increased number of students and annual voucher adjustments. The margin deterioration was mainly a result of higher personnel costs, which partly related to a focused effort at certain schools and also salary increases not compensated by school vouchers
- **Upper Secondary Schools** student numbers and net sales increased by 19.7% and 27.8% respectively as a result of the Vindora acquisition and new establishments. EBIT and EBIT-margin improved vs last year.
- **Adult Education** net sales increased by 5.7% attributed to the acquisition of Vindora. Contract transition, weakened market conditions, and a settlement with the City of Malmö regarding deficiencies in the SFI contract affected negatively. Operating profit (EBIT) YTD amounted to SEK 75 million (200). The segment is moving to a period of lower margins due to the contract transitions and lower prices.
- **International preschools.** Growth mainly attributed to the acquisitions and new starts. Margin improvement was primarily due to higher margins in the German operation but also to better capacity utilization in Norway.

Key figures by segment Q4 YTD 2017/18

| | Number of students (average) | | Net sales, SEK m | | Adjusted EBIT, SEK m | | Adj,EBIT margin | | Operating profit/loss (EBIT), SEK m | | EBIT margin | |
|--------------------------------------|------------------------------|---------|------------------|---------|----------------------|---------|-----------------|---------|-------------------------------------|---------|-------------|---------|
| | 2017/18 | 2016/17 | 2017/18 | 2016/17 | 2017/18 | 2016/17 | 2017/18 | 2016/17 | 2017/18 | 2016/17 | 2017/18 | 2016/17 |
| Pre- and Compulsory Schools (Sweden) | 32 101 | 31 231 | 3 912 | 3 690 | 178 | 199 | 4,6% | 5,4% | 178 | 199 | 4,6% | 5,4% |
| Upper Secondary Schools (Sweden) | 30 582 | 25 544 | 3 229 | 2 526 | 292 | 206 | 9,0% | 8,2% | 276 | 198 | 8,5% | 7,8% |
| Adult Education (Sweden) | -* | -* | 1 666 | 1 576 | 137 | 200 | 8,2% | 12,7% | 75 | 200 | 4,5% | 12,7% |
| Preschool International | 10 684 | 9 295 | 1 998 | 1 725 | 125 | 98 | 6,3% | 5,7% | 162 | 98 | 8,1% | 5,7% |
| Group adj., parent company | - | - | 5 | 4 | -62 | -65 | - | - | -70 | -79 | - | - |
| Total | 73 366 | 66 070 | 10 810 | 9 520 | 670 | 638 | 6,2% | 6,7% | 622 | 615 | 5,8% | 6,5% |

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

Pre- and compulsory schools (Sweden)



Quick facts

228 units*

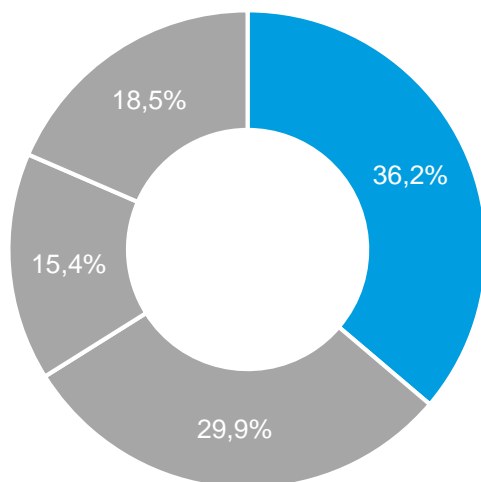
3 brands

32,101 children and students*

4,621 employees*

* Average per year

Share of Net Sales 17/18



Key figures for the full year 2017/18

| | 2017/18 | 2016/17 | Change |
|------------------|---------|---------|-----------|
| Net sales | 3,912 | 3,690 | 6.0% |
| EBIT | 178 | 199 | -10.6% |
| EBIT-margin | 4.6% | 5.4% | -0.8 p.p. |
| Adj. EBIT | 178 | 199 | -10.6% |
| Adj. EBIT-margin | 4.6% | 5.4% | -0.8 p.p. |
| # of Students | 32,101 | 31,231 | 2.8% |

