

AcadeMedia Investor presentation

2019-06

Change through Education

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



AcadeMedia in brief



AcadeMedia in brief

We are AcadeMedia

AcadeMedia creates opportunities for people to develop. Our 17,500 employees at our 660 units share a common focus on quality and development. Our 179,900 children and students are provided with a high quality education, giving them the best conditions to attain both learning objectives and their full potential as individuals.

AcadeMedia is 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.

AcadeMedia in numbers (2017/18)

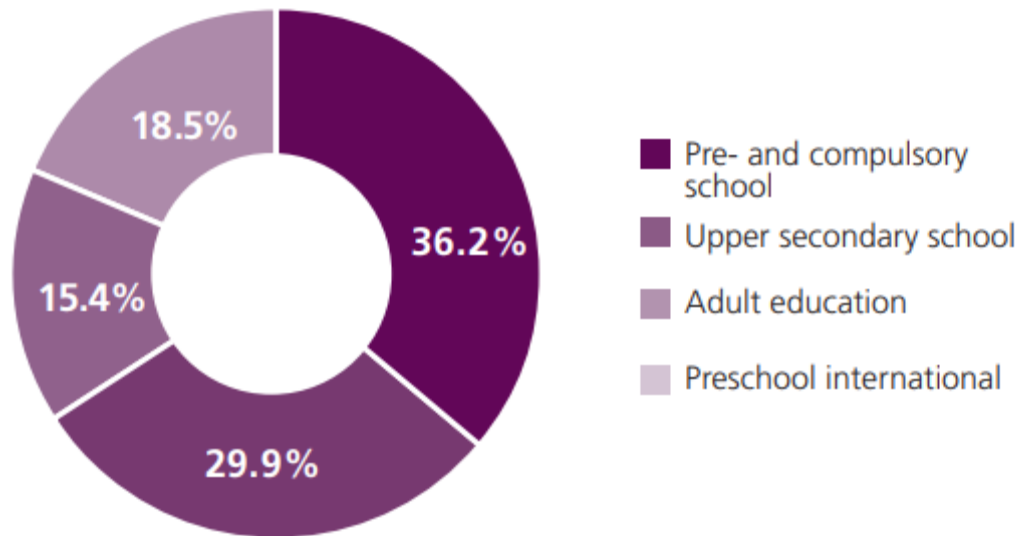
- Net Sales: SEK 10,810 million
- EBIT: SEK 622 million
- 4 segments
- 3 countries



We operate throughout the education chain

Four business segments and presence in three countries

Net Sales Split 17/18



Key market drivers

- Demographic development underpins growth
- Voucher levels (price development) is stable
- Labour market development (Adult Education)
- Immigration (Adult Education)



Change through Education

AcadeMedia strategy is to...

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

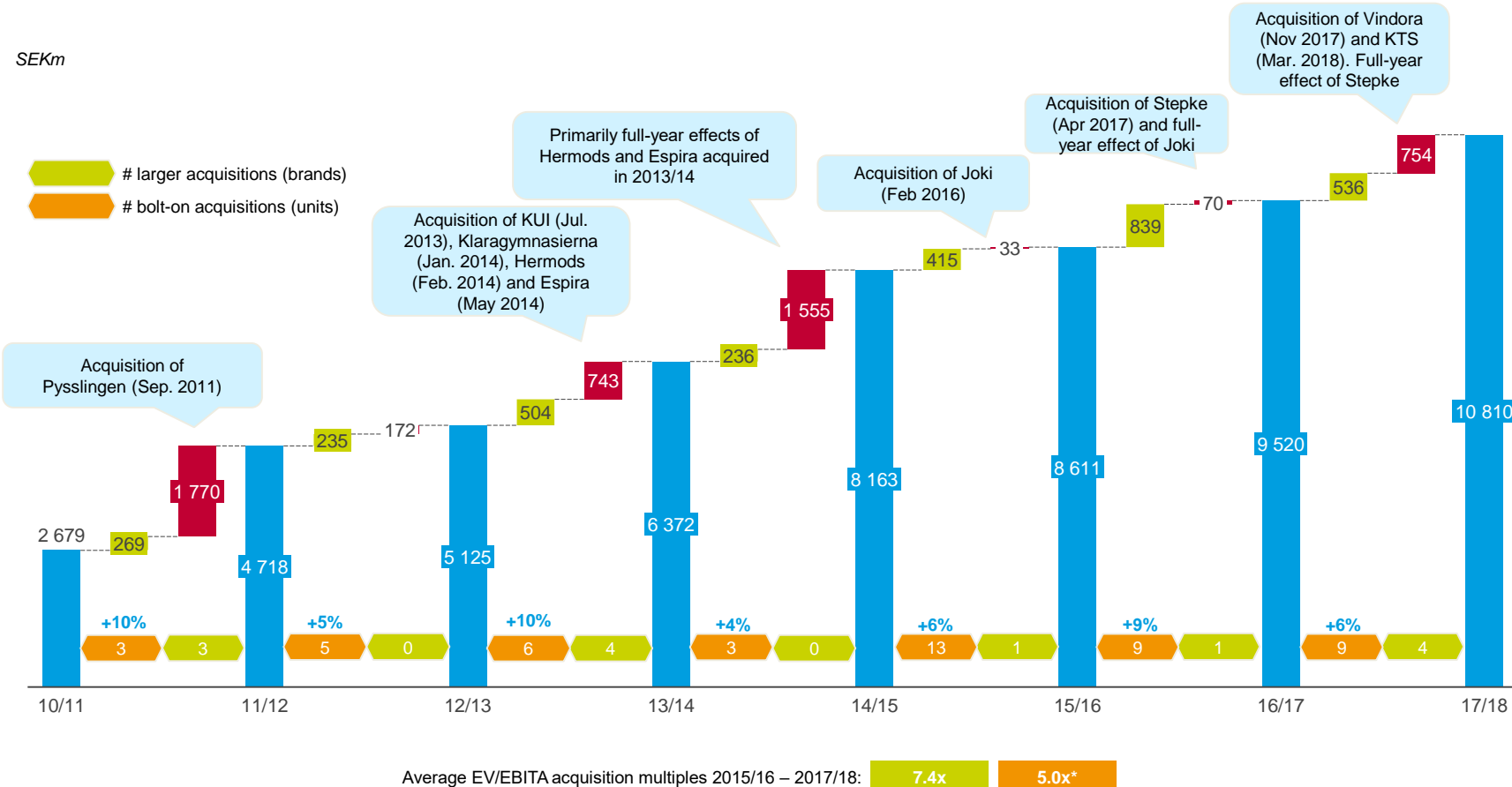


Strong track record of growth

- Full year
- Organic growth
- Acquired growth

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

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.

AcadeMedia key 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 pre-school 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



Long term potential for AcadeMedia

Upper-secondary school *(Sweden)*

- Favourable demographics and a substantial need to expand capacity in urban areas
- AcadeMedia is the market leader

Adult education *(Sweden)*

- Swedish Public Employment Service will be restructured to allow for more private providers
- AcadeMedia is the market leader and has a good position to capture new market opportunities

Pre-school Germany

- Large supply gap, especially in 0-3 yr category
- AcadeMedia's Nordic pre-school model is highly credible
- Strong pipeline for profitable organic growth.

Other

- Digitalisation will create opportunities for more efficient learning and new business models

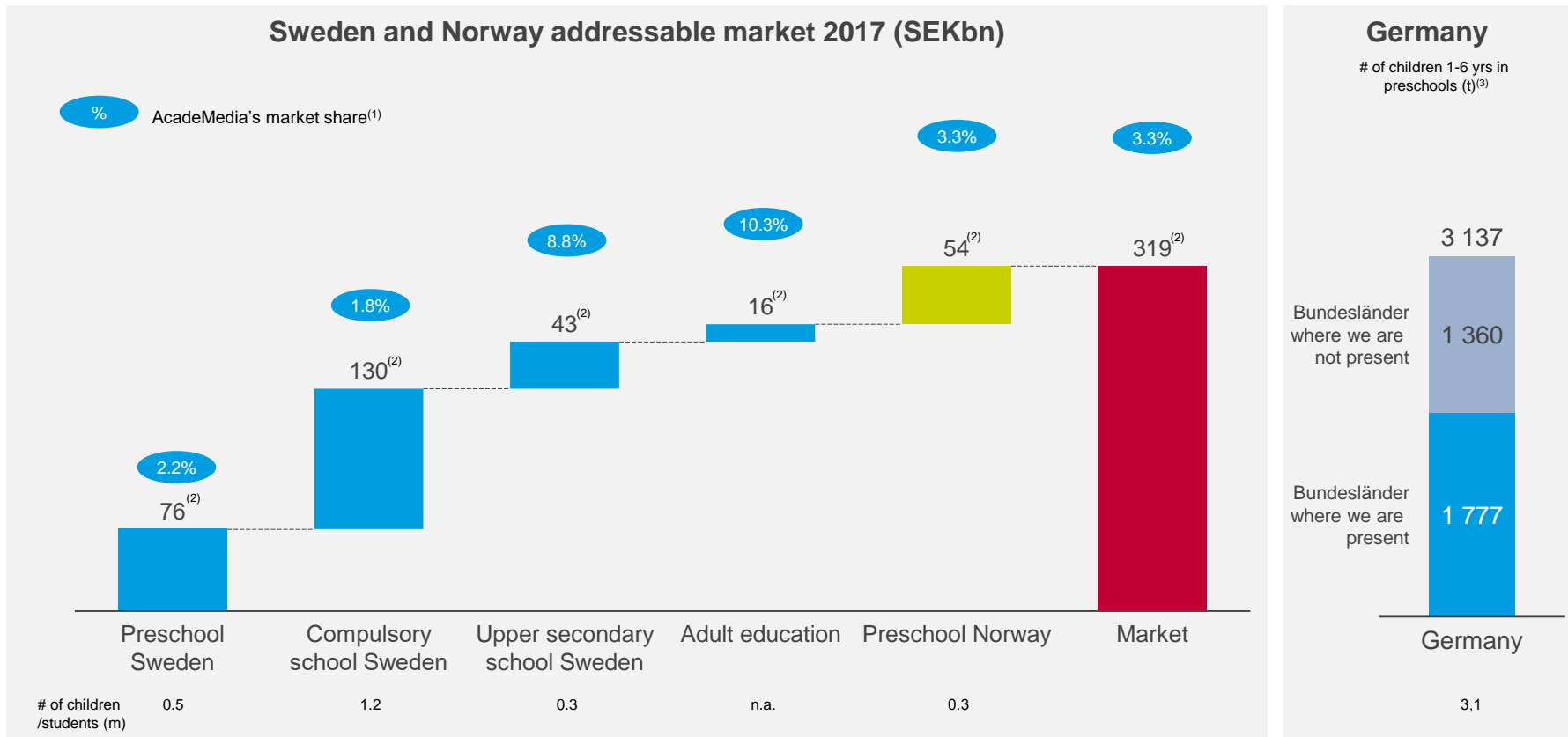
The education sector

A stable and growing market



The size of the public education sector

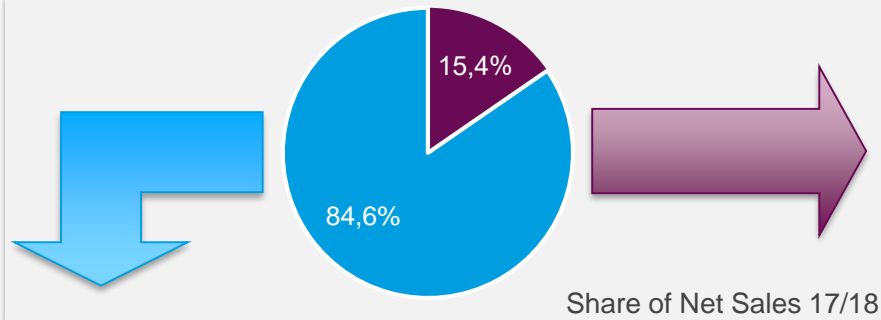
Large market where AcadeMedia still only has a small part



- Addressable market in Sweden and Norway worth approximately SEK 319bn
- 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) 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.

AcadeMedia operates two different models



Voucher model for schools

- The three schooling segments, which operate pre-schools in Sweden, Norway and Germany as well as schools in Sweden, all operate mainly with a voucher based pricing and payment model.
- Key revenue drivers are:
 - Demographic development and
 - Voucher/price development
- Both these revenue drivers are very stable and quite predictable

Tender-based contracts Adult

- The Adult Education segment which operates in Sweden addresses three main submarkets:
 - adult education for the labor market as procured by the Public Employment Agency in Sweden
 - adult education procured by municipalities
 - Higher vocational education, i.e. post secondary school training with a vocational content
- In the last 3-4 years AcadeMedia's adult education segment has benefitted from a couple of large and profitable contracts from the Public Employment Agency.
- These contracts are tendered and last for 2-4 years

Scandinavian School voucher system

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

Basic reimbursement

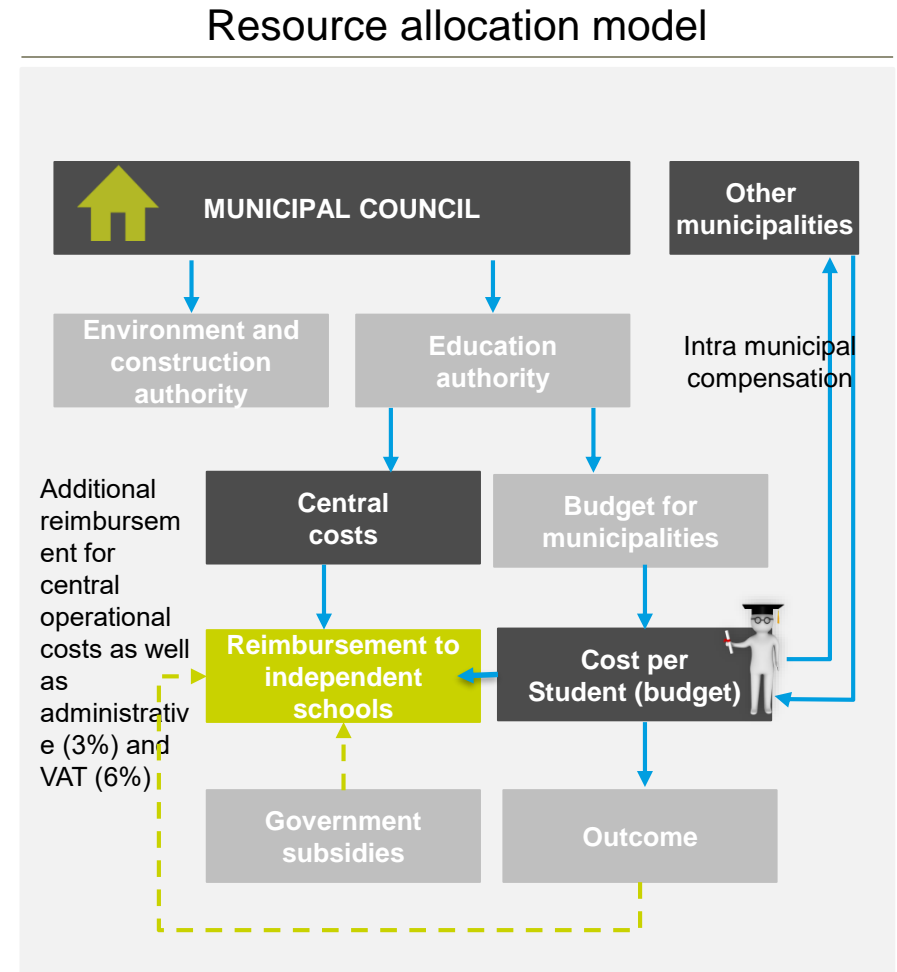
- Every student is entitled to a school voucher to finance the education of his/her choice
- The voucher size is determined by the budget of the student's home municipality
- Voucher size varies between education levels and types as well as municipalities
- Parents/students choose school and have no involvement or knowledge of reimbursement level or process
- Additional reimbursement can be paid to the school 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"

