

Q1

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Interim report presentation July – September 2021

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Academedia

CEO introduction

- Demand for AcadeMedia's educational programmes has never been so high, the number of children and students increased by 6.8 percent.
- Twelve new units were added in the quarter. Eight preschools in Germany and three upper secondary schools in Sweden opened. One compulsory school was acquired. Organic revenue growth was 6.8 percent.
- Higher vocational education continued to grow with 25 percent more participants compared to last year, partly due to the acquisition of KYH.
- Continued strategic development in the Compulsory School Segment with the launch of a new profile, Innovitaskolan.
- AcadeMedia's annual quality report has been published for the tenth time.
- The political debate intensifies in the run up to the 2022 election.



Change through Education

Highlights Q1

Increased number of students and lower personnel costs related to more vacation impacted operating profit

- Student numbers grew by 6.8 percent.
- Net sales increased by 10.2 percent and organic growth was 6.8 percent, adjusted for positive currency effects and the acquisition of Segab that contributed 3.3 p.p.
- Adjusted EBIT was SEK 194 million (151) and adjusted EBIT-margin increased to 6.7 percent (5.7).
- The EBIT improvement is due to volume growth but also SEK 35 million lower personnel costs caused by more vacation. This effect is expected to even out over the course of the year.
- EBIT excluding IFRS16 was in line with last year SEK 164 million (162) including SEK -30 million (+10) items affecting comparability related to a fire. Insurance compensation is expected to cover most of the cost.
- Free cash flow was weaker than last year SEK -99 million (-42) mainly due to negative working capital development.

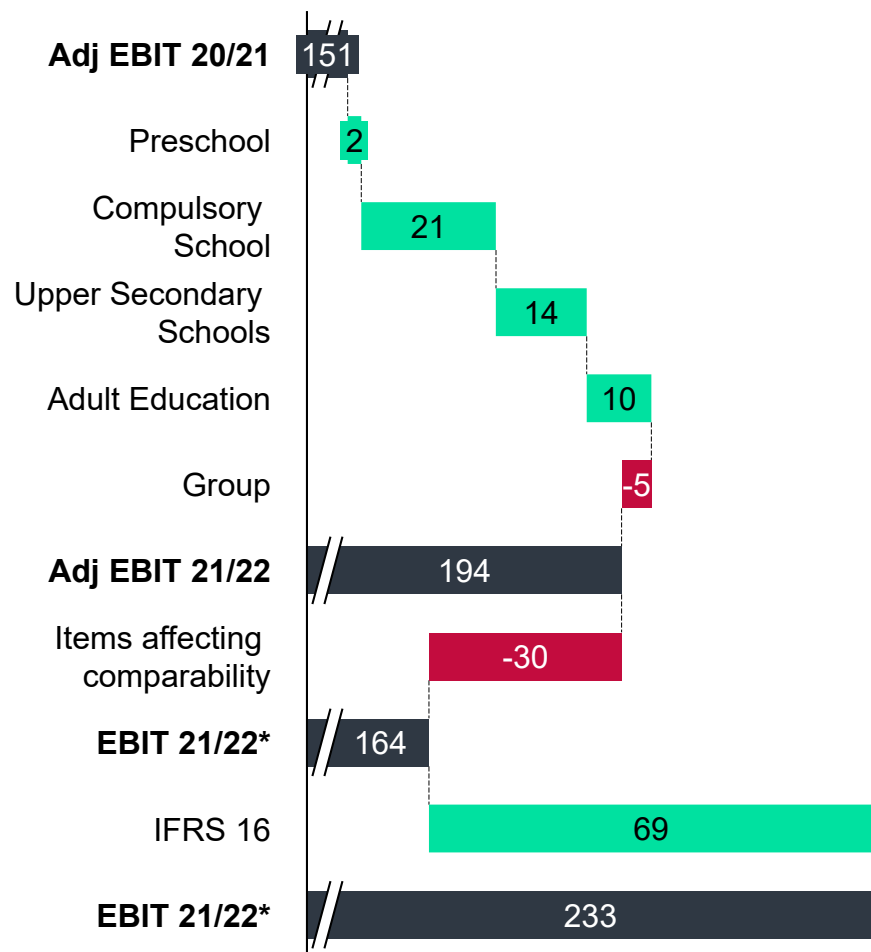
Key figures Q1 2021/22, excluding effects of IFRS 16