Upper Secondary Schools



Quick facts

133 units*

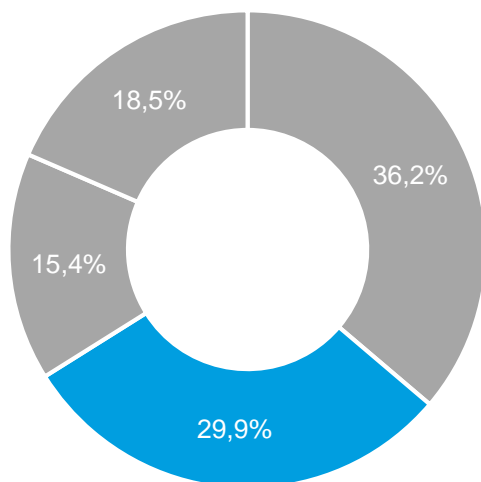
17 brands*

30,582 students*

2,696 employees*

* Average per year

Share of Net Sales 17/18



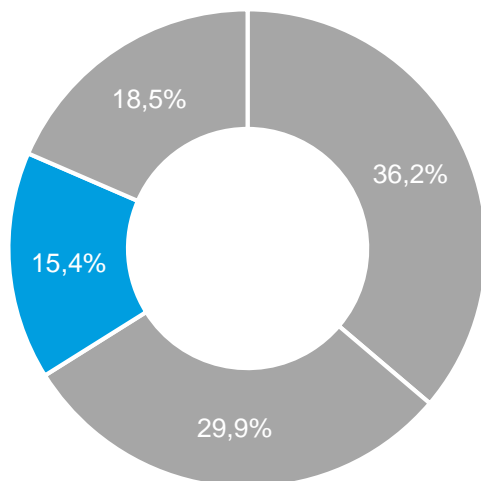
Key figures for the full year 2017/18

| | 2017/18 | 2016/17 | Change |
|------------------|---------|---------|----------|
| Net sales | 3,229 | 2,526 | 27.8% |
| EBIT | 276 | 198 | 39.4% |
| EBIT-margin | 8.5% | 7.8% | 0.7 p.p. |
| Adj. EBIT | 292 | 206 | 41.7% |
| Adj. EBIT-margin | 9.0% | 8.2% | 0.8 p.p. |
| # of Students | 30,582 | 25,544 | 19.7% |

Adult education



Share of Net Sales 17/18



Quick facts

150 locations*

12 brands*

100,000 participants*

1,680 employees*

* Average per year

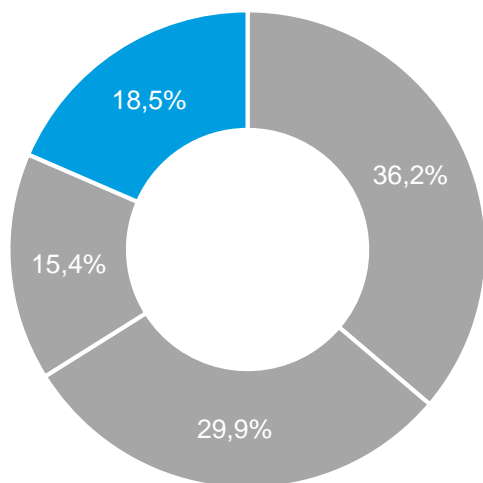
Key figures for the full year 2017/18

| | 2017/18 | 2016/17 | Change |
|------------------|---------|---------|-----------|
| Net sales | 1,666 | 1,576 | 5.7% |
| EBIT | 75 | 200 | -62.5% |
| EBIT-margin | 4.5% | 12.7% | -8.2 p.p. |
| Adj. EBIT | 137 | 200 | -31.5% |
| Adj. EBIT-margin | 8.2% | 12.7% | -4.5 p.p. |

Preschool International



Share of Net Sales 17/18



Quick facts

123 units*

4 brands*

10,684 students*

2,526 employees*

* Average per year

Key figures for the full year 2017/18

| | 2017/18 | 2016/17 | Change |
|------------------|---------|---------|----------|
| Net sales | 1,998 | 1,725 | 15.8% |
| EBIT | 162 | 98 | 65.3% |
| EBIT-margin | 8.1% | 5.7% | 2.4 p.p. |
| Adj. EBIT | 125 | 98 | 27.6% |
| Adj. EBIT-margin | 6.3% | 5.7% | 0.6 p.p. |
| # of children | 10,684 | 9,295 | 14.9% |