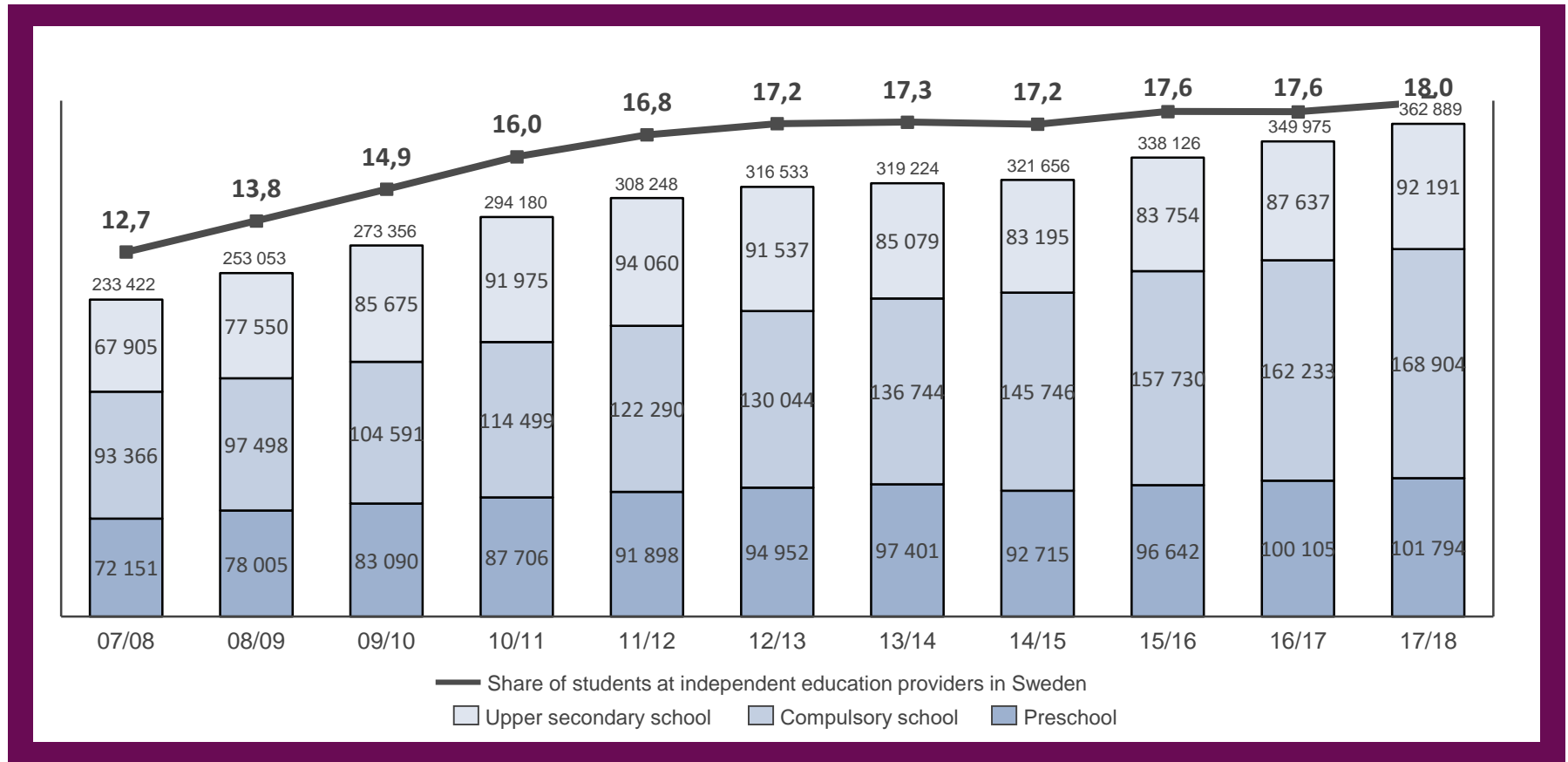
German models

- Various models are evolving in Germany and moving towards a greater proportion of affordable voucher models although the exact mechanism varies



Demographic development drives growth

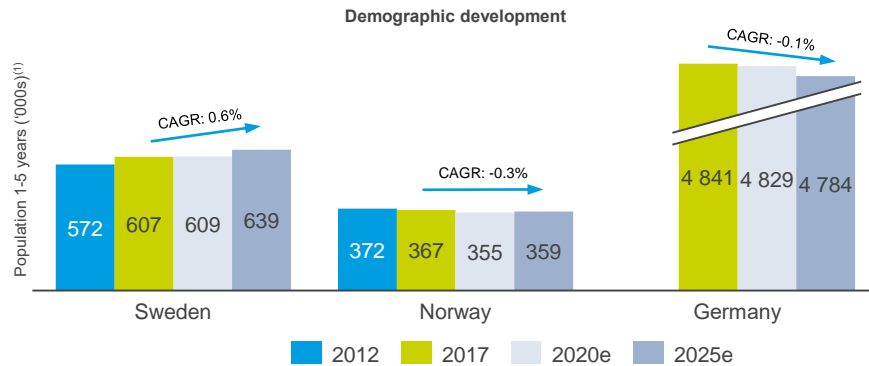
Increased number of students and higher market penetration



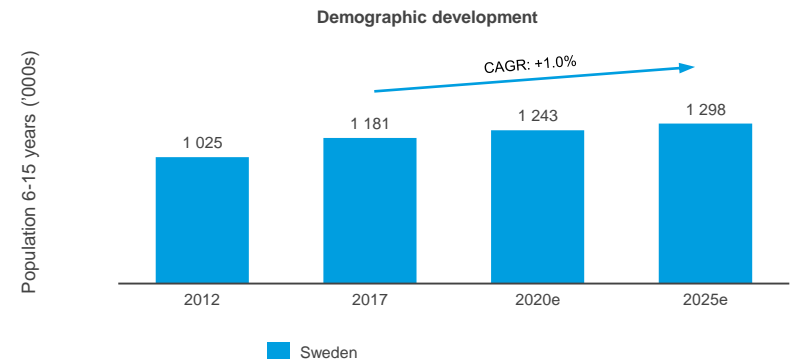
Demographic development

Favorable demographic in all Swedish school segments

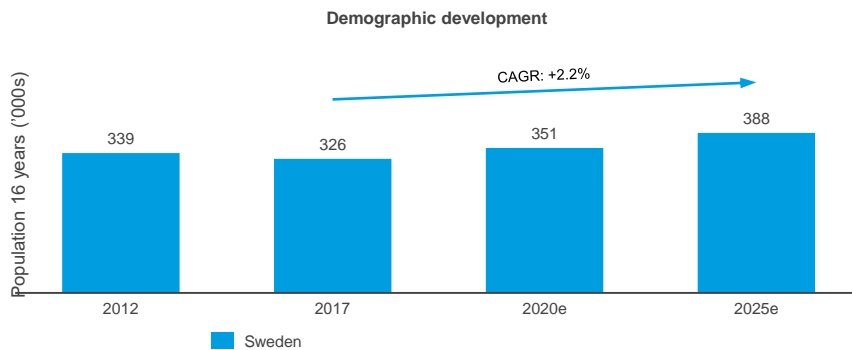
Preschool



Compulsory school

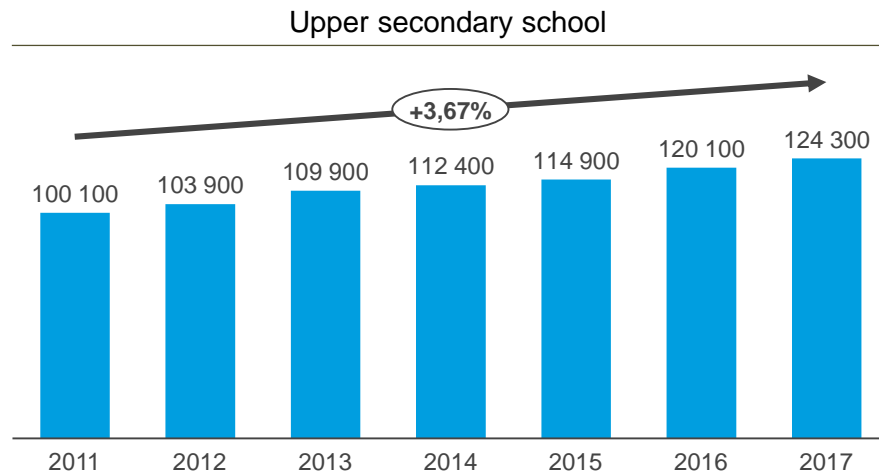
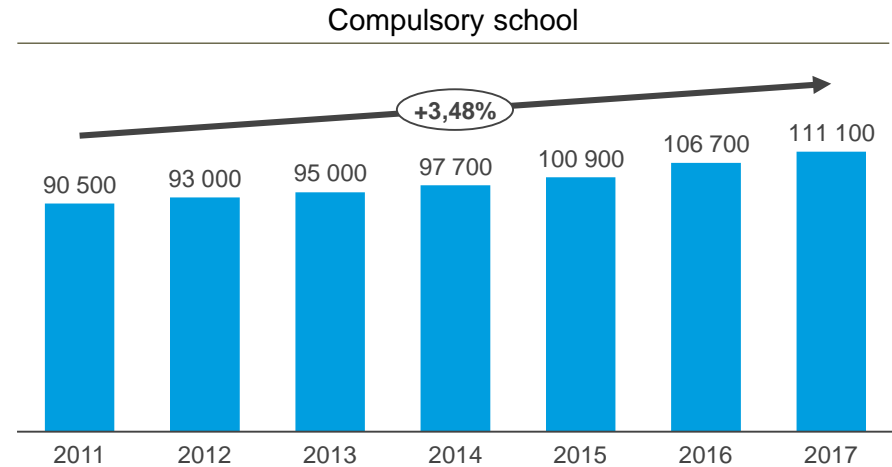
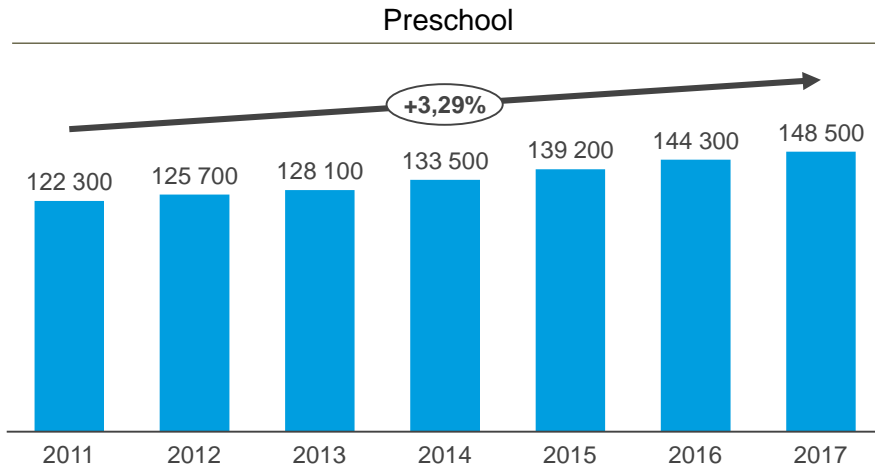