(MSEK)	2021/22	2020/21	Change
# of Students	91,431	85,642	6.8%
Net sales	2,911	2,641	10.2%
EBIT	164	162	1.2%
EBIT-margin	5.6%	6.1%	-0.5 p.p.
Adj. EBIT	194	151	28.5%
Adj. EBIT margin	6.7%	5.7%	1 p.p.
Earnings after tax	121	117	3.4%
Earnings per share ¹⁾ , SEK	1.15	1.11	3.6%
Free cash flow	-99	-42	-

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

Highlights Q1

Increased number of students and 35 MSEK lower personnel costs related to more vacation impacted operating profit



* Excluding IFRS 16

Preschool: Continued staff planning in Sweden and return to normal operations in Germany after the pandemic impacted operating profit.

Compulsory School: Increased number of students and SEK 15 million lower personnel costs due to employees taking more vacation.

Upper Secondary School: Increased number of students and SEK 15 million in lower personnel costs due to employees taking more vacation.

Adult Education: Strong demand for higher vocational education improved operating profit. SEK 5 million in lower personnel costs due to employees taking more vacation.

Group: Cost increase due to higher activity levels.

Items affecting comparability SEK -30 million (+10) related to a fire in a compulsory school. Insurance compensation is expected to cover most of the cost.

12 month rolling figures Q1 2021/22

Adjusted EBIT margin above 7 percent for the fourth consecutive quarter

- 12 month rolling net sales continue to grow and are now at SEK 13.6 billion.
- Rolling 12-month adjusted EBIT at SEK 976 million and adjusted EBIT margin rolling 12-months at 7.2 percent.
- Adjusted EBIT margin profitability target of 7-8 percent over time is met for the fourth quarter running.
- Rolling 12-month EBIT (ex IFRS 16) is SEK 928 million.

NB Comparison between Q1 12-month rolling figures and full year 2020/21

Key figures Q1 R12 2021/22, excluding effects of IFRS 16

(MSEK)	Oct 2020 – Sep 2021	2020/21	Change*
Net sales	13,611	13,340	2.0%
EBIT	928	926	0.2%
EBIT-margin	6.8%	6.9%	-0.1 p.p.
Adj. EBIT	976	934	4.5%
Adj. EBIT margin	7.2%	7.0%	0.2 p.p.
Earnings after tax	693	689	0.6%
Free cash flow	1,060	1,117	-5.1%

* Change column refers to only one quarter year's growth.

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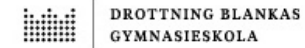


HAGSTRÖMSKA GYMNASIET



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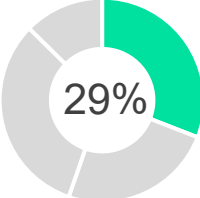
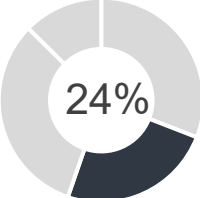
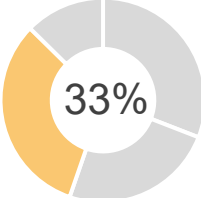
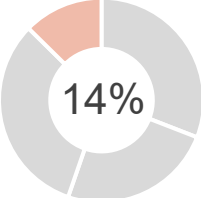


Q1 Segment reporting



4 business segments and presence in 3 countries

We operate throughout the education chain

	Preschool	Compulsory School	Upper Secondary School	Adult Education
Age group	0-6 yrs	6-16 yrs	16-18 yrs	18+ yrs
Geography				
# FTE*	4 987	3 276	3 469	1 400
Net sales split*				



