



Q4

August 30, 2022

Interim report presentation

July 2021 – June 2022

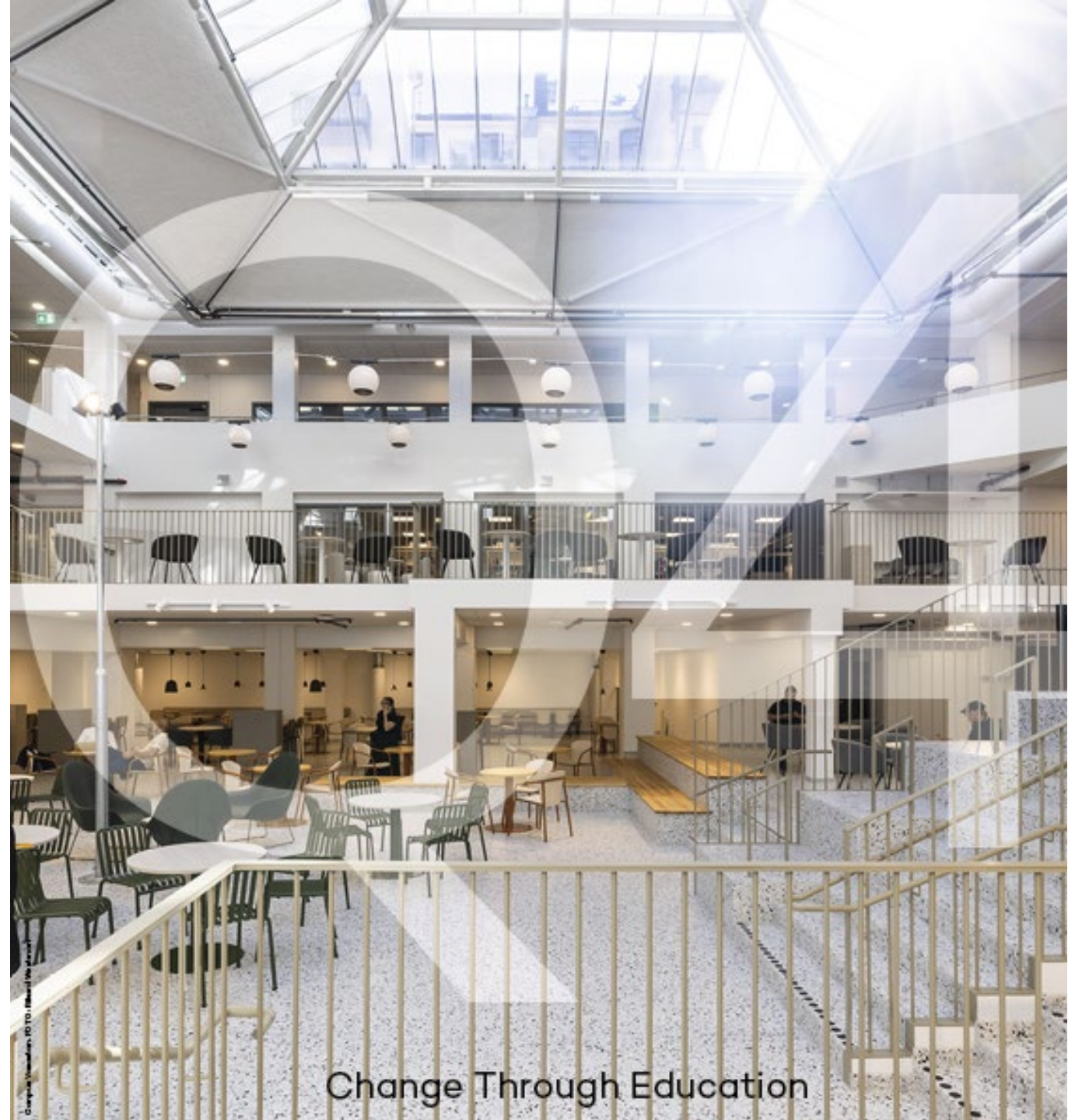
Marcus Strömberg, CEO

Katarina Wilson, CFO

AcademeMedia

CEO introduction

- 2021/22 - one of AcadeMedia's strongest years ever. The number of children and students increased by 5.4 percent, sales grew by 7.5 percent, adjusted operating profit increased to SEK 1,001 million and the margin remained at 7.0 percent.
- Strong growth in the Preschool Segment, 16 new openings in Germany and a platform acquisition in the Netherlands.
- Investment in two new state-of-the-art campuses and a broad portfolio of educational profiles strengthened the position in upper secondary school. The number of upper secondary students increased by 6.5 percent, demand for places remains high.
- The Adult Education Segment has adjusted capacity to more normal volume levels after the pandemic. The acquisition of Futuregames will make AcadeMedia the leading player in gaming education.
- Preliminary student numbers for autumn 2022 indicate 5 percent growth and the largest ever intake in the Upper Secondary School Segment.
- Dividend of SEK 1.75 (1.75) proposed.