Upper secondary school



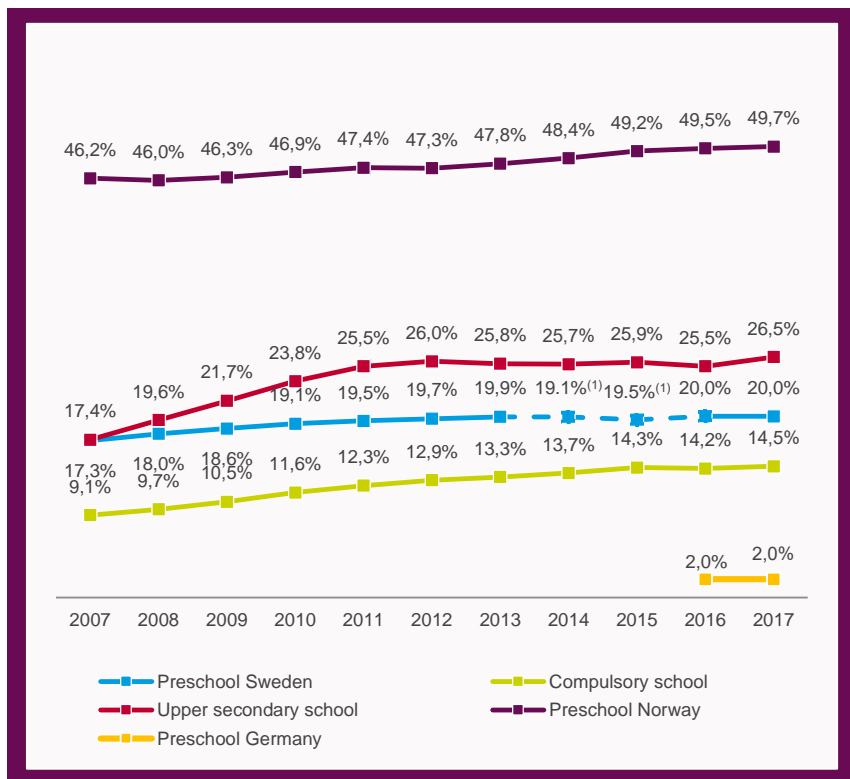
Swedish municipal cost per student

Municipal cost level increases at a steady rate, although insufficient

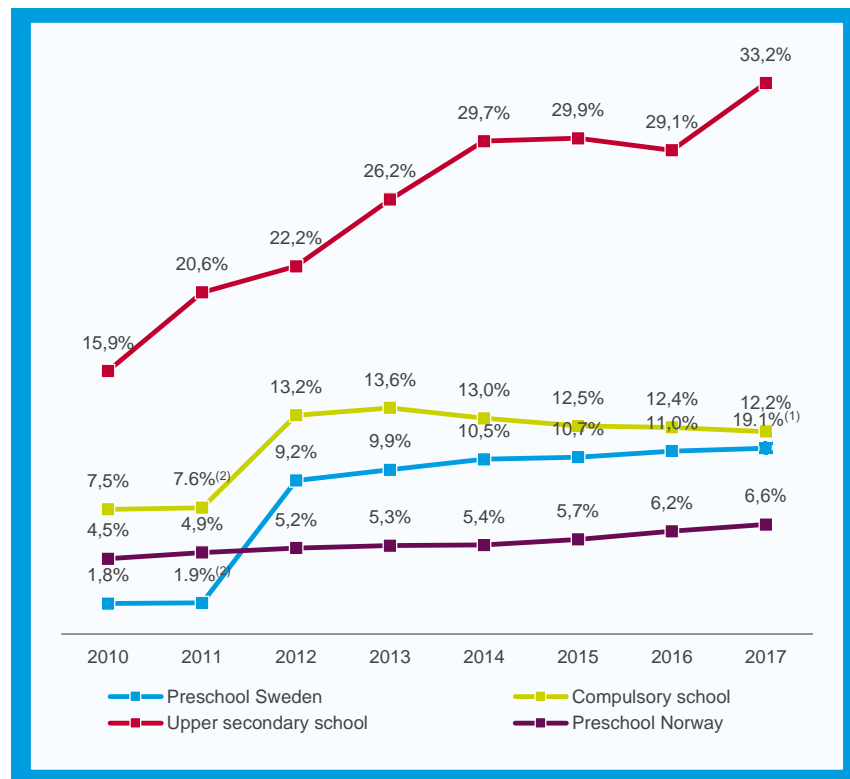


Independent providers have grown Room for increased penetration

INDEPENDENT PROVIDERS' PENETRATION OF TOTAL MARKET



ACADEMEDIA'S MARKET SHARE OF INDEPENDENT MARKET



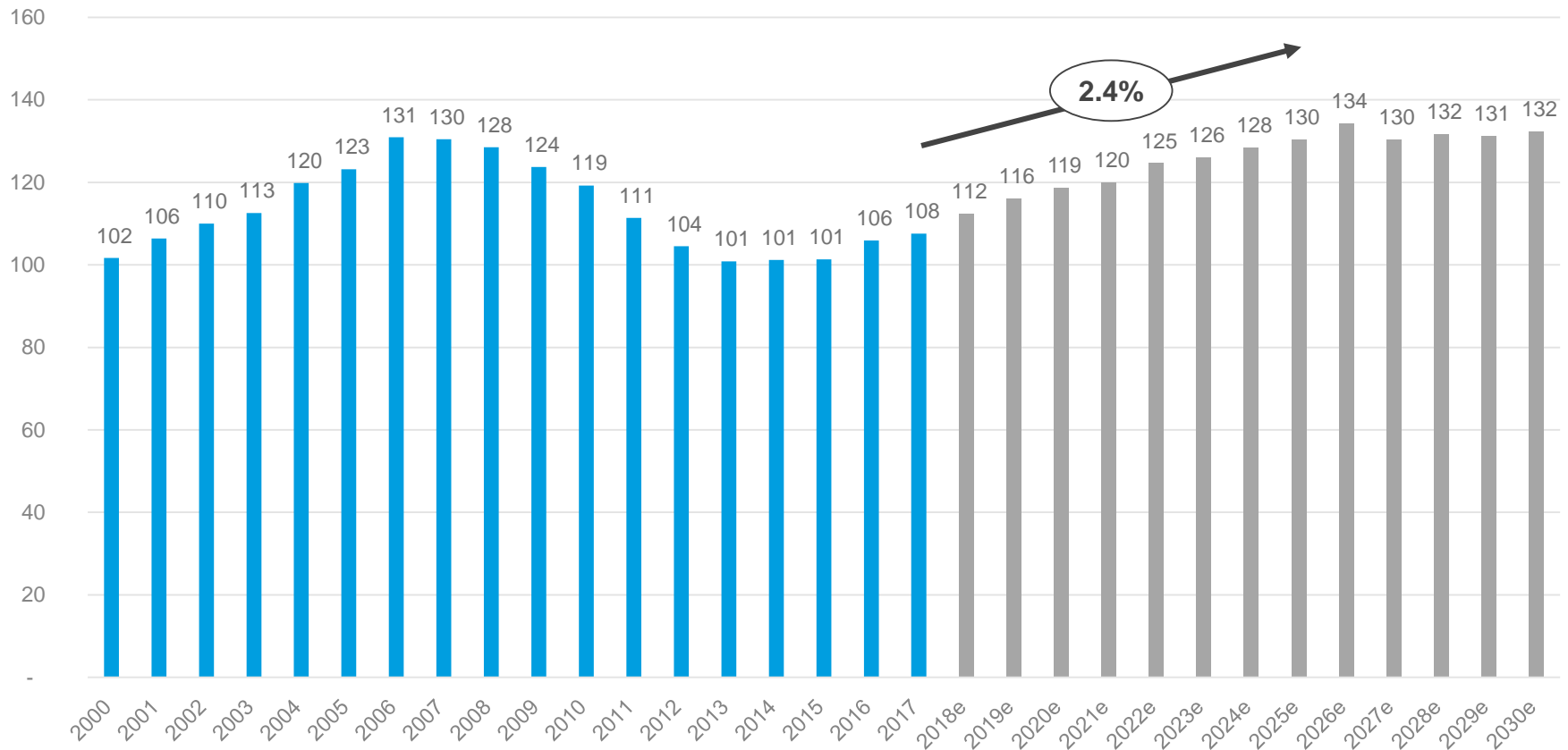
- Independent providers have grown significantly – however penetration still remains low in most segments
- AcadeMedia continues to gain market share

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.

Secondary school – shift in demography

Growth in the number of students in coming years

Number of 16 year olds in Sweden

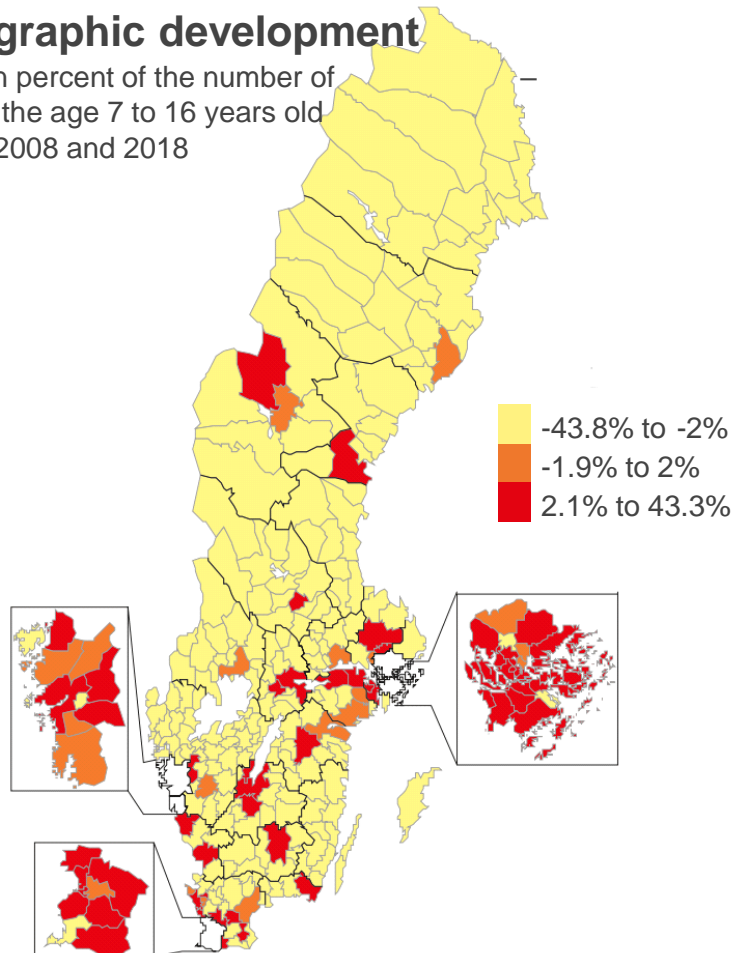


Secondary school - urbanization trend

Urbanization is an important growth driver in high population areas

Demographic development

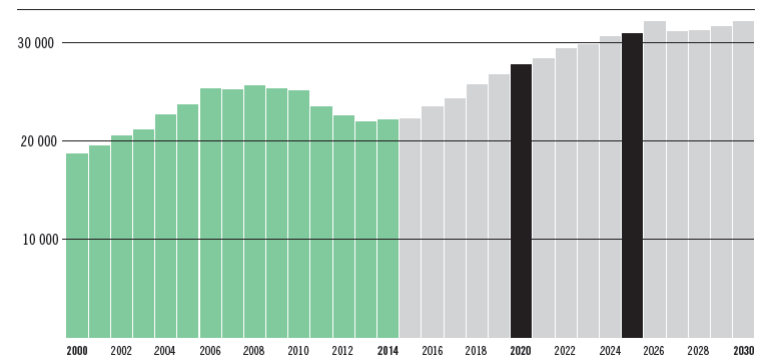
Change in percent of the number of people in the age 7 to 16 years old between 2008 and 2018



Source: Svenskt näringsliv / SCB

Number of 16 year olds, Stockholms län

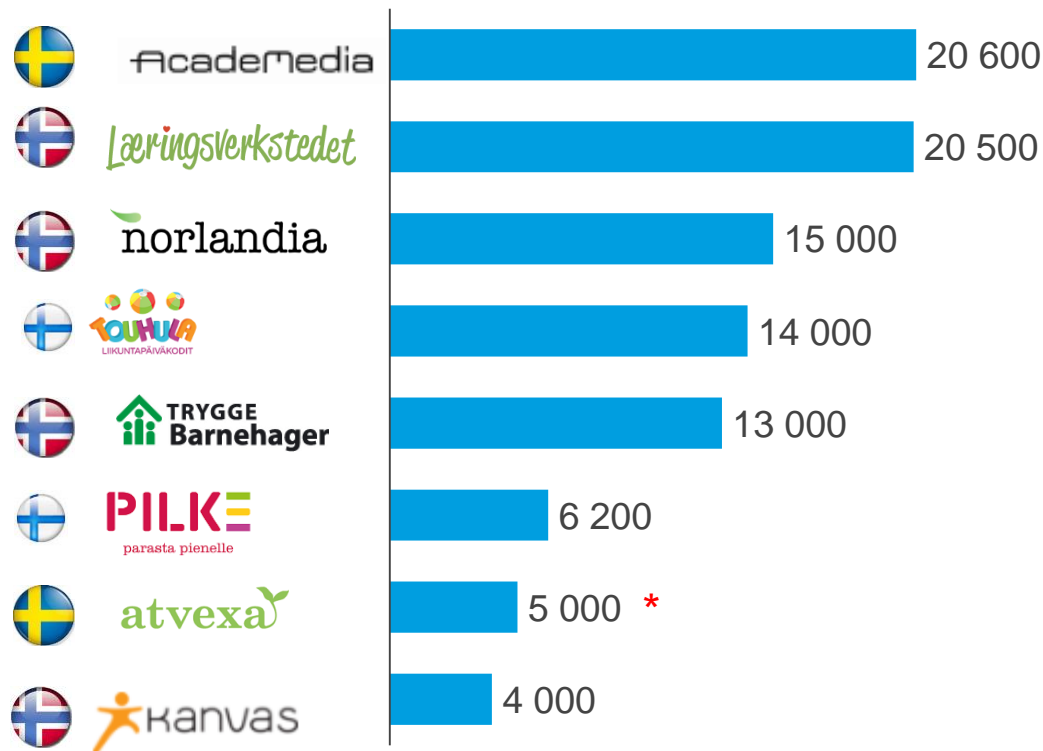
16-ÅRINGAR 2000-2030



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 Sweden, Norway and Germany.
- During the last years many operators have strengthened their positions through new establishments and acquisitions.
- AcadeMedia, Læringsverkstedet and Norlandia are active in more than one country.



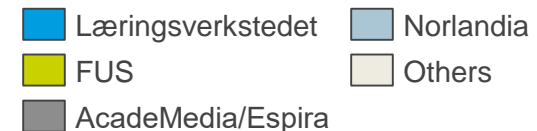
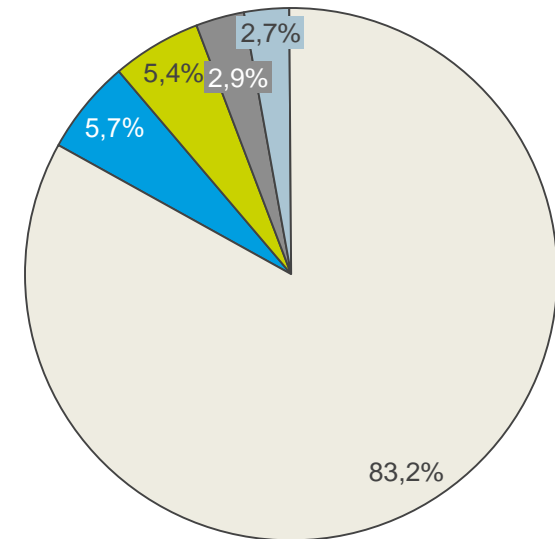
Not:* Inspira is part of Læringsverkstedet since Oct-2017

Norwegian Preschool Market

Unconsolidated market, possibility to accelerate growth through acquisitions

- High penetration level, but healthy demographic growth and urbanization drives need for new preschools. Need for 100-200 new preschools until 2022.
- There is a total of 6 087 preschools in Norway.
- 53%, 3 226 are operated by independent operators, 2 861 are operated by municipalities.
- The four largest operators run in total 543 preschools in Norway.
- The remainder of the independent operators are run by smaller businesses. Hence a possibility to consolidate.
- Price level and regulatory changes has led to fewer bolt-on acquisitions the last year

Independent market - Norway



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

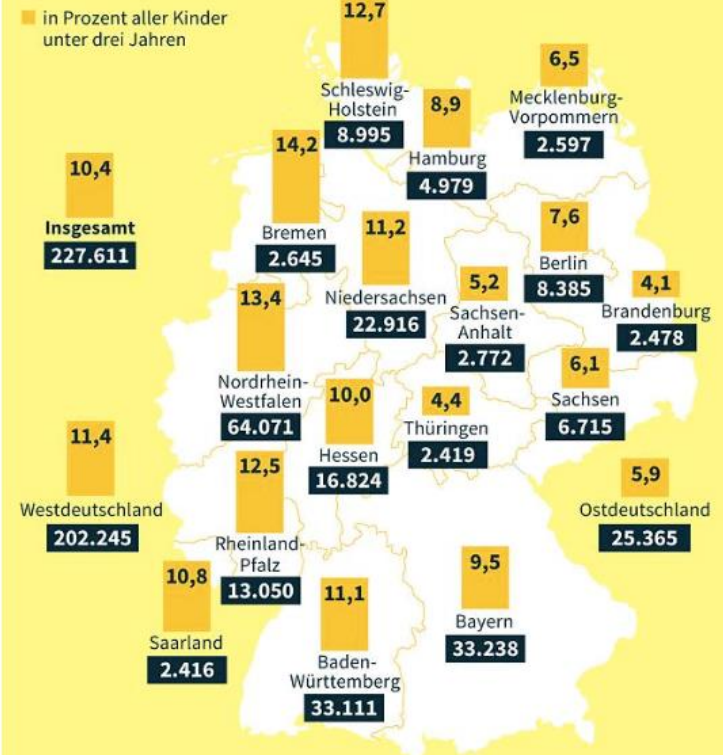


In Deutschland fehlen fast 300.000 Kita-Plätze. Eltern stehen stundenlang Schlange, um ihre Kinder unterzubringen. In einigen Bundesländern ist die Situation besonders besorgniserregend.