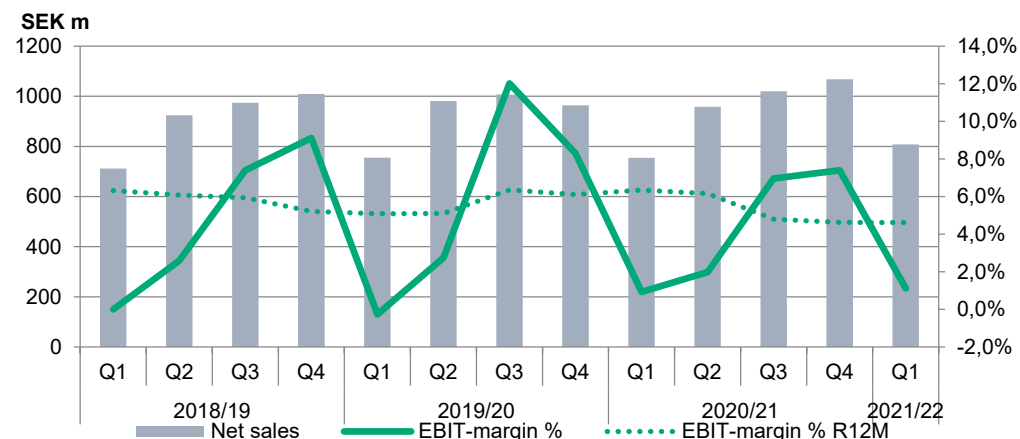
*) 2020/21

Preschool Segment

Return to normal operation in Germany and continued work to increase efficiency in Sweden

- 8 new units opened in Germany in the quarter, which gives a total of 278 units, of which 65 in Germany.
- The number of children increased by 1.6 percent. Growth was driven by Germany but was negatively impacted by the loss of two preschools in Oslo with 310 children.
- Net sales were SEK 808 million. Adjusted for positive currency development, SEK 3 million, net sales increased by 6.6 percent.
- Adjusted EBIT and margin was positively impacted by Germany returning to normal operation after the pandemic and efficient staff planning in Sweden.
- Salary increase in Norway for 2021 has been set at 4.1 percent, applied retroactively from May 2021. This will impact the second quarter with NOK 10 million and the financial year 21/22 with about NOK 20 million.
- The plan to open 15 new units in Germany this financial year remains. In Sweden we will acquire one preschool in quarter two and one unit is planned to open in quarter three.

Quarter results (MSEK)	2021/22	2020/21	Change
Net sales	808	755	7.0%
EBIT	9	7	28.6%
EBIT-margin	1.1%	0.9%	0.2 p.p.
Adj. EBIT	9	7	28.6%
Adj. EBIT-margin	1.1%	0.9%	0.2 p.p.
# of children	20,999	20,664	1.6%

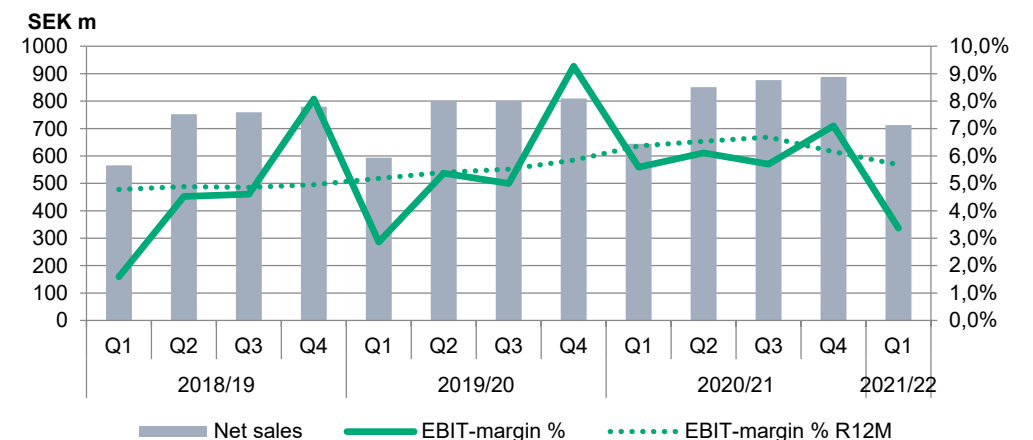


Compulsory School Segment

Increased number of students and lower costs related to vacation impacted adjusted EBIT

- The segment includes 116 compulsory schools and integrated preschools in Sweden under six profiles. One school with 190 students was acquired in the quarter.
- Number of children and students increased by 5.8 percent of which Segab and Stims together contributed 3.9 percentage points. Net sales grew 10.7 percent as a result of increased number of students, annual voucher revisions and increased government grants.
- Adjusted EBIT was impacted by an increased number of students and lower personnel cost caused by more vacation days in the quarter (SEK 15 million). The positive vacation effect is expected to even out over the course of the year.
- Items affecting comparability SEK -30 million are related to a fire in July 2021. Insurance compensation is expected to cover most of the cost.
- A new profile, Innovitaskolan, has been launched.