Financial information

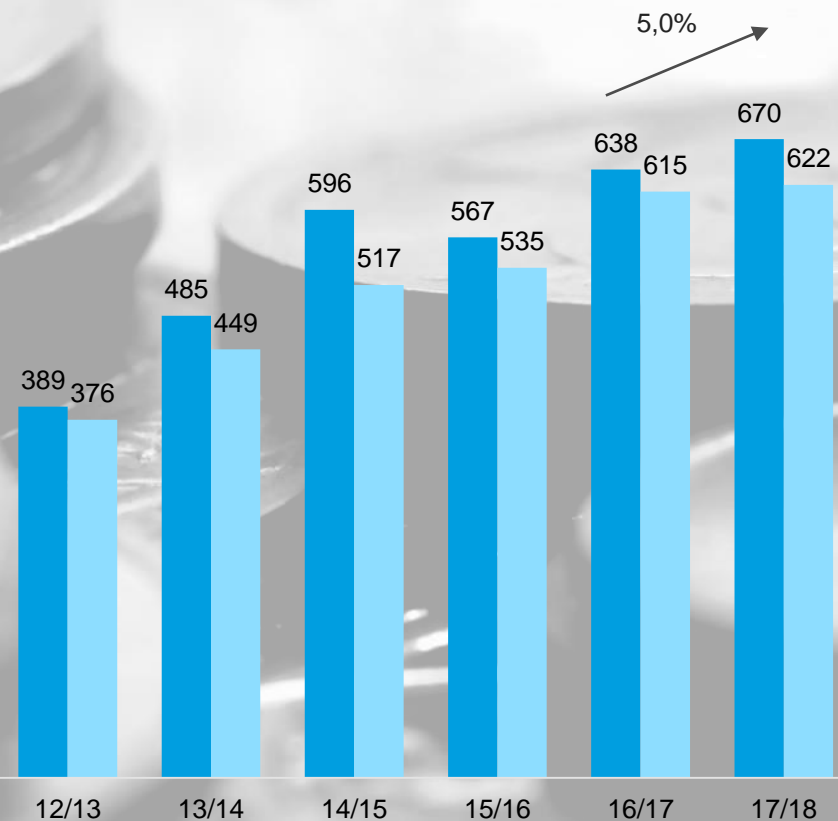
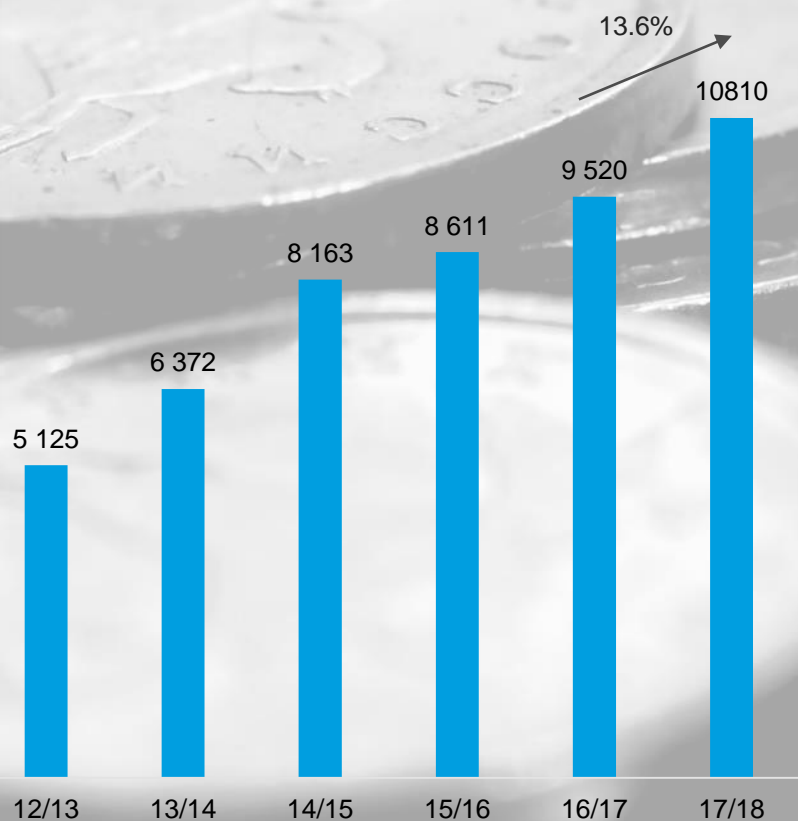
AcademeMedia

Financial information 12/13 – 17/18

Strong growth continues

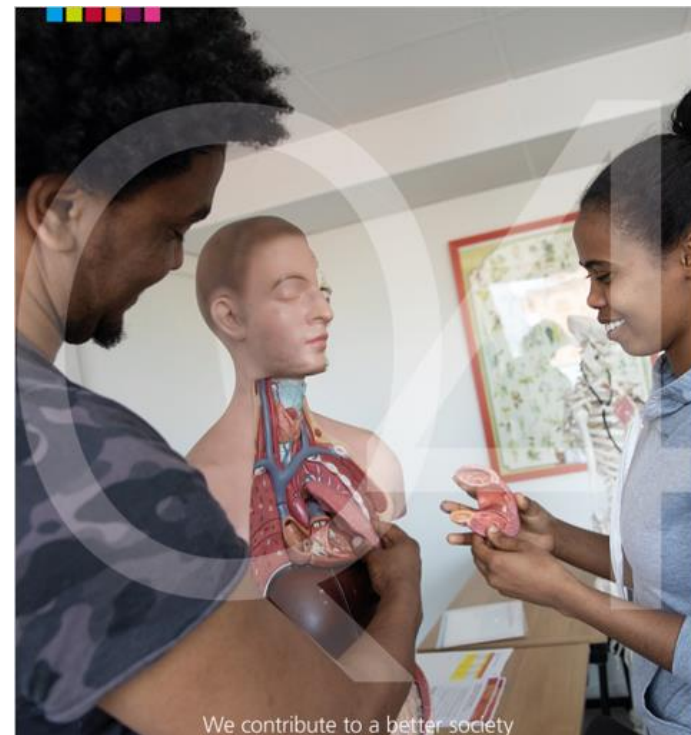
Net sales (MSEK)