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

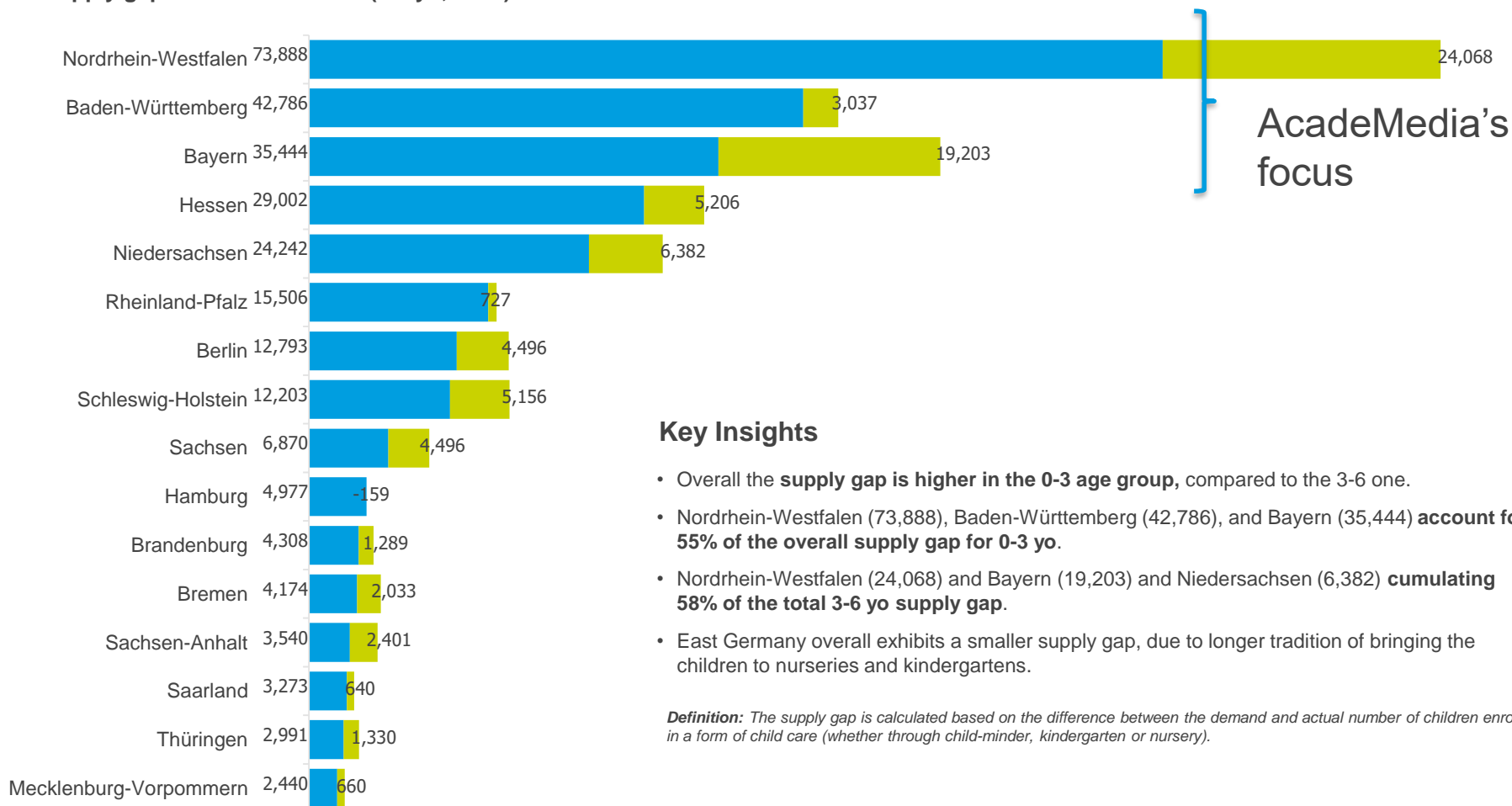
Urspungsdaten: Bundesministerium für Familie, Senioren, Frauen und Jugend, Statistisches Bundesamt
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IW Institut der deutschen Wirtschaft Köln

Supply Gap

Demand vs. supply of child care places

Supply gap in absolute values (0-6 yo, 2017)



Key Insights

- Overall the **supply gap is higher in the 0-3 age group**, compared to the 3-6 one.
- Nordrhein-Westfalen (73,888), Baden-Württemberg (42,786), and Bayern (35,444) **account for 55% of the overall supply gap for 0-3 yo**.
- Nordrhein-Westfalen (24,068) and Bayern (19,203) and Niedersachsen (6,382) **cumulating 58% of the total 3-6 yo supply gap**.
- East Germany overall exhibits a smaller supply gap, due to longer tradition of bringing the children to nurseries and kindergartens.

Definition: The supply gap is calculated based on the difference between the demand and actual number of children enrolled in a form of child care (whether through child-minder, kindergarten or nursery).

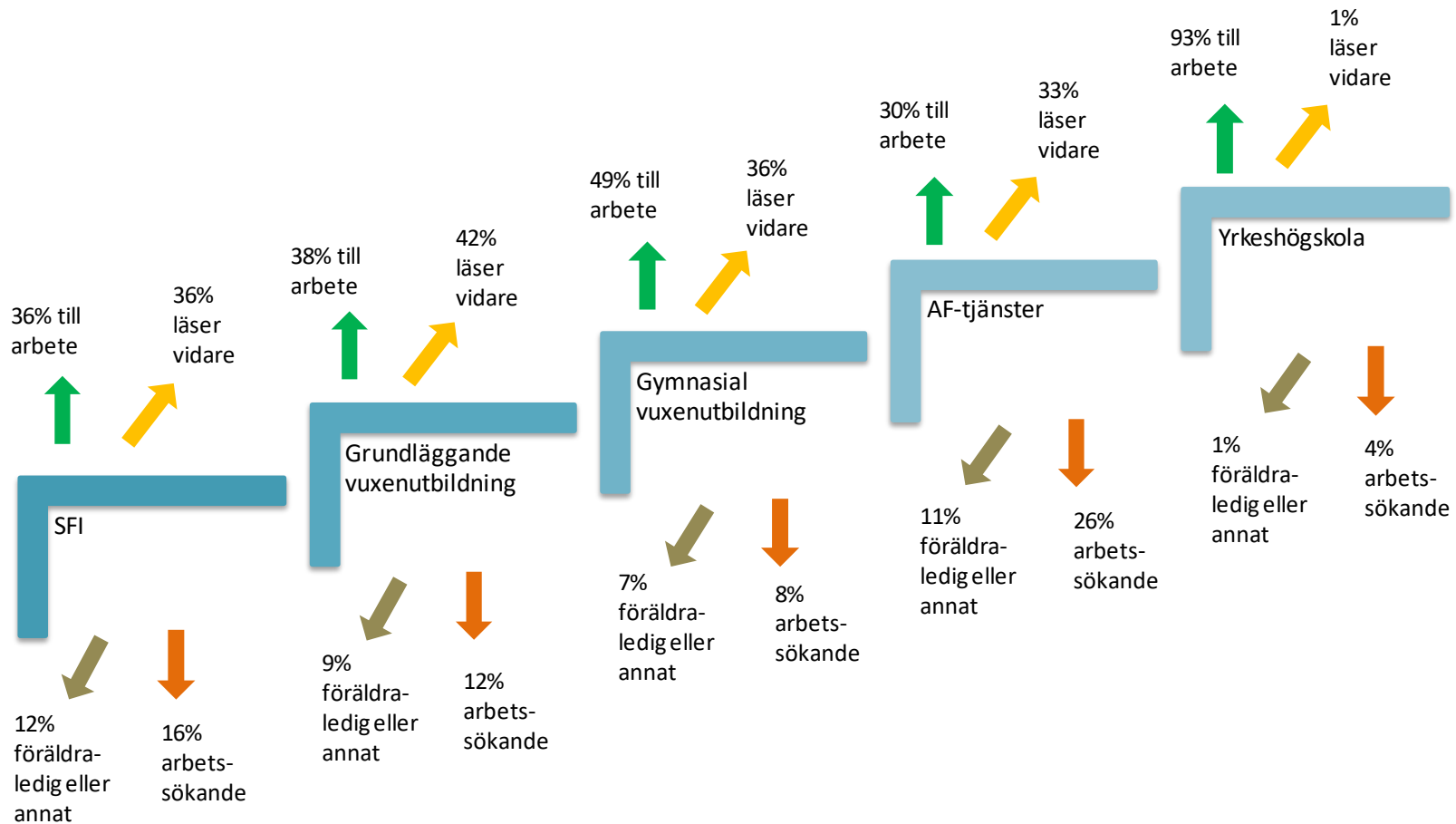
What is Adult Education?

Mainly funded by municipalities and Public Employment Agency

	Municipal adult education		Public Employment Agency			HVE	Private adult education	
	Swedish for immigrants (SFI)	"Komvux"	Preparatory training	Labor market training	Coaching	Higher vocational education ("Yrkes-högskola")	Corporate Training	Private & other
Explanation	Swedish for immigrants, can also include apprenticeships.	Compulsory school or upper secondary school for adults	Preparatory efforts which prepare the individual for work or further studies	Shorter, focussed and vocationally oriented training programmes. Mostly <6 mo's	Various supporting efforts directed to unemployed persons.	Vocational training at a post secondary school level.	Customized training programmes for corporate or public clients	Broad offering for private individuals
Procurement & financing	Municipalities via public tenders	Municipalities via public tenders	Funded and procured via Public Employment Agency (arbetsförmedlingen) in the form of public tenders	Funded and procured via Public Employment Agency (arbetsförmedlingen) in the form of public tenders	Funded and procured via Public Employment Agency (arbetsförmedlingen)	State funded vouchers awarded for two-year programmes from the Authority for Higher Vocational Education ¹⁾	Procured by private and public clients	Procured by private individuals, corporates or publicly funded organizations

Adult Education is about getting a job

A model that moves individuals to higher levels of education or to work



Bas: Alla (6948)

Adult Education

Strong outlook for two of three market areas

Market

- Three clear submarkets show varying growth prospects
- Revenue acquisition is driven by contract tenders and indirectly by immigration or high unemployment.
- The contract tendering process is complex and takes anywhere from three months to over a year.
- No volume guarantees

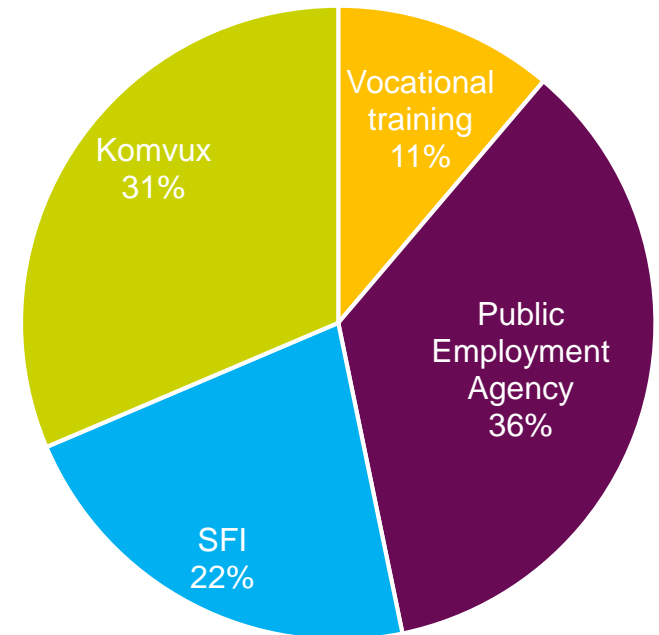
Contract portfolio for AcadeMedia

- More than 300 contracts. However, top-10 account for 70% of volumes
- Margins vary considerably between contracts

Summary

- Strong outlook in Higher Vocational training and municipal tendered education while headwind in business for Swedish Employment Agency
- Future restructuring of the Agency may lead to opportunities

Total market Adult Education in Sweden 2017

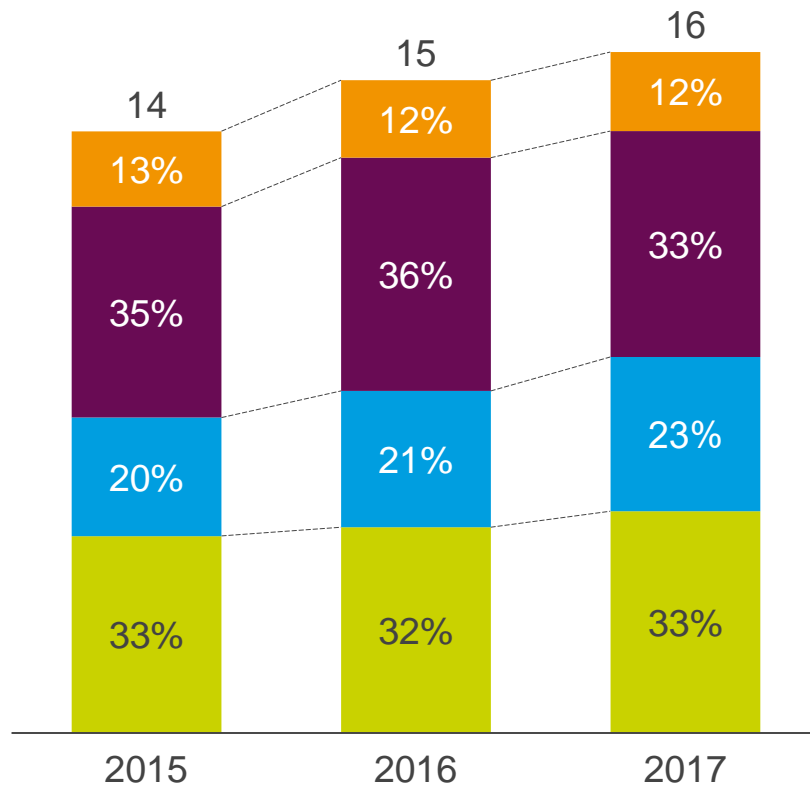


Market value: SEK 16 billion

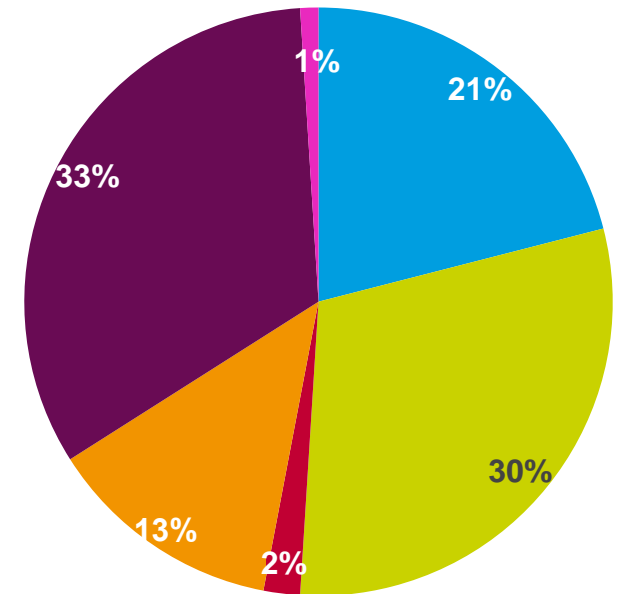
Adult Education

AcadeMedia has had large success and exposure to Swedish Employment Agency

Market size per business area (SEKbn)



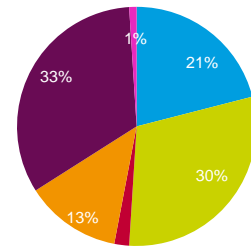
AcadeMedia's sales distribution (17/18)