Quarter results (MSEK)	2021/22	2020/21	Change
Net sales	713	644	10.7%
EBIT	24	36	-33.3%
EBIT-margin	3.4%	5.6%	-2.2 p.p.
Adj. EBIT	54	33	63.6%
Adj. EBIT-margin	7.6%	5.1%	2.5 p.p.
# of children	27,697	26,170	5.8%

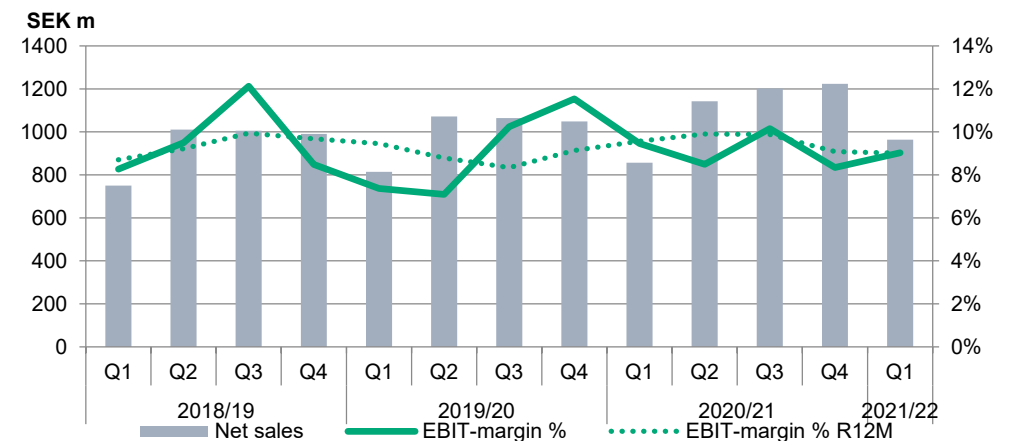


Upper Secondary School Segment

Increased number of students and lower costs related to vacation impacted adjusted EBIT

- The segment opened 3 new units in the quarter and now includes 151 upper secondary schools in Sweden under 16 brands.
- Student numbers increased by 10.1 percent of which Segab contributed 6.2 percentage points and 1 100 students enrolled in the 21 schools that in total have started over the last five years.
- Net sales increased by 12.6 percent.
- Adjusted EBIT increased due to an increased number of students and lower personnel cost caused by more vacation days in the quarter. The positive vacation effect is expected to even out over the course of the year.
- Adjusted EBIT-margin was 9.0 (8.5) percent, positively impacted by lower personnel cost caused by more vacation days in both years.

Quarter results (MSEK)	2021/22	2020/21	Change
Net sales	964	856	12.6%
EBIT	87	81	7.4%
EBIT-margin	9.0%	9.5%	-0.5 p.p.
Adj. EBIT	87	73	19.2%
Adj. EBIT-margin	9.0%	8.5%	0.5 p.p.
# of children	42,735	38,808	10.1%

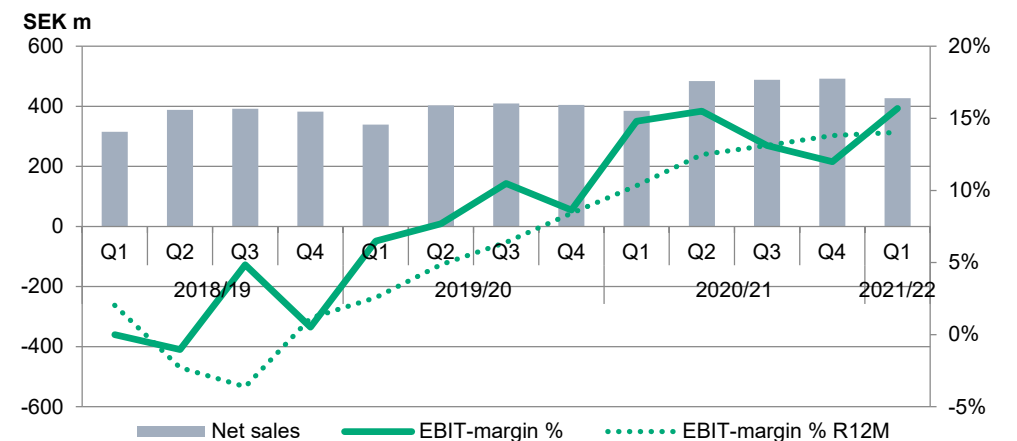


Adult Education Segment

Demand for higher vocational education drive EBIT improvement

- Net sales increased by 10.9 percent and amounted to SEK 427 million (385). The increase is entirely due to growth in the Higher Vocational Education (YH) business where the acquisition of KYH last financial year contributed 6.3 p.p. to the increase.
- EBIT and EBIT-margin improvement was mainly related to YH. Higher volumes, increased capacity utilization, and more students completing their education were key components.
- A positive effect from employees taking more vacation gave lower personnel expenses of SEK 5 million in the quarter.
- The EBIT margin in this segment should over a period be between 9 to 11 percent.
- The Swedish Tax Agency has revised its interpretation and application of VAT on subcontractors providing education services. This is expected to increase expenses by SEK 15 million in the second quarter. Compensation for increased cost is expected from 2022.