EBIT and Adjusted EBIT (MSEK)



Fourth quarter

- Continued good growth but lower margins.
- Strong year for the Upper Secondary School and International Preschool segment. Acquisitions, organic growth, and improved capacity utilization are key factors.
- Cost reductions and contract transitions in the Adult Education segment leads to decline in operating profit.
- The Pre- and Compulsory School segment is challenged by margin pressure from wage inflation and also has focused efforts on turning around a handful of units.
- The Swedish parliament (Riksdagen) voted against regulating profits, but for reinforced ownership and management assessment in the welfare sector.



We contribute to a better society

AcademedMedia AB (publ)

YEAR-END REPORT July 2017 – June 2018

15 percent growth in the quarter

Record year for Upper Secondary School and International Preschool segments

Adult Education segment under restructuring

AcademedMedia

Key highlights Q4 2017/18

Extensive restructuring efforts improve situation adult education segment

Comments for Q4 2017/18

- Student numbers grew in school segments.
- Growth in net sales was boosted by strategic acquisitions. Organic growth including bolt-ons amounted to 4.1 percent.
- Strong year for Upper Secondary schools and International Preschool segment
- Adult Education segment takes restructuring charges of SEK 38 million
- The Pre- and Compulsory School segment has made efforts to manage challenges and to secure long-term quality in certain units.
- EBIT declined by SEK 44 million (-20.9%) compared to last year.
- Items affecting comparability amounted to SEK -40 million (-19) in the quarter.

Key figures for Q4 2017/18

| | 2017/18 | 2016/17 | Change |
|--|---------|---------|-----------|
| # of Students | 76 233 | 67 207 | 13.4% |
| Net sales | 2 993 | 2 610 | 14.7% |
| EBIT | 167 | 211 | -20.9% |
| EBIT-margin | 5.6% | 8.1% | -2.5 p.p. |
| Adj. EBIT | 207 | 229 | -9.6% |
| Adj. EBIT margin | 6.9% | 8.8% | -1.9 p.p. |
| Earnings after tax | 111 | 154 | -27.9% |
| Earnings per share ¹⁾ , SEK | 1.05 | 1.57 | -32.7% |
| Cash flow from operations | 376 | 317 | n/a |

1) Earnings per share before dilution and based on average number of shares during the period.

Key highlights full year July-June 2017/18

Acquisitions and organic expansion render revenue growth, margins trailing

Comments for July to June 2017/18

- Volumes increased in all school segments.
- Growth in net sales was reinforced by acquisitions (mainly Vindora) but also from bolt-on acquisitions and new establishments. Organic growth (including bolt-ons) was 5.8 per cent.
- EBIT increased by SEK 7 million (1.1%) but margin declined compared to last year.
- Margin improvement in Upper Secondary and International Preschool segments
- Margin decline in Adult and Pre- and Compulsory School segments.

Key figures for July to June 2017/18

| | 2017/18 | 2016/17 | Change |
|--|---------|---------|-----------|
| # of Students | 73,366 | 66,070 | 11.0% |
| Net sales | 10,810 | 9,520 | 13.6% |
| EBIT | 622 | 615 | 1.1% |
| EBIT-margin | 5.8% | 6.5% | -0.7 p.p. |
| Adj. EBIT | 670 | 638 | 5.0% |
| Adj. EBIT margin | 6.2% | 6.7% | -0.5 p.p. |
| Earnings after Tax | 430 | 416 | 3.4% |
| Earnings per share ¹⁾ , SEK | 4.30 | 4.41 | -2.5% |
| Cash Flow from Operations | 928 | 830 | n/a |

1) Earnings per share before dilution and based on average number of shares during the period.

Items affecting comparability

Negative and positive items from unforeseen events in the quarter

| Items affecting comparability (SEK m) | Q4 17/18 | Q4 16/17 | Full yr 17/18 | Full yr 16/17 | Comments to full year figures |
|--|------------|------------|---------------|---------------|---|
| Restructuring expenses (adult) | -38 | - | -38 | - | Restructuring charges in the Adult Education Segment |
| Restructuring expenses (upper secondary) | +3 | -9 | +3 | -9 | Excess restructuring reserve in the Upper Secondary Segment |
| Hermods SFI | -23 | - | -23 | - | Settlement with the City of Malmö of SEK 14 MSEK and expenses of 9 MSEK, impact the Adult Education |
| Transaction-related expenses | -3 | -10 | -8 | -12 | Group level |
| Integration expenses Vindora | -17 | - | -20 | - | Upper Secondary Segment |
| Pension adjustment Norway | 37 | - | 37 | - | New disability benefit rules in Norway impact International Preschool Segment |
| Other items affecting comp. | | | | -3 | |
| Total | -40 | -19 | -48 | -23 | |