Change Through Education

Highlights Q4

Operating profit in line with last year affected by lower volumes in the Adult Education Segment and higher costs in Norway

- Student numbers grew by 3.6 percent.
- Net sales increased by 4.9 percent. Organic growth including bolt-on acquisitions was 3.7 percent.
- Adjusted EBIT was SEK 279 million (281) and adjusted EBIT-margin decreased to 7.2 percent (7.7). Continued lower profitability in Norway and lower volumes in parts of the Adult Education Segment were offset by good volume growth in the Compulsory and Upper Secondary School Segments and lower personnel costs partly due to employees taking more vacation days.
- Items affecting comparability SEK -14 million (-14) related to provision for lossmaking preschools in Norway (-21) and insurance compensation related to a fire in a compulsory school (+6).
- EBIT, excluding IFRS 16, was SEK 265 million (267).
- FCF was stronger than last year SEK +397 million (+341) mainly due to a stronger cash flow from operating activities.

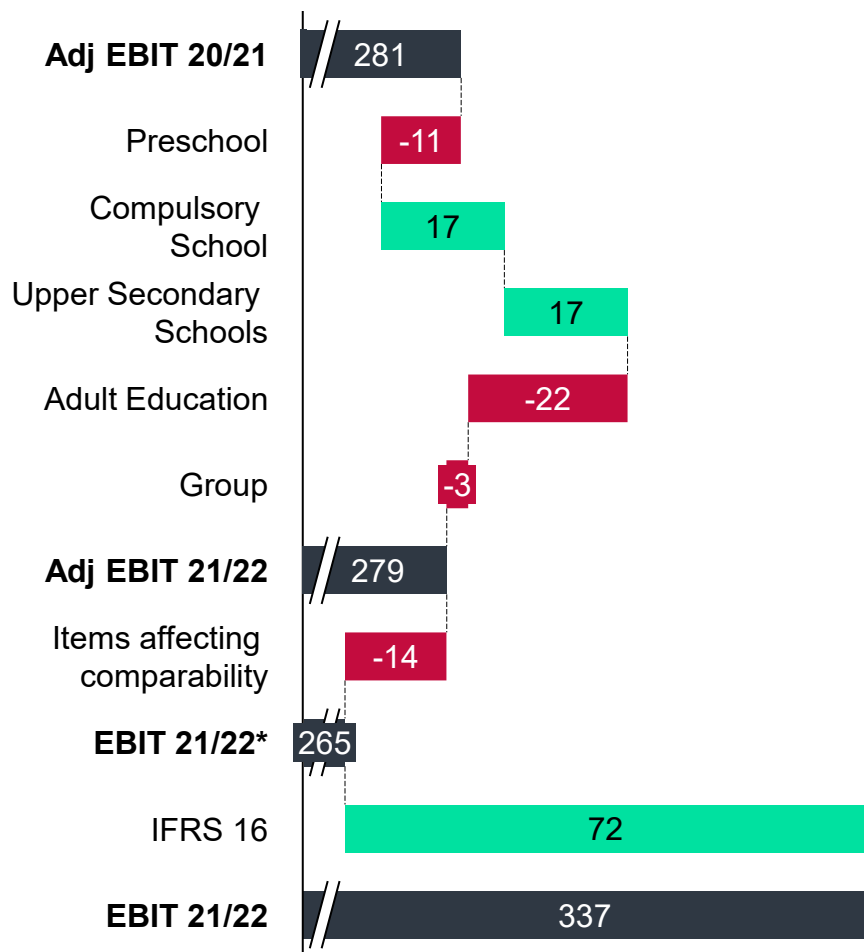
Key figures Q4 2021/22, excluding effects of IFRS 16

(MSEK)	2021/22	2020/21	Change
# of Students	93,308	90,032	3.6%
Net sales	3,851	3,672	4.9%
EBIT	265	267	-0.7%
EBIT-margin	6.9%	7.3%	-0.4 p.p.
Adj. EBIT	279	281	-0.7%
Adj. EBIT margin	7.2%	7.7%	-0.5 p.p.
Earnings after tax	187	202	-7.4%
Earnings per share ¹⁾ , SEK	1.77	1.91	-7.2%
Free cash flow (FCF)	397	341	16.2%

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

Highlights Q4

Operating profit in line with last year affected by lower volumes in the Adult Education Segment and higher costs in Norway



* Excluding IFRS 16

Preschool: Higher costs in Norway, lower capacity utilization in Germany somewhat offset by lower personnel expenses in Sweden.