Quarter results (MSEK)	2021/22	2020/21	Change
Net sales	427	385	10.9%
EBIT	67	57	17.5%
EBIT-margin	15.7%	14.8%	0.9 p.p.
Adj. EBIT	67	57	17.5%
Adj. EBIT-margin	15.7%	14.8%	0.9 p.p.



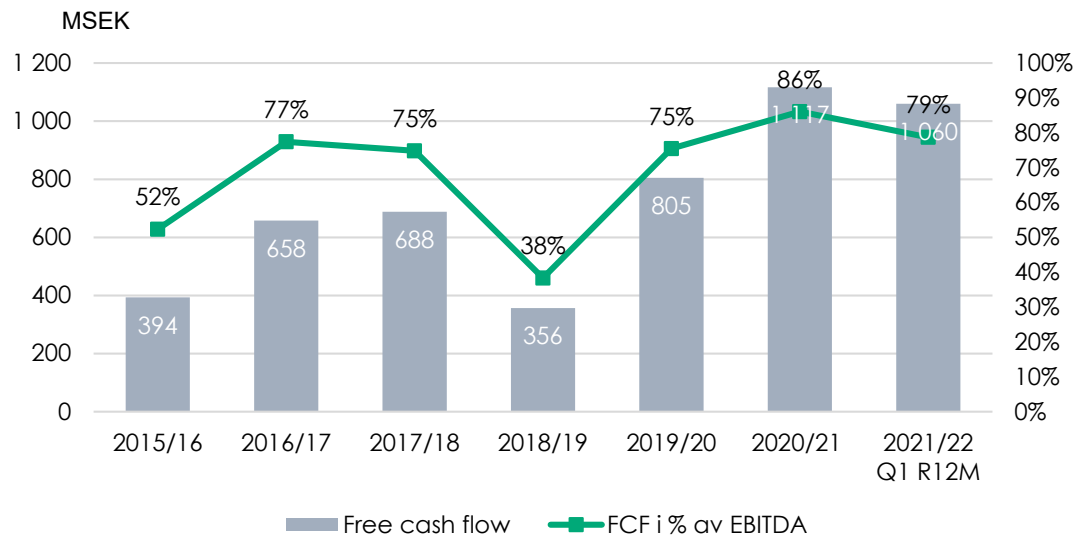
Q1 Financial position

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Free cash flow and investments

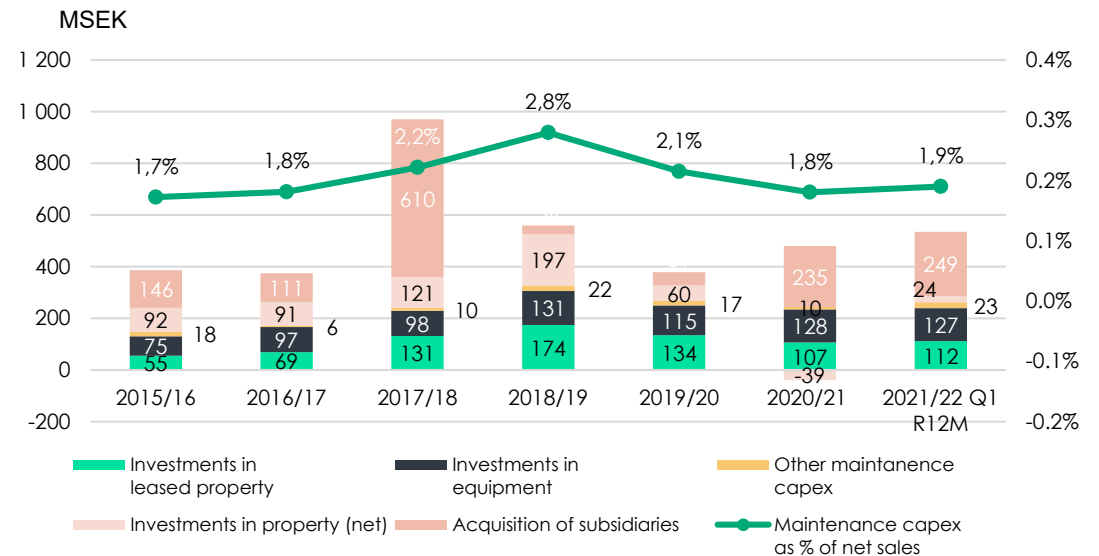
Strong free cash flow can fund investments in current operations and growth