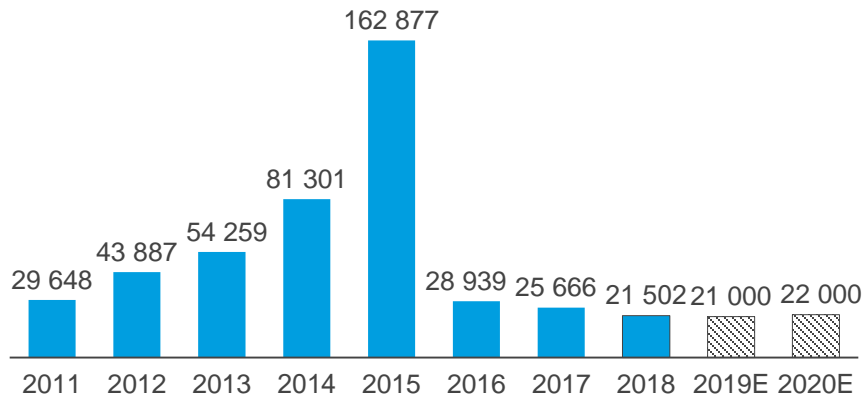
- Swedish for immigrants
- Company training programs
- Swedish Public Employment Agency
- Komvux
- Higher vocational education
- Other

Adult Education – market development

Demand is shifting as labour market needs are changing



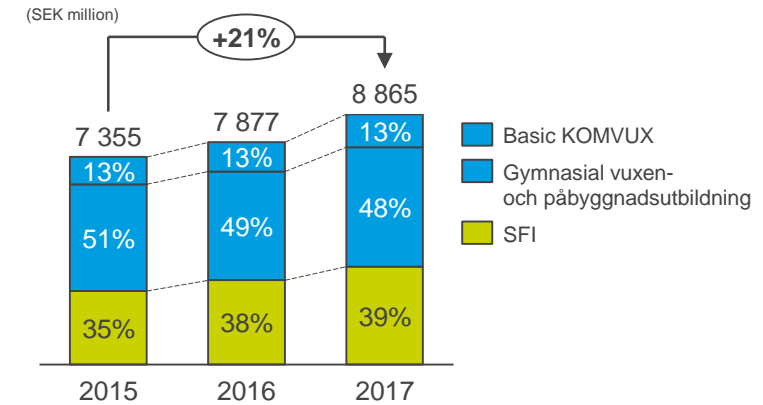
Number of asylum seekers* 2011-2019



Source: SCB and Swedish migration agency – forecast May 2019

*) Excluding Family immigration

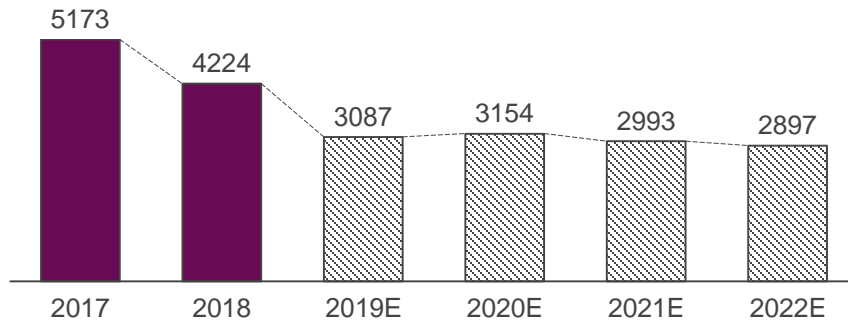
Komvux including SFI – funds payed out



Source: SCB

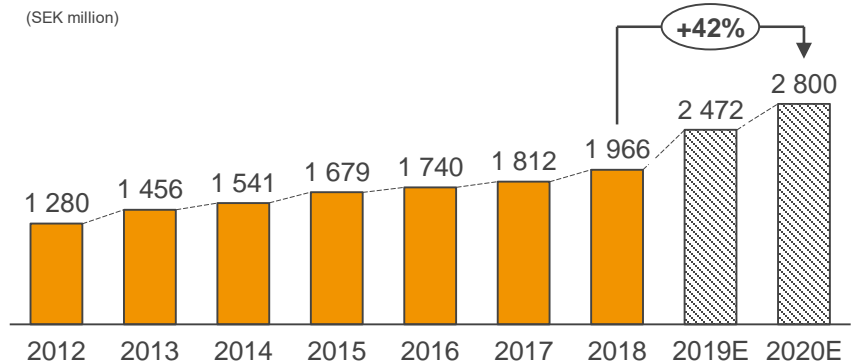
Swedish Public Employment Agency

Purchased services and education (SEK million)



28 Source: Swedish public employment agency, forecast May 2019

Higher Vocational Education – funds payed out



Source: Swedish National Agency for Higher Vocational Education, forecast is found in "Regleringsbrev"

Trends on the Swedish employment market

Source: Swedish Public Employment Agency

- The Swedish labor market continues to be very strong and the activity in the Swedish economy continues to be high. However, growth has begun to slow down.
- The shortage of skilled labor remains high, which limit the increase in employment level
- The gap between what employers demand and the jobseekers' merits is great
- Moreover, structural changes in the labor market will probably increase in 2019 and 2020, for example through continued digitization and automation.
- The un-employment rate is expected increase after a period of declining un-employment rates. From 6.4 percent (2018E) to 6.5 percent 2019E and 6,7 percent 2020E.



Summary of AcadeMedia's market outlook

Swedish School segments

- Favorable demographic trends support underlying volume growth in all school segments in Sweden. Urbanization further strengthens demand.
- Leading market position in Upper Secondary Schools
- Voucher levels show a stable increase rate of 2-3% p.a. Wage inflation seems to be subsiding

Preschool International

- Large shortage of preschool places in Germany, more than 300 000 places lacking. In the three regions Nordrhein-Westfalen, Bayern, and Baden Württemberg, where AcadeMedia is active, more than 165 000 places are missing
- Stable demographic growth in Norway. New regulation on teacher and staff density will affect vouchers and cost levels.

Adult Education Sweden

- Market for Higher Vocational Education and Municipal Adult Education is set to grow while business for Swedish Employment Service continues to decline
- AcadeMedia is market leader in Swedish Adult education and will be well positioned to capture opportunities from a restructuring and deregulation of Swedish Employment services.



Sustainability

AcademeMedia



SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD

1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION 	14 LIFE BELOW WATER 	15 LIFE ON LAND 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS 	

These questions are a priority among our students

The screenshot shows the BBC News homepage. At the top, there are navigation links for News, Sport, Weather, Shop, Reel, Travel, Capital, and Culture. Below this is a red 'NEWS' banner with sub-navigation for Home, Video, World, UK, Business, Tech, Science, Stories, Entertainment & Arts, and Health. A 'Politics' sub-menu is open, showing links for Parliaments, Brexit, UK European Elections 2019, and European Elections 2019. Under 'NOW PLAYING', there are four video thumbnails: 'Pupils skip school for environmental protest' (1:27), 'European kids skip school to protest climate change' (1:05), 'Climate protesters halt budget meeting' (0:21), and 'Skipping school for climate change' (2:10). A large video player at the bottom shows a young girl holding a sign that reads 'CHANGE NOT CLIMATE CHANGE' with the slogan 'One solution: revolution' and the website 'swp.org.uk'.

The screenshot shows the Scientific American website. The top navigation bar includes 'Subscribe', 'SCIENTIFIC AMERICAN.', 'Cart 0', 'Sign In', and 'Stay Informed'. Below this is a secondary navigation bar with categories: THE SCIENCES, MIND, HEALTH, TECH, SUSTAINABILITY, EDUCATION, VIDEO, PODCASTS, BLOGS, PUBLICATIONS, and a search icon. The main content area is titled 'BEHAVIOR & SOCIETY' and features the article 'Children Change Their Parents' Minds about Climate Change'. The subtitle reads 'Study of students schooled on the issue showed them going on to shift their elders' attitudes'. The author is 'By Lydia Denworth on May 6, 2019'. A social media sharing box is visible on the left. The main image shows a young girl speaking into a microphone in a classroom setting. To the right, a 'READ THIS NEXT' section lists three related articles: 'Rising Mississippi River Tests a City's Adaptation Plan', 'Government Attempts to Silence Science Are Revealed in Detail', and 'Could Air-Conditioning Fix Climate Change?'.

*AcadeMedia's sustainability work will help build a sustainable society by providing **good education for all, using resources responsibly and maintaining an ethical approach** in everything we do.*

We are convinced that this will result in long-term value creation for us as a company while also making the world a better place.

Our focus areas

How we execute our sustainability strategy

By offering a superior learning environment, AcadeMedia helps people and communities develop and grow. All students have the same right to a quality education, regardless of place of residence or background. A good atmosphere for learning is also about determining the needs of and opportunities for each individual student.

LEARNING

AcadeMedia will recruit, develop and motivate the best educators and school leaders. Our goal is that employees both enjoy their work and be given opportunities to develop professionally. We also want to create leadership pathways through talent and mentoring programs that are unique in the education sector.

EMPLOYEES

TRANSPARENCY

As a publicly funded enterprise, maintaining public confidence in AcadeMedia's work is critically important. Transparency is central to our ethos and embedded into our way of working. We endeavour to be as proactive, open and responsible as possible in all our communications, with both social and traditional media. We also encourage outside reviews of AcadeMedia operations and policies.

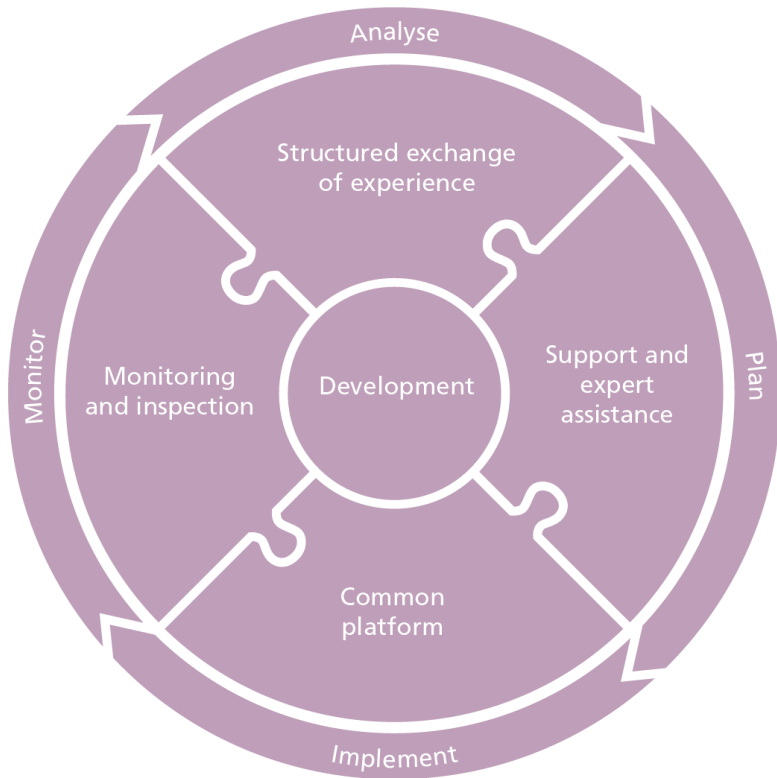
ENVIRONMENT

AcadeMedia pledges to use resources responsibly and to be an example of environmental sustainability within the education sector. We are working to reduce the environmental impact of our business over time, including our investment in healthy and climate-friendly meals.

Learning

We strive to provide good quality education

Our quality assurance model



Learning in numbers

	17/18	16/17	15/16
Recommendation level Pre-school sweden	82%	81%	82%
Percentage with pass in all subjects Compulsory school	83.0%	82.7%	85.9%
Percentage with diploma Upper secondary school	88.7%	89.4%	89.6%
Percentage with passing grade Basic adult education	90.2%	89.8%	91.4%
Percentage with diploma Higher vocational education	70%	65%	66%



Learning

Key Quality results

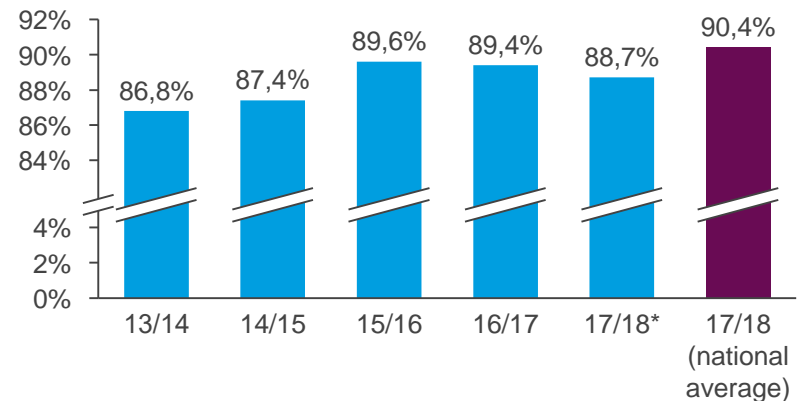
- Upper secondary schools slight decline vs last year

- Preliminary statistics of students to reach graduation requirements decreased to 88.7%* (89.4) vs national average of 90.4%.
- Including Vindora the result is 87.9 %.

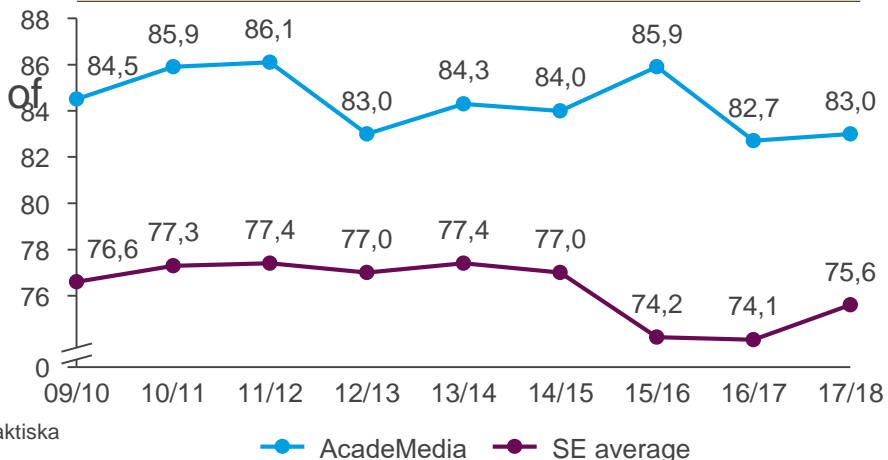
- Quality lead in AcadeMedia's compulsory schools is maintained

- Proportion of students with E or higher in all subjects 83.0% (82.7%) vs national average of 75.6%

Upper secondary schools: % of students passed



Compulsory schools - % of students w/o any F



*) The upper secondary units that were added in connection with the acquisition of Vindora (Praktiska Gymnasiet and Hagströmska Gymnasiet) are excluded from the results.

Our employees are our key asset

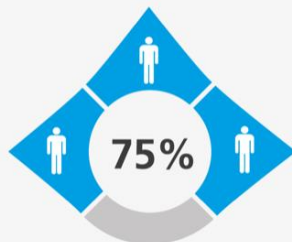
Employee satisfaction continues to improve

Employees in numbers 2017/18

- Approx. 15,300 employees, whereof 12,100 in Sweden
- Approx. 9,000 teachers and other pedagogical staff
- 74% women and 26% men
- 68% female managers
- >500 managers
- Focus on career opportunities for teachers, eg some 500 head teachers
- Employee turnover 26.3% (25.9)
- Absence due to illness 4.8% (4.9)

3 out of 4

believe that they have valuable opportunities to develop within their role.



84% are proud of their workplace

The most influential factor in recommending a workplace to others is when employees feel pride.