Compulsory School: Adjusted EBIT was impacted by increased number of students, lower personnel costs due to employees taking more vacation days and revenue adjustments where costs were taken in earlier periods

Upper Secondary School: Adjusted EBIT was impacted by increased number of students and lower personnel costs due to employees taking more vacation days compared to last year.

Adult Education: EBIT was impacted by lower volumes in the municipal business area as well as contract transition in the labour market services business. AcadeMedia's higher vocational education continued to grow.

Group: expenses somewhat higher than last year due to higher activity level.

Items affecting comparability SEK -14 million (-14) includes provision for lossmaking units in preschool Norway (-21) and insurance compensation related to a fire in a compulsory school in July 2021 (+6).

pyslingen

FÖRSKOLOR

RH
INTERNATIONELLA
HOTELL- OCH RESTAURANGSKOLAN



HAGSTRÖMSKA GYMNASIET

VITTRA

espira

KUNNSKAPSBARNEHAGEN

DROTTNING BLANKAS
GYMNASIESKOLA

FRAMTIDSGYMNASIET

The Game Assembly

ah. th. vh. nti
affärshögskolan teknikhögskolan vårdyrkeshögskolan SKOLAN



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Q4 Segment reporting

NTI GYMNASIET

rytmus
MAKE | MUSIC | LIVE

PRAKTISKA
Gymnasiet

LBS KREATIVA
GYMNASIET

DIDAKTUS
GYMNASIUM

eductus

Innovitaskolan

joki

STEPKE

KLARA
TEORETISKA GYMNASIUM







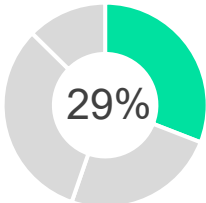
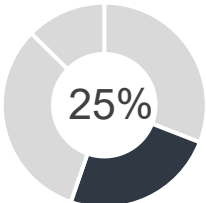
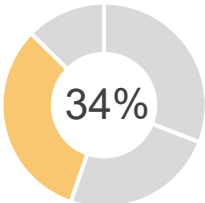
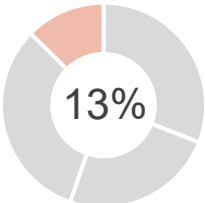
DESIGN
GYMNASIET