Pre- and Compulsory Schools (Sweden)

Margin pressure continues

Comments for Q4 2017/18

- Margins are challenged by continued salary inflation not compensated by school vouchers (0.2 per cent). In addition there is a small number of schools which have required additional resources in order to turn-around.
 - Overall child numbers increased 3.2%.
 - Net sales grew 5.6%, a result of volume increases and annual voucher revisions.
 - Adj. EBIT-margin declined 1.8 percentage points
- Comments for the full year 2017/18

- Net one additional unit compared to prior year.
- Overall student numbers increased by 2.8%.
- Net sales increased with 6.0%.
- Adj. EBIT-margin was 0.8 percentage points lower mainly due to higher staff costs.
- During the third and fourth quarter some units have needed extra resources mainly staff in order to manage issues and secure long-term quality.

Key figures for Q4 2017/18

| | 2017/18 | 2016/17 | Change |
|------------------|---------|---------|-----------|
| Net sales | 1,082 | 1,025 | 5.6% |
| EBIT | 76 | 89 | -14.6% |
| EBIT-margin | 7.0% | 8.7% | -1.7 p.p. |
| Adj. EBIT | 76 | 90 | -15.6% |
| Adj. EBIT-margin | 7.0% | 8.8% | -1.8 p.p. |
| # of Students | 32,834 | 31,828 | 3.2% |

Key figures for the full year 2017/18

| | 2017/18 | 2016/17 | Change |
|------------------|---------|---------|-----------|
| Net sales | 3,912 | 3,690 | 6.0% |
| EBIT | 178 | 199 | -10.6% |
| EBIT-margin | 4.6% | 5.4% | -0.8 p.p. |
| Adj. EBIT | 178 | 199 | -10.6% |
| Adj. EBIT-margin | 4.6% | 5.4% | -0.8 p.p. |
| # of Students | 32,101 | 31,231 | 2.8% |

Upper Secondary Schools (Sweden)

Strong growth and improved margins

Comments for Q4 2017/18

- Overall student numbers increased by 27.1%.
- Net sales increased by 36.3% compared to the same quarter last year.
- The Vindora acquisition and opening of seven new entities are the main growth drivers.
- Adj EBIT-margin increased by 0.2 percentage points in the quarter.
- Integration expenses of SEK 17 million in Q4

Comments for the full year 2017/18

- Seven new units opened, 36 acquired, and one unit was divested.
- Overall student numbers increased by 19.7%.
- Net sales increased by 27.8% compared to last year due to acquisitions, new establishments as well as annual voucher revisions.
- Adjusted EBIT increased to SEK 292 million (206). EBIT-margin improvement was due to increased capacity utilization and Vindora which operates with higher margins.

Key figures for Q4 2017/18

| | 2017/18 | 2016/17 | Change |
|------------------|---------|---------|----------|
| Net sales | 920 | 675 | 36.3% |
| EBIT | 87 | 64 | 35.9% |
| EBIT-margin | 9.5% | 9.5% | 0.0 p.p. |
| Adj. EBIT | 100 | 72 | 38.9% |
| Adj. EBIT-margin | 10.9% | 10.7% | 0.2 p.p. |
| # of Students | 32,024 | 25,191 | 27.1% |

Key figures for the full year 2017/18

| | 2017/18 | 2016/17 | Change |
|------------------|---------|---------|----------|
| Net sales | 3,229 | 2,526 | 27.8% |
| EBIT | 276 | 198 | 39.4% |
| EBIT-margin | 8.5% | 7.8% | 0.7 p.p. |
| Adj. EBIT | 292 | 206 | 41.7% |
| Adj. EBIT-margin | 9.0% | 8.2% | 0.8 p.p. |
| # of Students | 30,582 | 25,544 | 19.7% |

Adult Education (Sweden)

Extensive restructuring measures improves cost level going

Comments for Q4 2017/18

- Net sales decreased by 3.4%. *mainly because of the decline in market volumes and contract transitions.*
- Adj EBIT and adj EBIT-margin declined substantially due to excess capacity following decline in market volumes and contract transitions.
- Extensive restructuring measures undertaken
- Items affecting comparability amounted to SEK 61 million, of which SEK 38 million relate to restructuring charges.

Comments for the full year 2017/18

- Sales growth of 5.7% following a strong first half of the year and acquisition of Vindora.
- Strong market position, but challenges from contract transition and decline in demand.
- Despite restructuring measures weak earnings are expected for the coming quarters.
- After the transition AcadeMedia believes that the long-term EBIT-margin will be 9-11 percent.