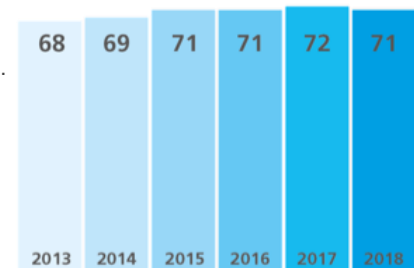
eight out of ten would recommend their workplace to others.

Improved leadership

Leadership efforts in recent years have bolstered our leadership and have led to our managerial index trending positively. (from 75 in 2013 to 79 in 2018)

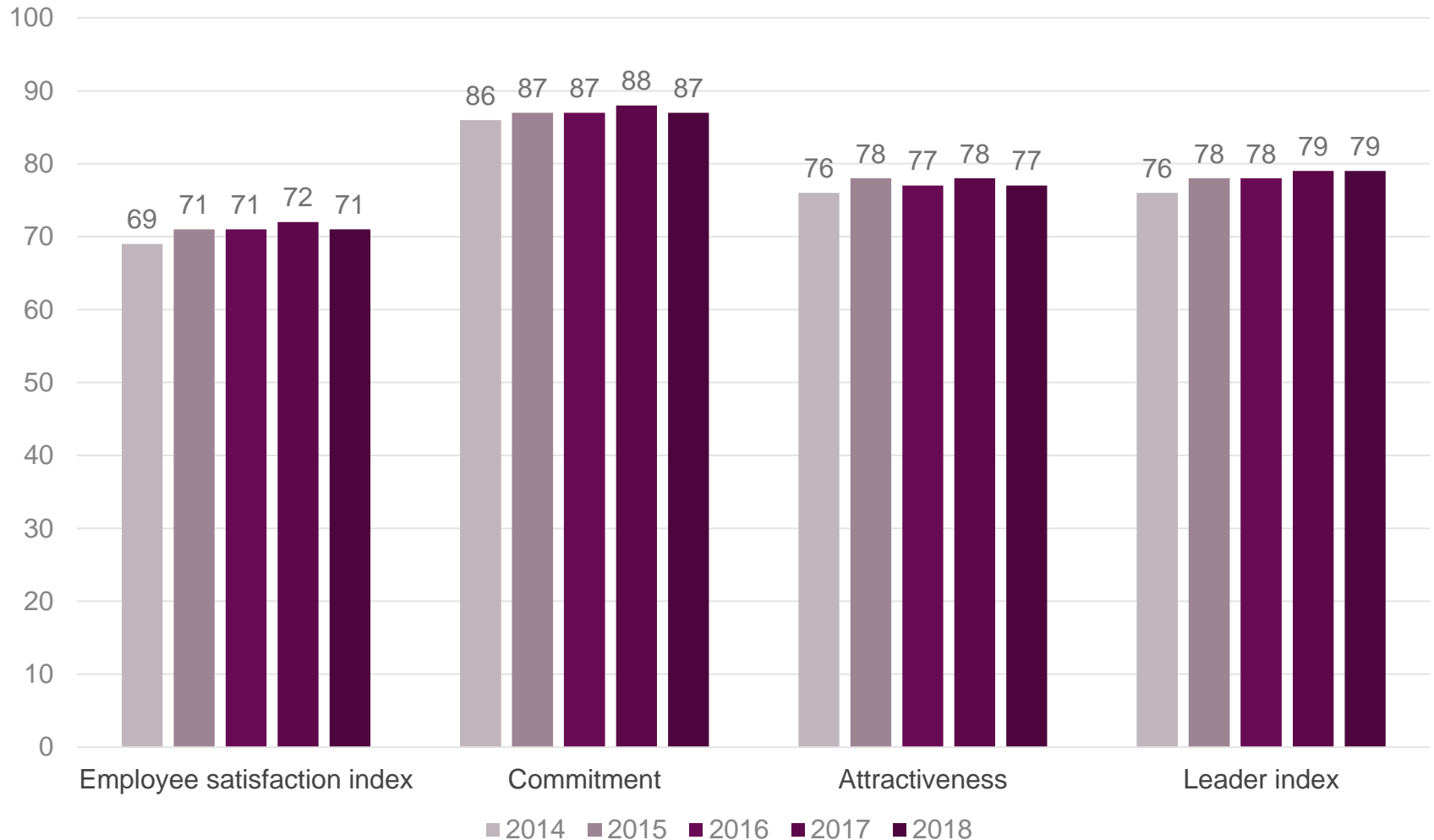
Employees continue to be satisfied

High and stable level since 2013.



The employee satisfaction survey 2018

Continued high employee satisfaction



Transparency

AcadeMedia is convinced that transparency, through both ups and downs, builds long-term trust among our stakeholders. This trust is essential for long-term survival.

Transparency in numbers

- Visits to public intranet 100,541 (71,787)
- Visits to code of conduct 410 357
- Number of motivated whistleblower reports 6 (4)

Owning our mistakes

In late winter 2017 the management of AcadeMedia's Adult Education segment discovered that Hermods, which had a contract with the City of Malmö to hold SFI courses in Malmö, had submitted incorrect information to the client regarding what teachers taught the participants. We took swift and immediate action.

The first measure was to remove three managers from their positions. The second was to engage an external auditor, in this case PwC, to carefully and quickly

investigate what had happened. The investigation was given one month.

The third was to issue a press release and provide information to all Hermods managers, who in turn informed their employees about what had happened. The press release stated that PwC's investigation would be publicly published.

The investigation was submitted to AcadeMedia on the evening of 25 April. On 27 April the entire investigation was published on the AcadeMedia website, along with PwC's recommendations and the measures that were implemented.

At the same time, the City of Malmö was contacted and provided with all materials directly from AcadeMedia. The situation could potentially affect the stock exchange, for which we

reason we also communicated the results of the report to the market. However, there was no formal requirement to publish the investigation. Nevertheless it was obvious that this was the right thing to do.

"Our own rules say that we should be open, honest, and immediately responsive. The best way to comply must be to publish an independent investigation in its entirety," says Paula Hammerskog, AcadeMedia's Head of Communication and Public Affairs, who ordered the investigation from PwC.

"Of course there was considerable publicity and many people contacted us with questions, both when we openly explained that Hermods in Malmö had committed wrongdoing, and again about a month later when we published the report. At the same time, it is inconceivable to us not to be open and directly explain about an event like this," says Paula Hammerskog.

It is difficult to say how the entire event would have been perceived by employees, the media and other stakeholders if the report had not been published in its entirety.

"We are convinced that in the long term, we have everything to gain by being as transparent as possible in every situation. What happened in Malmö was extremely unfortunate, when we realised that employees had intentionally provided false information many of us were both disappointed and upset. It was almost painful to have to announce it, we knew just what the reaction would be," says Paula Hammerskog.

"We received some questions, mainly from the media, but also one from the client about why we chose to publish everything, when we weren't compelled to do so. The simple answer was, and still is, that we believe in openness. Even when in the short term it may cause blowback."



Press release published here: <https://utbildning.academedia.se/2018/04/27/utredningen-av-hermods-sfi-verksamhet-i-malmo-ar-klar/>

Environment

Where can we make a difference?

- ~300'000 meals are served each week
- ~1'000 rental agreements
- ~SEK 1 billion in purchases

What do we do

- Policies, providing hands on directives and etical guidance
 - Environmental conciousness
 - Increased number of vegetarian meals
 - Travel patterns
- Framwork agreements
 - 80%* framwork compliance

Helping the world never tasted so good

Each week about 75,000 lunches are prepared in the kitchens at AcadeMedia's preschools and schools. We are proactively working to create good food habits and according to a new meal policy, 30,000 of these meals will be vegetarian.

Anna Blomqvist, meal planner, and Rickard Lundberg, who is in charge of meals at AcadeMedia, explain the background of this initiative.

"We think it's important to teach children and young people to eat more sustainably and one part of this goal is to eat more vegetarian food. The food served at school should be a good example of how we need to eat to minimise our ecological footprint," says Anna Blomqvist.

The ambition is not just to have two vegetarian days per week – the proportion of meat will also decrease by 50 percent. Internal training programmes for cooks with a focus on more plant-based food is one of many initiatives.

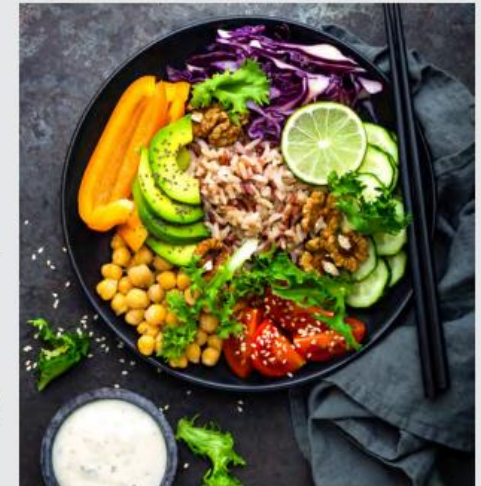
"Various replacement products are often rather expensive, but we inspire the cooks to use recipes based on whole foods. We cook together and talk about nutritional content and cost perspective. Since food is less expensive when you use whole foods you can spend more money on good organic produce," says Rickard Lundberg.

The question of how much protein a person needs to eat often comes up when working with vegetarian cooking.

"In general, we can say that we have an over-consumption of protein. Just a regular school lunch contains 110 percent of the daily protein requirement, when school food is actually supposed to account for only one third. In the old days, meat was a side dish, but now we eat it to excess and we have to get away from that habit. We all have to eat in a way that is sustainable for the future," says Anna Blomqvist.

The reactions to serving more vegetarian meals have varied, according to Rickard Lundberg.

"Younger children are usually more adaptable and that's where we can make a big difference. We can lay the groundwork for what they perceive as a healthy diet when they grow up and become consumers. Upper secondary school students are a little more difficult; we need to show them that there are foods other than meat that contain adequate protein without having such a negative impact on our environment and our health," he says.



**) within the categories that are most important for us: catering, temporary staff, IT, cleaning, produce, and furnishing*

Our business segments



Pre- and compulsory schools (Sweden)

Voucherbased schools in Sweden from age one to 16

Quick facts 2017/18

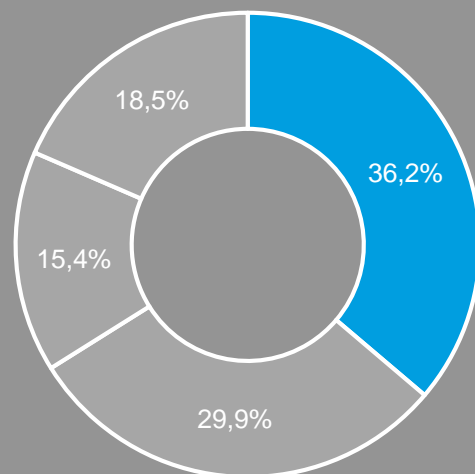
228 units

3 brands

32,101 children

4,621 employees

Share of Net Sales 17/18



Key figures

	Q3			YTD			Full year
	18/19	17/18	Change	18/19	17/18	Change	2017/18
Net sales	1 107	1 049	5.5%	3 011	2 831	6.4%	3 912
EBIT	62	59	5.1%	110	102	7.8%	178
EBIT-margin	5.6%	5.6%	0 p.p.	3.7%	3.6%	0.1 p.p.	4.6%
Adj. EBIT	62	59	5.1%	105	102	2.9%	178
Adj. EBIT-margin	5.6%	5.6%	0 p.p.	3.5%	3.6%	-0.1 p.p.	4.6%
# of Students	33 321	32 732	1.8%	32 818	31 857	3.0%	32 101

Upper Secondary Schools

Voucherbased schooling in Sweden for young adults from age 16 to 19

Quick facts 2017/18

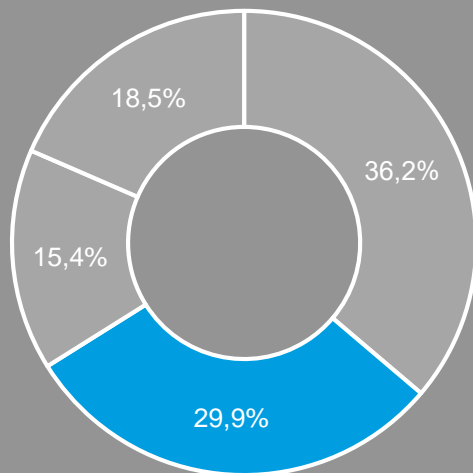
133 units

17 brands

30,582 children

2,696 employees

Share of Net Sales 17/18



NTI GYMNASIET

HAGSTRÖMSKA GYMNASIET

KLARA
TEORETISKA GYMNASIUM

SJÖLINS
GYMNASIUM

FRAMTIDSGYMNASIET

DESIGN
GYMNASIET

rytmus
MAKE | MUSIC | LIVE

PROFESSOR
PRIVATA GYMNASIUM

LBS
KREATIVA
GYMNASIET

DROTTNING BLANKAS
GYMNASIESKOLA

INTERNATIONELLA
HOTELL- OCH RESTAURANGSKOLAN

Hermods Gymnasium
TRADITION OCH INNOVATION

PRAKTISKA
Gymnasiet

DIDAKTUS
GYMNASIUM

Key figures

	Q3			YTD			Full year
	18/19	17/18	Change	18/19	17/18	Change	2017/18
Net sales	1 006	926	8.6%	2 767	2 310	19.8%	3 229
EBIT	122	88	38.6%	280	190	47.4%	276
EBIT-margin	12.1%	9.5%	2.6 p.p.	10.1%	8.2%	1.9 p.p.	8.5%
Adj. EBIT	102	89	14.6%	254	192	32.3%	292
Adj. EBIT-margin	10.1%	9.6%	0.5 p.p.	9.2%	8.3%	0.9 p.p.	9.0%
# of Students	34 481	32 456	6.2%	34 806	30 101	15.6%	30 582

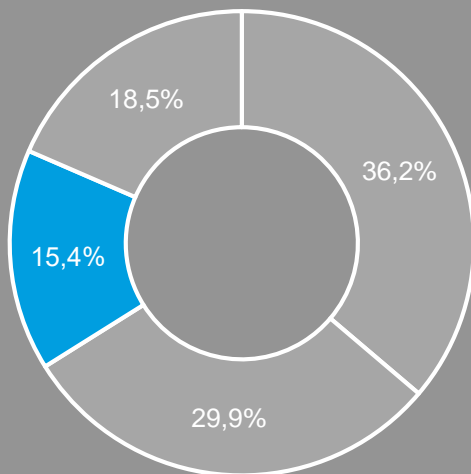
Adult education

Operates in Sweden. Education for age 19 and older.