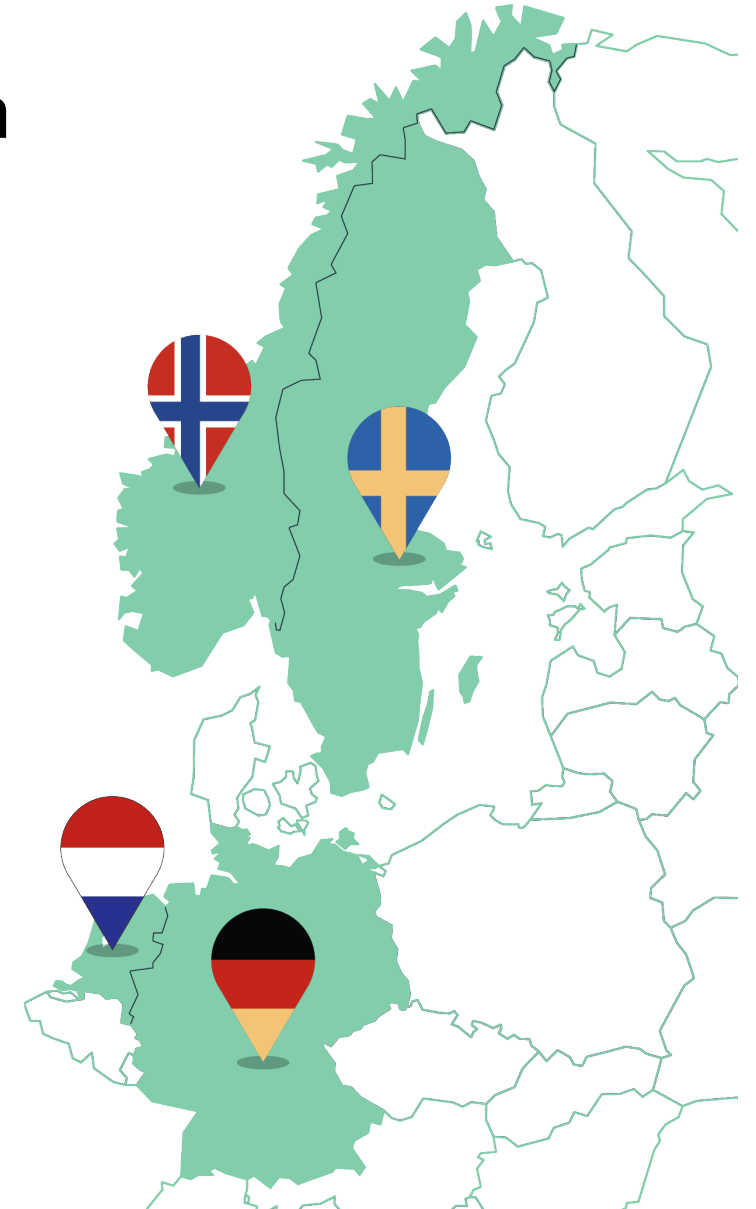
POPS
ACADEMY

Hermods

4 business segments and presence in 4 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*	5 156	3 417	3 681	1 366
Net sales split*				



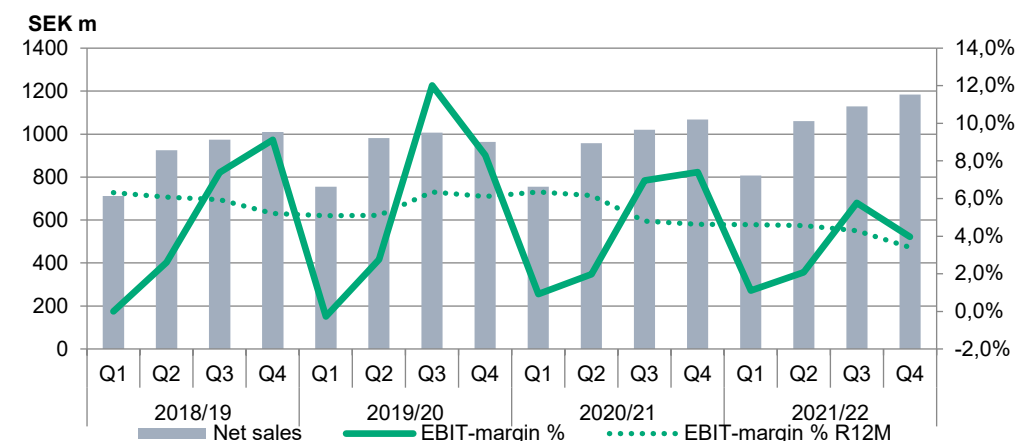
*) 2021/22

Preschool Segment

Higher costs in Norway partly offset by lower personnel expenses in Sweden

- Two preschools were acquired in the Netherlands and one unit in Germany opened in the quarter, giving a total of 292 units.
- The number of children increased by 6.2 percent driven mainly by new starts in Germany and the acquisition of two units in the Netherlands with 233 children. Net sales increased 10.9 percent to SEK 1,184 million. Organic growth was 6.7 percent adjusted for SEK 27 million of positive currency development and the acquisition of Sandviks in Norway.
- Adjusted EBIT decreased due to higher costs and lower pension compensation in Norway. Higher salary expenses, higher electricity costs and higher expenses for temporary staff as well as lower pension compensation, about SEK 20 million.
- Somewhat lower capacity utilization in Germany due to new openings was offset by lower personnel expenses in Sweden.
- Items affecting comparability minus SEK 21 million relates to provision for lossmaking units in Norway.
- For 2022/23, 15 new units are planned to open in Germany and one unit in Sweden.