Key figures for Q4 2017/18

| | 2017/18 | 2016/17 | Change |
|------------------|---------|---------|------------|
| Net sales | 397 | 411 | -3.4% |
| EBIT | -69 | 38 | -281.6% |
| EBIT-margin | -17.4% | 9.2% | -26.6 p.p. |
| Adj. EBIT | -7 | 38 | -118.4% |
| Adj. EBIT-margin | -1.8% | 9.2% | -11 p.p. |

Key figures for the full year 2017/18

| | 2017/18 | 2016/17 | Change |
|------------------|---------|---------|-----------|
| Net sales | 1,666 | 1,576 | 5.7% |
| EBIT | 75 | 200 | -62.5% |
| EBIT-margin | 4.5% | 12.7% | -8.2 p.p. |
| Adj. EBIT | 137 | 200 | -31.5% |
| Adj. EBIT-margin | 8.2% | 12.7% | -4.5 p.p. |

Preschools (International)

Strong growth and margin improvement, mainly in Germany

Comments for Q4 2017/18

- The number of children increased by 11.7%.
- Net sales growth for the quarter was 18.8% following acquisitions as well as new establishments.
- Adj. EBIT improved primarily related to economies of scale in Germany and improved capacity utilization in Norway.
- A change in the pension regulation in Norway had a positive effect of SEK 37 million.

Comments for the full year 2017/18

- Overall student numbers increased by 14.9%.
- Net sales growth was 15.8% and a result of acquisitions and new establishments. FX had a negative impact on sales of SEK 11 million compared to last year.
- Adj. EBIT-margin improved to 6.3% (5.7), it was related to the factors described above.
- In Germany, 10-15 new preschools are estimated to open during 2018/19.
- Norway will adjust to new staffing regulation

Key figures for Q4 2017/18

| | 2017/18 | 2016/17 | Change |
|------------------|---------|---------|----------|
| Net sales | 593 | 499 | 18.8% |
| EBIT | 97 | 47 | 106.4% |
| EBIT-margin | 16.4% | 9.4% | 7 p.p. |
| Adj. EBIT | 60 | 47 | 27.7% |
| Adj. EBIT-margin | 10.1% | 9.4% | 0.7 p.p. |
| # of children | 11,375 | 10,188 | 11.7% |

Key figures for the full year 2017/18

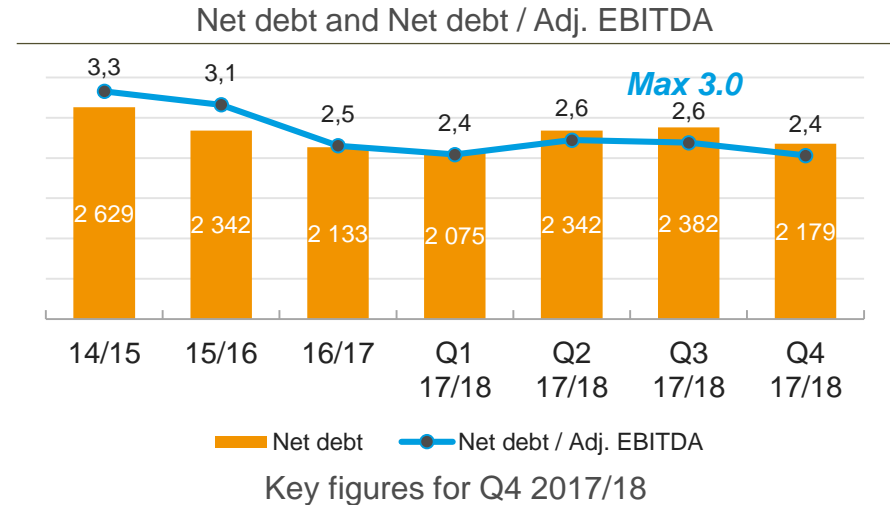
| | 2017/18 | 2016/17 | Change |
|------------------|---------|---------|----------|
| Net sales | 1,998 | 1,725 | 15.8% |
| EBIT | 162 | 98 | 65.3% |
| EBIT-margin | 8.1% | 5.7% | 2.4 p.p. |
| Adj. EBIT | 125 | 98 | 27.6% |
| Adj. EBIT-margin | 6.3% | 5.7% | 0.6 p.p. |
| # of children | 10,684 | 9,295 | 14.9% |

Financial position

Stable financial position despite several smaller acquisitions

- Capital employed has increased during the last 12 months by SEK 986 million mainly due to acquisitions, but also investments in preschool buildings in Norway and other investments.
- Equity increased by 23.8% due to the rights issue completed in December and equity/asset ratio is now 45.4%.
- Net debt increased by SEK 46 million.
- Net debt excluding real estate debt has decreased by SEK 22 million.
- Leverage ratio has declined to 2.4x, and is below AcadeMedia's financial target of maximum 3.0x.