Quick facts 2017/18

150 locations
12 brands
100,000 participants
1,680 employees

Share of Net Sales 17/18



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The Game Assembly

Salj&Marknadshögskolan

affärshögskolan

Hermods

teknikhögskolan

ECUTBILDNING

vårdyrkeshögskolan

Key figures

	Q3			YTD			Full year
	18/19	17/18	Change	18/19	17/18	Change	2017/18
Net sales	392	444	-11.7%	1 096	1 269	-13.6%	1 666
EBIT	19	37	-48.6%	15	144	-89.6%	75
EBIT-margin	4.8%	8.3%	-3.5 p.p.	1.4%	11.3%	-9.9 p.p.	4.5%
Adj. EBIT	19	37	-48.6%	30	144	-79.2%	137
Adj. EBIT-margin	4.8%	8.3%	-3.5 p.p.	2.7%	11.3%	-8.6 p.p.	8.2%
# of Students	392	444	-11.7%	1 096	1 269	-13.6%	1 666

Preschool International

Operates preschools (until age five) in Norway and Germany

Quick facts 2017/18

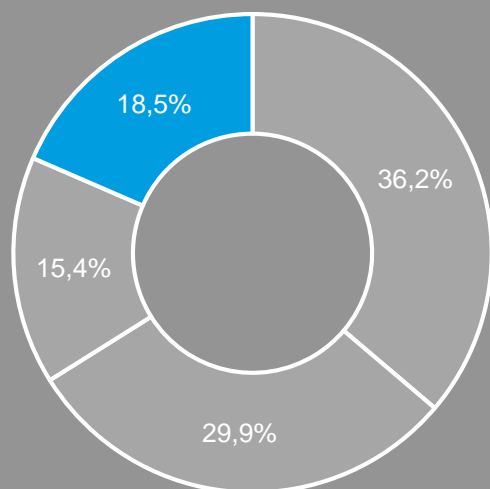
123 units

4 brands

10,684 students

2,526 employees

Share of Net Sales 17/18



espira
KUNNSKAPSBARNEHAGEN

joki



Key figures

	Q3			YTD			Full year
	18/19	17/18	Change	18/19	17/18	Change	2017/18
Net sales	626	545	14.9%	1 676	1 405	19.3%	1 998
EBIT	45	46	-2.2%	65	65	-	162
EBIT-margin	7.2%	8.4%	-1.2 p.p.	3.9%	4.6%	-0.7 p.p.	8.1%
Adj. EBIT	45	46	-2.2%	65	65	-	125
Adj. EBIT-margin	7.2%	8.4%	-1.2 p.p.	3.9%	4.6%	-0.7 p.p.	6.3%
# of Students	12 071	11 000	9.7%	11 702	10 453	11.9%	10 684



Financial information

AcademeMedia

Key highlights full year 2017/18

Acquisitions and organic expansion render revenue growth, margins trailing

- Volumes increased in all school segments.
- Strategic acquisition of
 - Vindora (Nov 2017)
 - KTS (March 2018)
- 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.

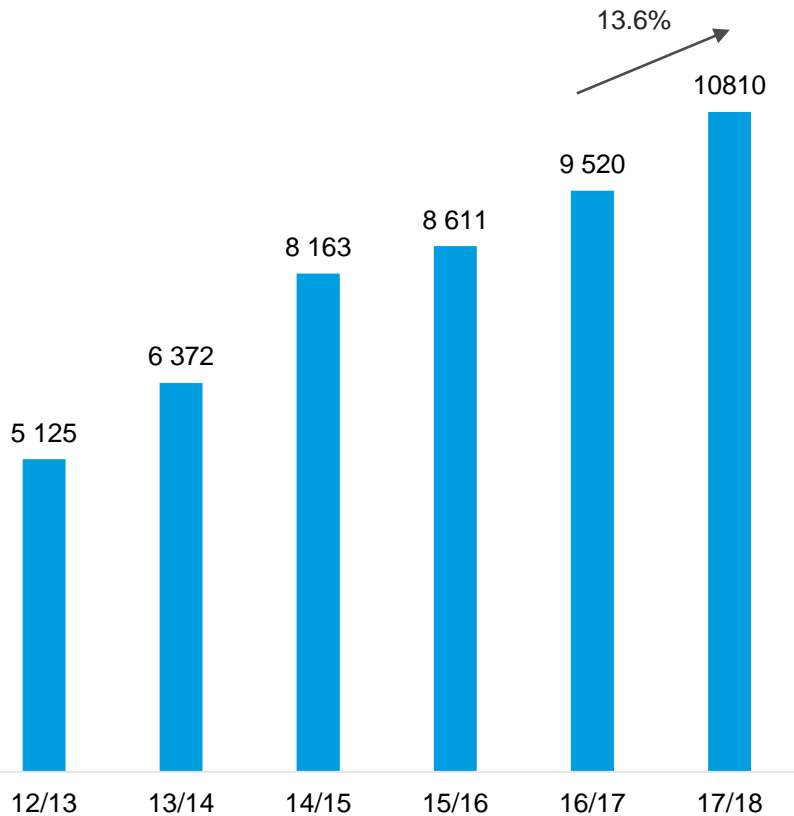
	2017/18	2016/17	Change
# of Students	73,366	66,070	11.0%
Net sales	10,810	9,520	13.6%
EBIT	622	615	1.1%
EBIT-margin	5.8%	6.5%	-0.7 p.p.
Adj. EBIT	670	638	5.0%
Adj. EBIT margin	6.2%	6.7%	-0.5 p.p.
Earnings after Tax	430	416	3.4%
Earnings per share ¹⁾ , SEK	4.30	4.41	-2.5%
Cash Flow from Operations	928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

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

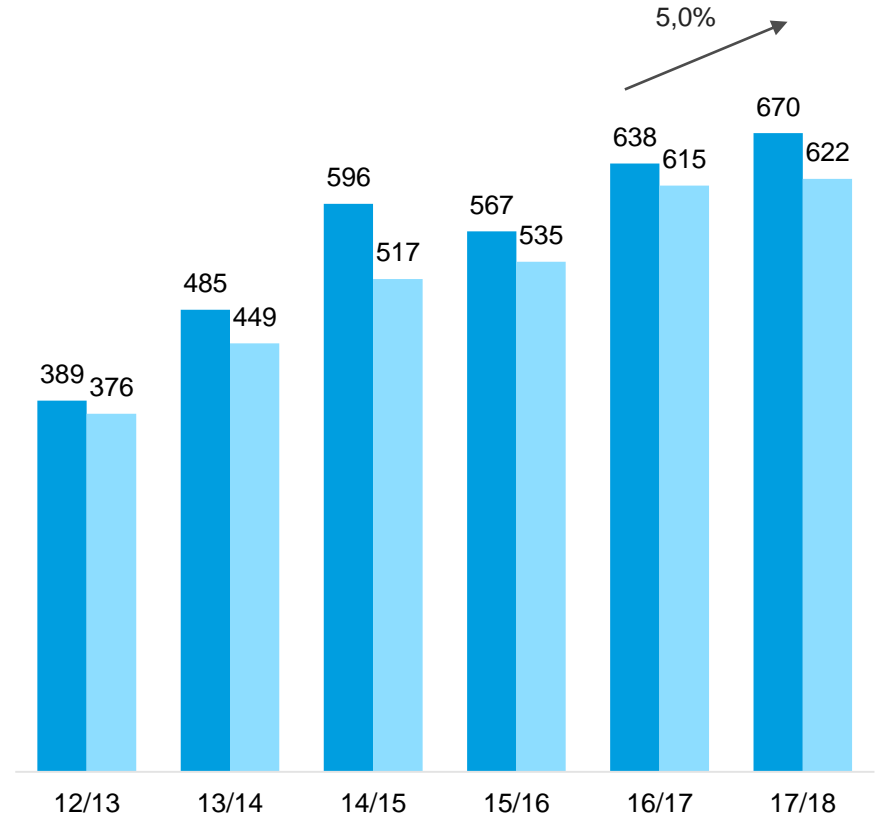
Financial information 12/13 – 17/18

Strong growth continues

Net sales (MSEK)



EBIT and Adjusted EBIT (MSEK)



Third quarter FY 18/19

- Improved earnings in the school segments and continued growth in the number of students
- Margins stabilizing in the school segments
- The Adult Education Segment continues to be challenged by the changes at the Swedish Public Employment Service
- Optimization of preschool portfolio initiated
- The Norwegian operation has started transition to the new staffing regulation
- Work to ensure adherence to Equal Terms law rendered substantial retroactive revenues
- Voucher (price) revisions for 2019 are 2.5% for Swedish schools and 3.4% for Norwegian preschools
- Client and employee survey shows improvements, especially in the Upper Secondary School Segment



Key highlights Q3 2018/19

Improved earnings and continued growth in number of students

Comments for Q3 2018/19

- Student numbers grew with 4.8 percent in school segments.
- Growth in net sales showed a solid organic growth of 4.5 percent despite the decline in adult education. Organic growth excluding the Adult Education Segment amounted to 7.3 percent.
- EBIT improved by 10,5% to 231 (209) MSEK.
- Adjusted EBIT was fairly stable in the pre- and compulsory school segments. Adult education continues to show low earnings, which was off-set by strong performance in the Upper Secondary School Segment.
- Cash flow from operations was SEK 25 million lower in Q3 this year compared to last year.

Key figures for Q3 2018/19

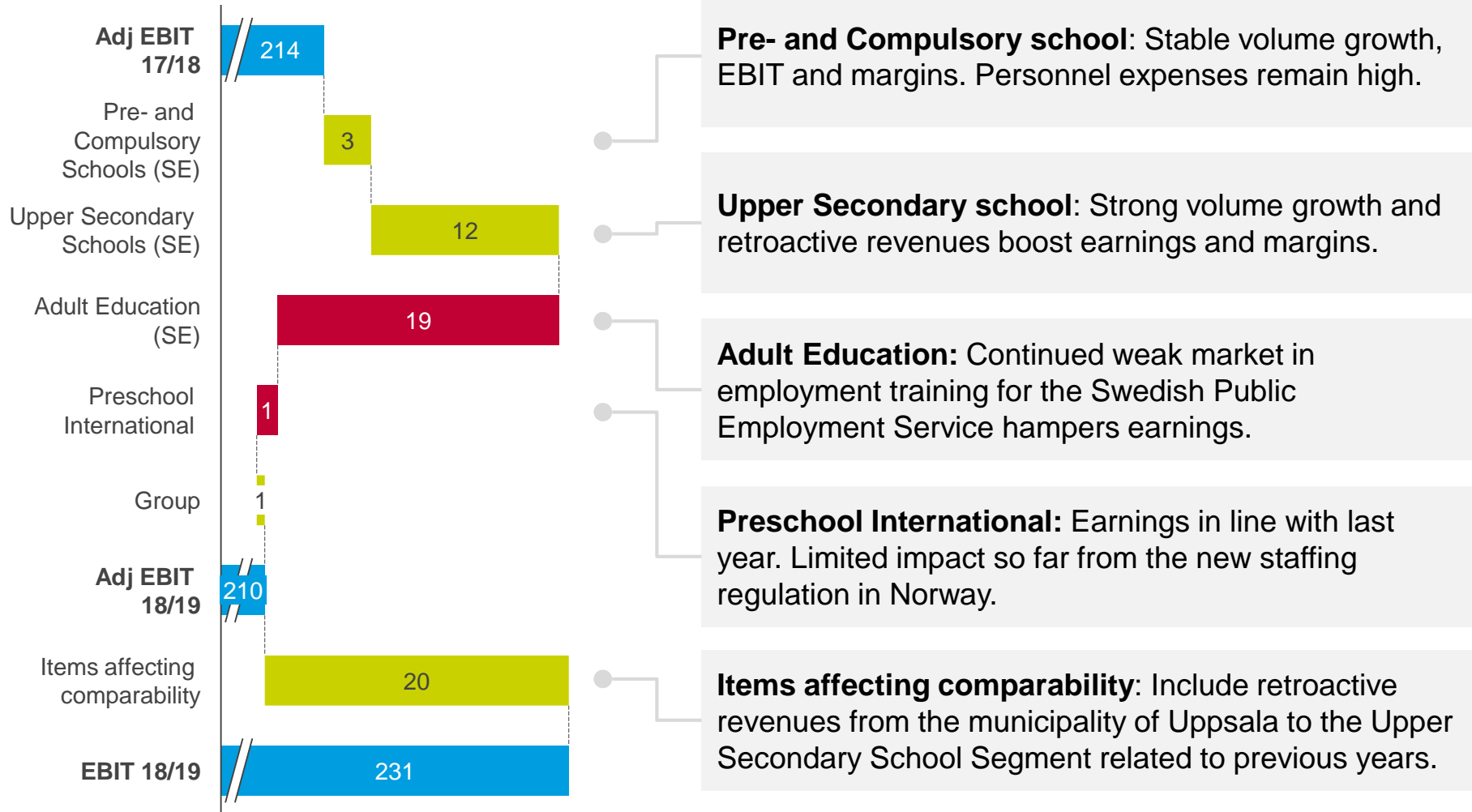
	2018/19	2017/18	Change
# of Students	79,873	76,188	4.8%
Net sales	3,135	2,967	5.7%
EBIT	231	209	10.5%
EBIT-margin	7.4%	7.0%	0.4 p.p.
Adj. EBIT	210	214	-1.9%
Adj. EBIT margin	6.7%	7.2%	-0.5 p.p.
Earnings after tax	172	152	13.2%
Earnings per share ¹⁾ , SEK	1.63	1.45	13.0%
Cash flow from operations	129	153	-15.7%

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

Key highlights Q3 2018/19 (cont.)

Retroactive revenues key component in EBIT improvement

(SEK million)



12 month rolling figures Q3 2018/19

Strong growth. Earnings and margins affected by Adult Education

Comments for 12 month rolling figures

- 12 month rolling net sales are still at all time high thanks to acquisitions and volume growth. The Upper Secondary School Segment is the main growth contributor.
- However, the earnings and margins are affected by the decline in Adult Education Segment.
- *NB Comparison between Q3 12-month rolling figures and full year 2017/18.*

Key figures for Q3 R12 2018/19 vs FY 2017/18

	2018/19 R12	2017/18	Change
Net sales	11,546	10,810	6.8%
EBIT	583	622	-6.3%
EBIT-margin	5.0%	5.8%	-0.8 p.p.
Adj. EBIT	609	670	-9.1%
Adj. EBIT margin	5.3%	6.2%	-0.9 p.p.
Earnings after tax	393	430	-8.6%

Pre- and Compulsory Schools (Sweden)

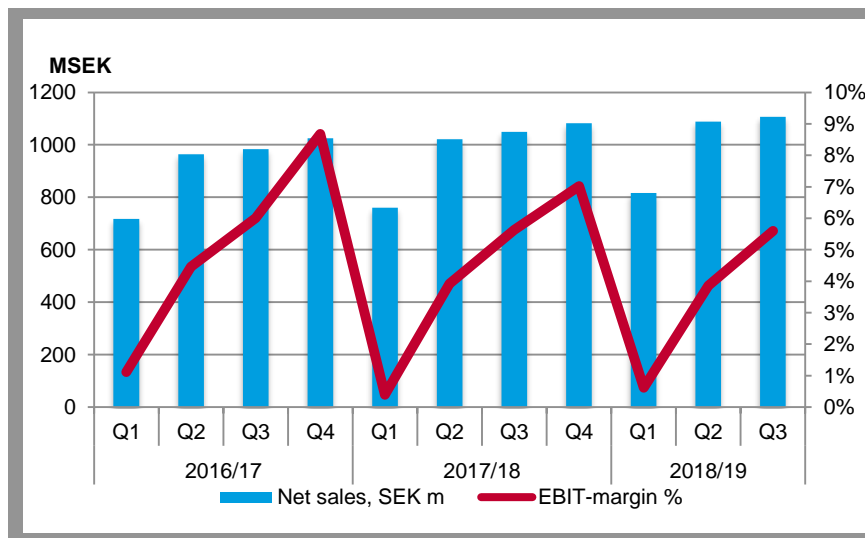
Stable growth and margins

Comments for Q3 2018/19

- Overall child numbers increased 1.8%.
- Good growth in net sales, as a result of volume increases and annual voucher revisions.
- EBIT-margin in line with last year.
- Wage inflation has subsided somewhat. Turn-around units still require substantial resources.
- Optimization of the preschool portfolio is ongoing. The goal is to enhance both quality and margins.
- Portfolio changes in Swedish preschools:
 - Agreements for divestment of nine pre-schools has been signed
 - Decision to close three pre-schools
 - One new unit opened