Quarter results (MSEK)	2021/22	2020/21	Change
Net sales	1,184	1,068	10.9%
EBIT	47	79	-40.5%
EBIT-margin	4.0%	7.4%	-3.4 p.p.
Adj. EBIT	68	79	-13.9%
Adj. EBIT-margin	5.7%	7.4%	-1.7 p.p.
# of children	23,651	22,265	6.2%

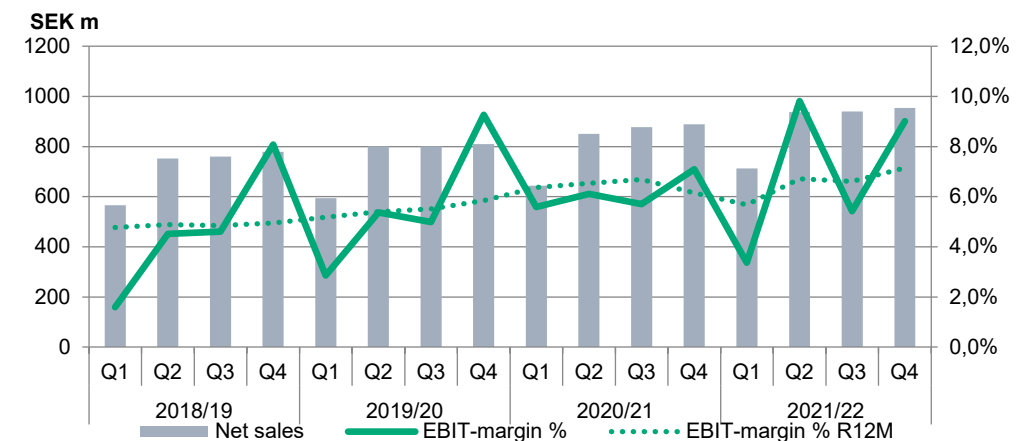


Compulsory School Segment

Increased number of students and lower personnel expenses partly due to more employee vacation days

- The segment includes 116 units in Sweden under six profiles of which 38 are integrated preschools.
- Number of children and students increased by 2.5 percent.
- Net sales grew 7.4 percent as a result of increased students, annual voucher revisions and increased government grants with corresponding costs. Retroactive adjustment of school voucher and subsidies with costs taken in previous periods amounted to SEK 10 million in the quarter and also contributed to the increase.
- Adjusted EBIT increased due to a higher number of students, retroactive compensations and lower personnel expenses about SEK 5 million due to a higher number of employee vacation days.
- Items affecting comparability SEK 6 million includes insurance compensation related to the fire in July 2021.
- One new Vittra school opened in August 2022.

Quarter results (MSEK)	2021/22	2020/21	Change
Net sales	954	888	7.4%
EBIT	86	63	36.5%
EBIT-margin	9.0%	7.1%	1.9 p.p.
Adj. EBIT	80	63	27.0%
Adj. EBIT-margin	8.4%	7.1%	1.3 p.p.
# of children	28,052	27,374	2.5%

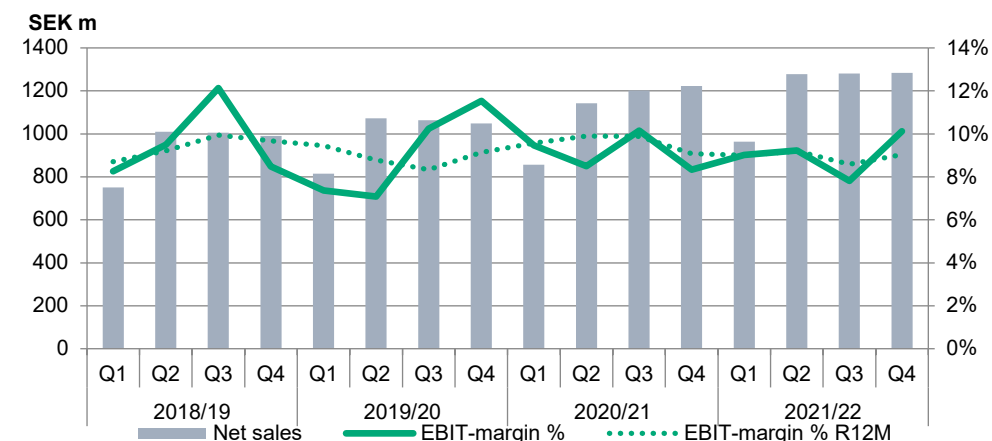


Upper Secondary School Segment

Increased number of students and lower personnel expenses partly due to more employee vacation days

- The segment includes 151 upper secondary schools in Sweden with both academic and vocational programmes under 16 brands.
- Student numbers increased organically by 3.0 percent mainly from 1,100 additional students enrolled at the 21 schools that started over the last five years.
- Net sales increased by 5.0 percent as a result of increased number of students, annual school voucher revision, and higher government grants with corresponding costs.
- Adjusted EBIT increased due to student growth and lower personnel costs, about SEK 10 million, relating to more employee vacation days compared to last year. The fourth quarter includes costs, about SEK 5 million, related to the new campuses.
- Two new campuses opened in Stockholm during August 2022, where eight existing schools have moved and can expand capacity. Three further new schools, in Gothenburg and Stockholm, opened for the autumn 2022 start.