1) Adjusted Net Debt excludes real estate loans, purpose being to show the amount of net debt required to finance operations



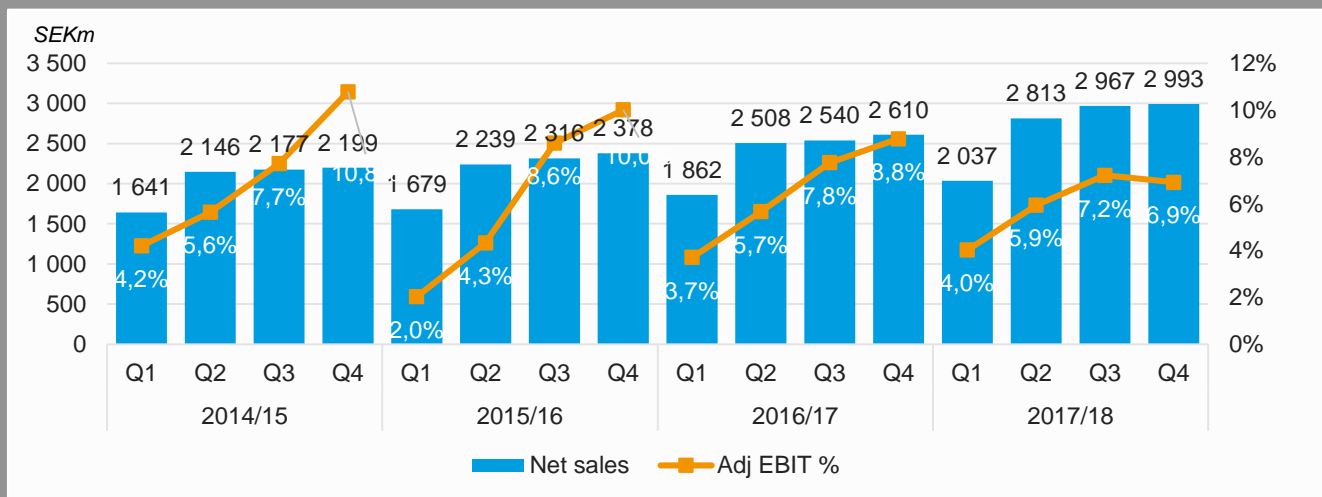
| | 2017/18 30 Jun | 2016/17 30 Jun | Change |
|-----------------------------|-------------------|-------------------|----------|
| Total equity | 4,262 | 3,443 | 23.8% |
| Net debt | 2,179 | 2,133 | 2.2% |
| Adj. net debt ¹⁾ | 1,528 | 1,550 | -1.4% |
| Capital employed | 7,144 | 6,158 | 16.0% |
| Equity ratio | 45.4% | 43.9% | 1.5 p.p. |

Seasonality varies between segments

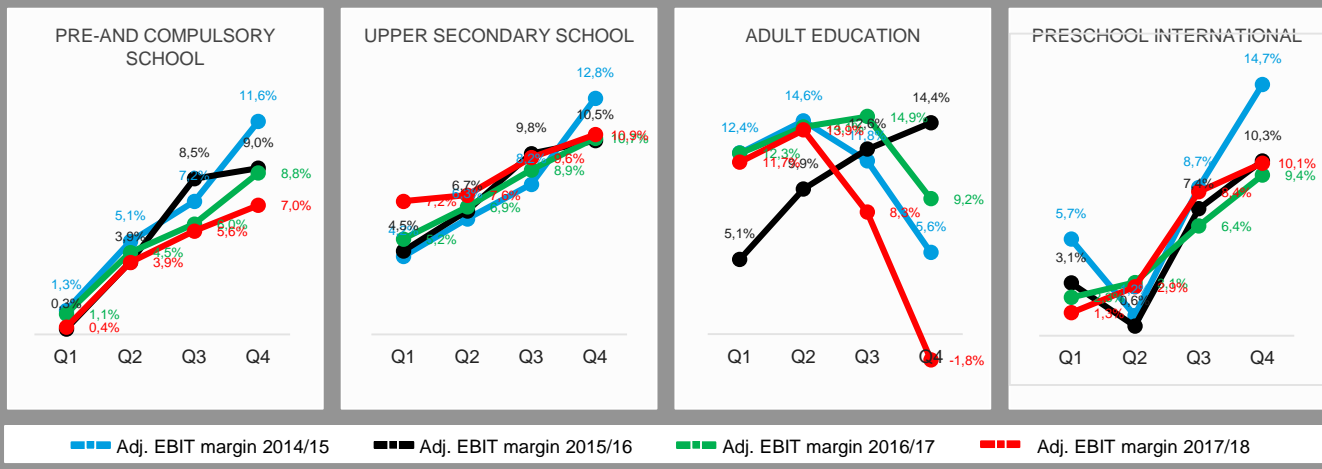
Adult Education strongly affects consolidated operating margin

Quarterly seasonality – Net sales and adj. EBIT 2014/15 – 2017/18

Comments



- School segments continue to show normal seasonality, albeit a weak finish for Pre- and Compulsory Schools
- Adult segment volatility is enhanced following declining market volumes and contract transitions.