Key figures for Q3 2018/19

	2018/19	2017/18	Change
Net sales	1,107	1,049	5.5%
EBIT	62	59	5.1%
EBIT-margin	5.6%	5.6%	0.0 p.p.
Adj. EBIT	62	59	5.1%
Adj. EBIT-margin	5.6%	5.6%	0.0 p.p.
# of Students	33,321	32,732	1.8%



Upper Secondary Schools (Sweden)

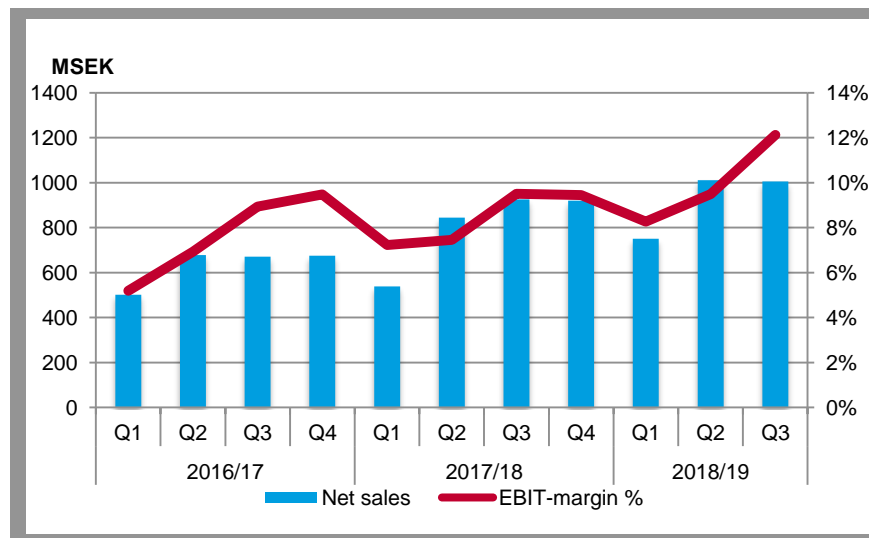
Strong growth and margin improvement

Comments for Q3 2018/19

- A strong quarter driven by volume growth, 6.2 percent. Net sales increased by 8.6 percent.
- New establishments in 2018 and 2017 continue to be growth drivers.
- EBIT-margin increased by 2.6 percentage points in the quarter, which is largely due to retroactive revenue from municipality of Uppsala of SEK 20 million.
- Adjusted EBIT and margin also improved
- Two factors may limit margins going forward
 - Praktiska units will need additional operational expenditure to address current quality issues.
 - Increased competition for attractive premises may render higher .

Key figures for Q3 2018/19

	2018/19	2017/18	Change
Net sales	1,006	926	8.6%
EBIT	122	88	38.6%
EBIT-margin	12.1%	9.5%	2.6 p.p.
Adj. EBIT	102	89	14.6%
Adj. EBIT-margin	10.1%	9.6%	0.5 p.p.
# of Students	34,481	32,456	6.2%



Adult Education (Sweden)

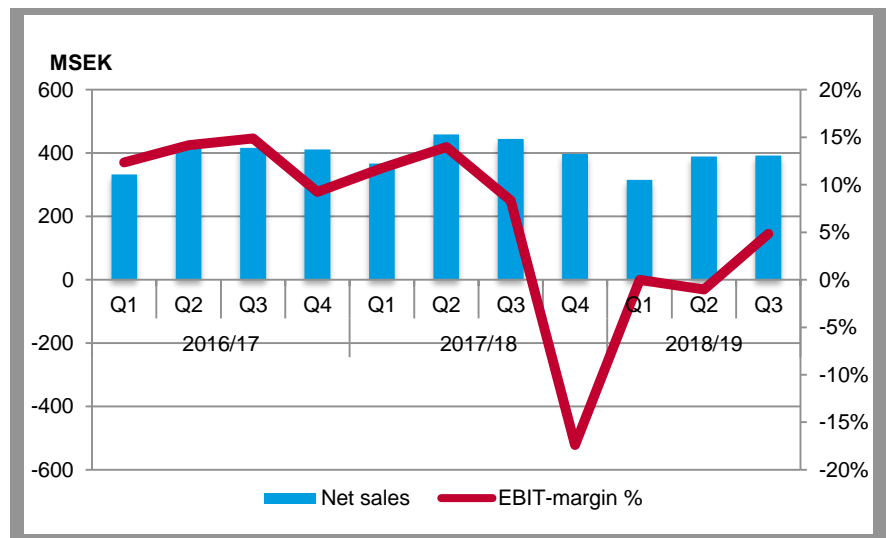
Mixed development. Labour market education continues to face headwind

Comments for Q3 2018/19

- Net sales decreased by 11.7% and adjusted EBIT and adjusted EBIT-margin declined substantially compared to last year.
- The decline was related to labour market education for the Swedish Public Employment Service.
- Work to reduce costs and resources has further intensified in the period.
- Municipal adult education and higher vocational education show growth with stable or slightly improved margins.
- Large changes ongoing at the Swedish Public Employment Service.
- The City of Gothenburg will extend its contract with AcadeMedia following the ruling to redo the tender.

Key figures for Q3 2018/19

	2018/19	2017/18	Change
Net sales	392	444	-11.7%
EBIT	19	37	-48.6%
EBIT-margin	4.8%	8.3%	-3.5 p.p.
Adj. EBIT	19	37	-48.6%
Adj. EBIT-margin	4.8%	8.3%	-3.5 p.p.



The Game Assembly

ah. th. vh. nti
 affärshögskolan teknikhögskolan värdtyrkeshögskolan SKOLAN

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 UTVECKLING
 EN DEL AV HERMODS

ECUTBILDNING

movant

Hermods

SÄLJ & MARKNADSHÖGSKOLAN

Preschool International

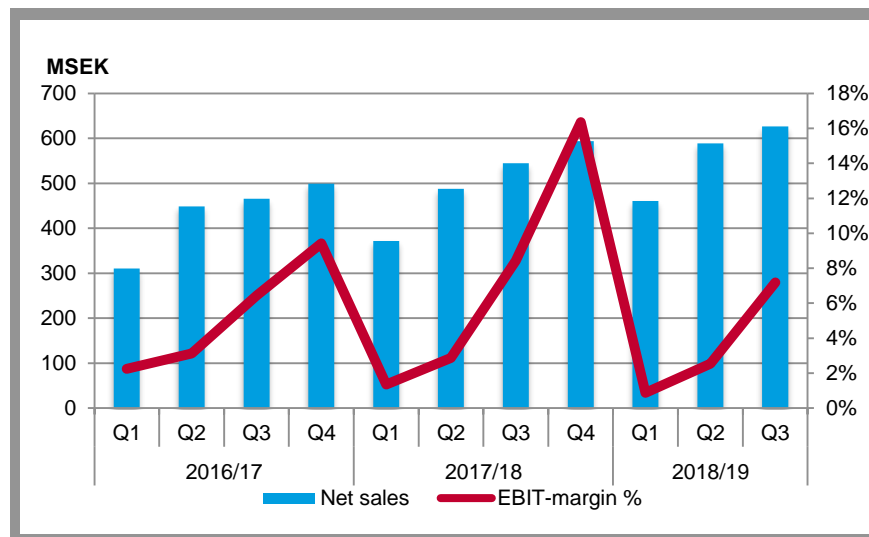
Good volume growth, but margins are affected by pension expenses

Comments for Q3 2018/19

- The number of children increased by 9.7 percent.
- Net sales increased by 14.9 percent, primarily driven by volume growth, but also favorable exchange rate developments, 3.8 percent.
- Slight EBIT and margin decline partly due to higher pension expenses in Norway. Economies of scale in Germany had a positive contribution in the period.
- The Norwegian operation has started its transition to the new staffing regulation. The effects so far have been offset by other savings.

Key figures for Q3 2018/19

	2018/19	2017/18	Change
Net sales	626	545	14.9%
EBIT	45	46	-2.2%
EBIT-margin	7.2%	8.4%	-1.2 p.p.
Adj. EBIT	45	46	-2.2%
Adj. EBIT-margin	7.2%	8.4%	-1.2 p.p.
# of children	12,071	11,000	9.7%



In-depth Norwegian Preschool

A short-term dip in earnings is expected

- In May 2018, the Norwegian Parliament (Stortinget) resolved on regulations of staff and teacher density in preschools.
 - The new regulation applies to all preschools and will result in more pedagogical leaders, more staff and thus higher personnel expenses.
 - The voucher levels will in due course reflect the higher expenses, but with a two-year delay.
 - Consequently, there will be a transition period for the independent preschool providers.
-
- The main impact of the new regulation is expected to occur as of August 2019 following the staff density requirements.
 - The Norwegian management team is fully focused on managing this change. However, a two year effect on earnings is expected.

The teacher density norm (“pedagognorm”)

The teacher density norm requires at least one pedagogical leader per 7 children under three and at least one pedagogical leader per 14 children older than three years¹.

Last date of compliance: 1 August 2018

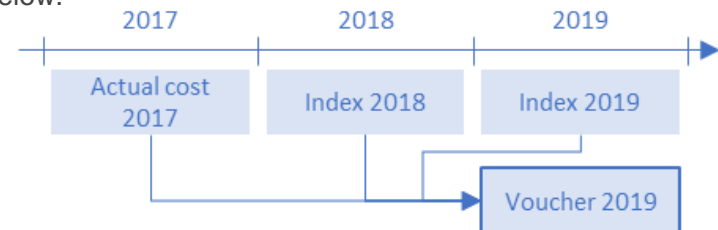
The staff density norm (“bemanningsnorm”)

The staff density norm requires a minimum of one employee per three children under the age of three and one employee per six children over the age of three years^[1].

Last date of compliance: 1 August 2019

The Voucher system and the two-year delay

Example, the vouchers for 2019 are calculated based on the actual cost in municipal preschools for the financial year 2017 and adjusted with a cost index for 2018 and 2019. Hence, changes to the municipalities’ cost base take two years until they are reflected in the voucher. A simplified illustration is shown below.

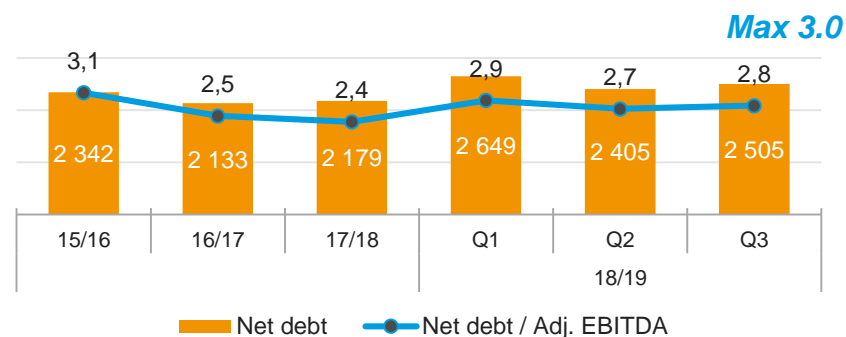


Financial position

Improved financial position versus last quarter

- Cash-flow from operations improved to 264 (220) MSEK in the third quarter.
- Change in net working capital was negative -136 (-67), primarily due to a calendar effect in Norway. This had a negative impact on cash flow, net debt, and leverage ratio.
- Capital employed increased with SEK 96 million due to investments in property and equipment.
- Equity/asset ratio improved to 46.8% (45.9).
- Long term debt is lower than last year while net debt is higher due to lower cash position
- Leverage ratio was 2.8x (2.6), which is in line with AcadeMedia's financial target of maximum 3.0x.

Net debt and Net debt / Adj. EBITDA



Key figures for Q3 2018/19

	2018/19 31 Mar	2017/18 31 Mar	Change
Total equity	4,421	4,205	5.1%
Net debt	2,505	2,382	5.2%
Adj. net debt ¹⁾	1,844	1,750	5.4%
Capital employed	7,221	7,125	1.3%
Equity ratio	46.8%	45.9%	0.9 p.p.

Financial performance vs targets

Financial targets

Q3/R12M
(FY 17/18)

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 	4.1%* (5.8%)
Profitability	7-8%	<ul style="list-style-type: none"> Adj. EBIT margin of 7-8% over time 	5.3%* (6.2%)
Capital structure	<3.0x	<ul style="list-style-type: none"> Net debt / adj. EBITDA below 3.0x Leverage may temporarily, exceed the maximum level 	2.8x (2.4x)
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

* Q3R12 vs FY17/18

Thank you for listening!

Q&A



Appendix

Board of directors



Anders Bülow | Chairman of the Board and member of the audit committee.

Chairman of the board of KappAhl AB (publ) and board member of Mellby Gård AB, StudentConsulting Holding AB, Roxtec AB and Älvsbyhus Intressenter AB.

Thomas Berglund | Board member, chairman of the remuneration committee and member of the quality committee.

Deputy chairman of the board of ISS A/S.

Håkan Sörman | Board member and member of the audit committee.

Chairman of the board of Karolinska University Hospital and Senior consultant, Compass Rekrytering AB



Silvia Seres | Board member and member of the remuneration committee and chairman of the quality committee.

Partner at Technorocks AS. Board member for Nordea Bank AB, Norsk Ringringkasting AS (NRK), Stiftelsen Det Norske Veritas, Oslo Børs ASA, and Ruter AS.

Anders Lövgren | Employee representative, Lärarförbundet

Teacher, Network technology, IT-Gymnasiet, Västerås.

Johan Andersson | Board member and member of the remuneration committee and the quality committee. CEO Mellby Gård AB. Board member Duni AB, Älvsbyhus Intressenter AB, Student Consulting Holding AB and The Confederation of Swedish Enterprise (Svenskt Näringsliv).



Pia Rudengren | Board member and chairman of the audit committee.

Board member for KappAhl AB (publ), Boliden AB (publ), Duni AB (publ) and Tikkurila Oyj. Chair of the board of Social Initiative Norden AB.

Peter Milton | Employee representative, Lärarnas Riksförbund
Teacher in religion, history and philosophy, Didaktus skolor, Liljeholmen.



Anki Bystedt | Board member and member of the quality committee.

Head of the external relations and communications office, Stockholm University. Government-appointed auditor for the Royal Swedish Academy of Engineering Sciences, IVA.

Fredrik Astin | Deputy employee representative, Lärarnas Riksförbund
Teacher, Fenestra centrum i Göteborg



Pernilla Larsson | Deputy employee representative, Lärarförbundet.
Upper Secondary School teacher at Drottning Blanka upper secondary school in Helsingborg.

Owner structure

AcadeMedia's ten largest shareholders as per 2019-03-31



Name	Number of shares	Share of total number of shares, %
Mellby Gård AB	22,178,141	21.0
Nordea Fonder	9,037,190	8.6
Fidelity	5,254,816	5.0
Norron Fonder	4,267,921	4.0
Janus Henderson Investors	3,700,088	3.5
Andra AP-fonden	3,362,000	3.2
Försäkringsbolaget PRI	2,913,924	2.8
Taiga Fund Management AS	2,895,743	2.7
Tredje AP-fonden	2,620,957	2.5
Swedbank Robur Fonder	2,614,549	2.5

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 2019-03-31