Quarter results (MSEK)	2021/22	2020/21	Change
Net sales	1,284	1,223	5.0%
EBIT	130	102	27.5%
EBIT-margin	10.1%	8.3%	1.8 p.p.
Adj. EBIT	130	112	16.1%
Adj. EBIT-margin	10.1%	9.2%	0.9 p.p.
# of children	41,605	40,394	3.0%

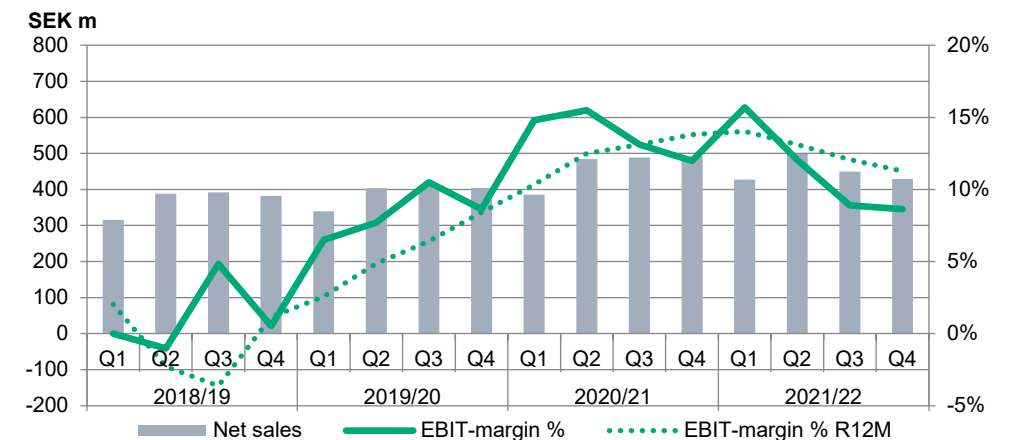


Adult Education Segment

Volumes in the municipal education business returning to more normal levels, vocational business continued to grow

- Net sales decreased by 12.8 percent attributable to the Labour Market Services and the Municipal Adult Education returning to more normal levels. Sales in the Vocational Education business grew by 15 percent with continued high demand.
- Adjusted EBIT decreased to SEK 37 million mainly due to lower volumes in the municipal business caused by lower unemployment levels but also due to contract transition in the labour market services business.
- The SFI-operation in Stockholm is adjusting capacity to lower demand. The transition is expected to be completed beginning of the new financial year.
- Looking ahead, increased inflation and possible higher unemployment could lead to higher demand for adult education.
- After the end of the reporting period, Academedia has entered into an agreement to acquire Futuregames, and will become one of the leading players in game education.

Quarter results (MSEK)	2021/22	2020/21	Change
Net sales	429	492	-12.8%
EBIT	37	59	-37.3%
EBIT-margin	8.6%	12.0%	-3.4 p.p.
Adj. EBIT	37	59	-37.3%
Adj. EBIT-margin	8.6%	12.0%	-3.4 p.p.