Financial performance according to plan

Financial targets

FY 17/18
(FY 16/17)

| | | | |
|------------------------------|-----------------|---|-----------------------|
| Growth | 5-7% | <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 | 5.8% (9.0%) |
| Profitability | 7-8% | <ul style="list-style-type: none"> Adj. EBIT margin of 7-8% over time | 6.2% (6.7%) |
| Capital structure | <3.0x | <ul style="list-style-type: none"> Net debt / adj. EBITDA below 3.0x Leverage may temporarily, exceed the target level | 2.4x (2.5x) |
| 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 | No dividend proposed |

A unique combination of sustainability, growth and cash flow generation

A Sustainable & predictable business model

- ✓ Favorable demographic trends with high predictability
- ✓ Attractive “recurring revenue model” – a student will likely remain in AcadeMedia schools for several years
- ✓ Student base and revenue levels known at the beginning of each year
- ✓ Pricing is based on municipality costs – no price competition from independent providers

B Multi-layered and scalable growth ahead

- ✓ Secular growth drivers in the underlying market
- ✓ Increasing market share for independent providers
- ✓ Best-in-class offering
- ✓ Substantial consolidation opportunities
- ✓ Attractive international expansion opportunities
- ✓ Significant operating leverage due to high degree of centralized operations and low incremental costs for adding students

C Strong cash flow generation

- ✓ Limited capex requirements
- ✓ Negative working capital profile
- ✓ Capacity to fund growth and deleveraging
- ✓ Very limited cyclicality

Thank you for listening!

Q&A



Appendix

AcadeMedia's board of directors

As of AGM november 2017



**Anders
Bülow**

Chairman of the Board

Board Member MellbyGård AB and Chairman of the Board of KappAhl.

Chairman of the Board and board Member of several Mellby Gård's companies.



**Silvija
Seres**

Board Member

CEO TechnoRocks. Board Member Nordea, Synchron International AB, Eidsiva Energi AS, Enoro Holding AS and Oslo Business Region AS.



**Johan
Andersson**

Board Member

CEO Mellby Gård AB.

Chairman of the Board

Board member Duni AB, Älvsbyhus Intressenter AB, Student Consulting Holding AB.



**Pia
Rudengren**

Board Member

Board member KappAhl AB, Boliden AB, Duni AB, and Tikkurila Oyj.

Chairman of the Board Social Initiative Norden AB.



**Anki
Bystedt**

Board Member

Head of External Relations and Communications at Stockholm University. Auditor for the Royal Swedish Academy of Engineering Science.



**Thomas
Berglund**

Board Member

CEO Capio AB.

A number of positions as chairman of the board within the Capio Group. Deputy Chairman in ISS A/S.



**Håkan
Sörman**

Board Member

Ordförande Karolinska Sjukhuset

Tidigare VD för SKL och landshövding för Jönköpings Län

AcadeMedia's board of directors

Employee representatives



**Anders
Lövgren**

Employee representative,
Läraryrket

Teacher, Network technology,
IT-Gymnasiet,
Västerås.



**Peter
Milton**

Employee representative,
Lärarnas Riksförbund

Teacher in religion,
history and philosophy,
Didaktus skolor,
Liljeholmen.



**Fredrik
Astin**

Deputy employee representative,
Lärarnas Riksförbund

Teacher, Fenestra centrum i Göteborg



**Pernilla
Larsson**

Deputy employee representative,
Läraryrket

Teacher at Design & Construction College in Helsingborg.

Owner structure

AcadeMedia's ten largest shareholders as per 2018-06-30



| Name | Number of shares | Share of total number of shares, % |
|------------------------------|------------------|------------------------------------|
| Rune Andersson (Mellby Gård) | 22 178 141 | 21,06% |
| Nordea Fonder | 12 365 386 | 11,74% |
| Fidelity | 5 645 443 | 5,35% |
| Norron Fonder | 4 149 986 | 3,93% |
| Janus Henderson Investors | 3 083 444 | 2,92% |
| Andra AP-fonden | 2 913 924 | 2,77% |
| Tredje AP-fonden | 2 506 673 | 2,38% |
| Försäkringsbolaget PRI | 2 074 874 | 1,97% |
| Länsförsäkringar Fonder | 2 027 485 | 1,93% |
| Swedbank Robur Fonder | 1 760 000 | 1,67% |

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen). The verification date may vary for foreign shareholders. Updated per 2018-06-30