FCF as % of adj. EBITDA



- AcadeMedia has a strong Free cash flow.
- Swings between years are mainly an effect of changes in net working capital. Free cash flow for 2017/18 and 2018/19 were distorted by an unusually strong net working capital position at the end of June 2018.

Capex and Maintenance capex as % of net sales



- Capex in current operations ("maintenance capex") has increased compared to last year.
- Growth capex can largely be funded by free cash flow except for large acquisitions.

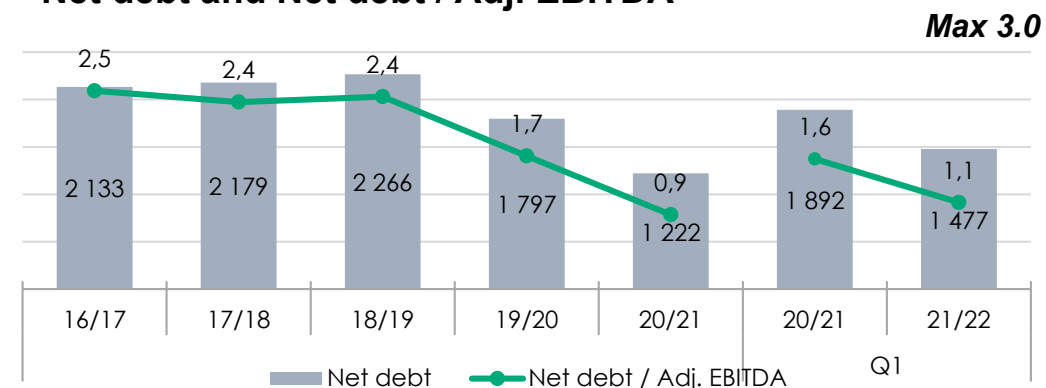
Financial position

Financial position continues to improve

- Cash flow is negative at the beginning of the school year, a normal seasonal effect mainly related to working capital.
- Net debt excluding IFRS 16 is significantly lower than the same period last year. Cash position improved.
- Leverage ratio is lower than the same period last year 1.1x (1.6) and well below AcadeMedia's financial target of maximum 3.0x.
- Property related lease liabilities amounted to SEK 7,747 million as per 30 September 2021 (7,350).
- Book value of property increased to SEK 1,047 million (989). In part due to currency, but also one acquisition in Norway.

SEK m	2021/22 30 Sep	2020/21 30 Sep	Change
Total equity (excl IFRS 16)	5 649	5 038	12.1%
Net debt (excl IFRS 16)	1 477	1 892	-21.9%
Net debt (incl IFRS 16)	9 225	9 242	-0.2%
Property related lease liabilities	7 747	7 350	5.4%
Property BV	1 047	989	5.9%

Net debt and Net debt / Adj. EBITDA



Financial performance vs targets

Performance continue to be in line with financial targets

			Q1 R12M (FY 20/21)
Growth	5-7%	<p>Financial targets are unchanged</p> <ul style="list-style-type: none"> Annual revenue growth rate of 5-7% including organic growth and smaller bolt-on acquisitions but excluding larger strategic acquisitions and FX 	8.0%¹ (8.1%)
Profitability²	7-8%	<ul style="list-style-type: none"> Adj. EBIT margin of 7-8% over time 	7.2% (7.0%)
Capital structure²	<3.0x	<ul style="list-style-type: none"> Net debt / adj. EBITDA below 3.0x Leverage may temporarily, exceed the maximum level 	1.1x (0.9x)
Use of free cash flow	n.a.	<ul style="list-style-type: none"> Free cash flow primarily to be reinvested Excess cash distributed to the shareholders while still maintaining quality and leverage targets 	1.75³ SEK/ share (1.50)

¹ Q1R12 21/22 vs Q1R12 20/21

² Defined excluding effects of IFRS 16

³ Dividend proposed



Q&A

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