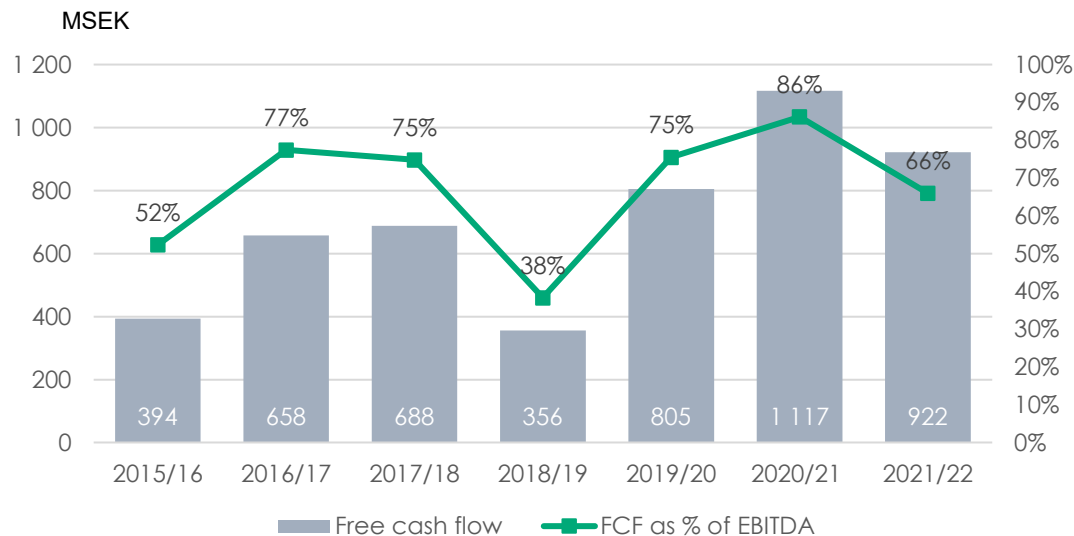
Q4 Financial position

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Free cash flow and investments

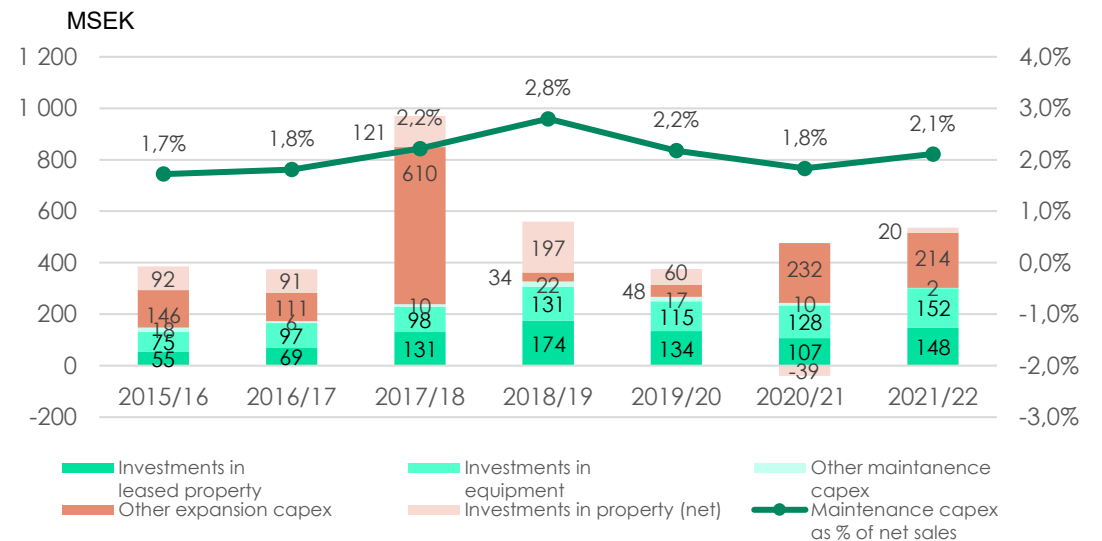
Strong free cash flow SEK 922 million can fund investments in current operations and growth

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 18/19 was distorted by an unusually strong net working capital position at the end of 17/18. The same effect applies to 21/22.

Capex and Maintenance capex as % of net sales



- Capex in current operations (“maintenance capex”) has increased compared to last year mainly related to investments in the new campuses.
- Growth capex can largely be funded by free cash flow except for large acquisitions.

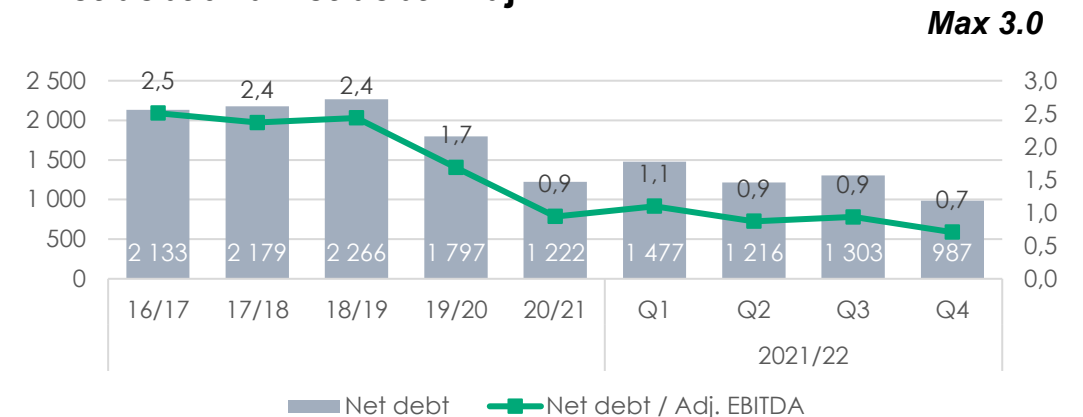
Financial position

Continued strong financial position

- 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 0.7x (0.9) and well below AcadeMedia's financial target of maximum 3.0x.
- Property related lease liabilities amounted to SEK 8,474 million as per 30 June 2022 (7,428).
- Book value of property increased to SEK 1,057 million (1,044). Currency effects were SEK +40 million.
- A new loan agreement with DNB and SEB from July 2022 will refinance existing loans to an amount of SEK 1,650 million until 2025 with the possibility to extend until 2027. Annual amortizations will decrease by SEK 34 million to SEK 116 million.

SEK m	2021/22 30 June	2020/21 30 June	Change
Total equity (excl IFRS 16)	6,058	5,517	9.8%
Net debt (excl IFRS 16)	987	1,222	-19.2%
Net debt (incl IFRS 16)	9,460	8,650	9.4%
Property related lease liabilities	8,474	7,428	14.1%
Property BV	1,057	1,044	1.2%

Net debt and Net debt / Adj. EBITDA



Summary full year 2021/22

2021/22 - one of AcadeMedia's strongest years ever

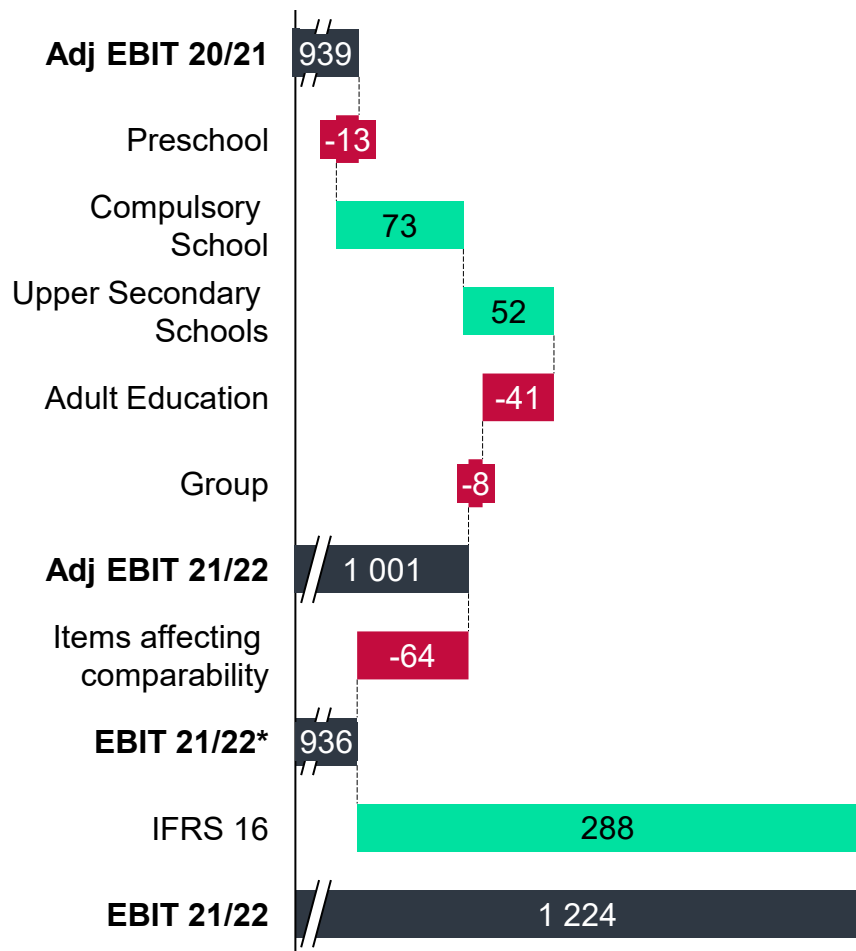
- Student growth 5.4 percent – 20 new units were added including 16 new openings in Germany.
- Sales grew by 7.5 percent, despite a decline in adult education.
- Adjusted operating profit increased to SEK 1,001 million, margin remained at 7.0 percent.
- Strong Free cash flow SEK 922 million.
- Diversification into educational services through the acquisition of Sandviks.
- A fourth preschool country added with a platform acquisition in the Netherlands.
- Large investments in campuses strengthened the position in upper secondary school.
- New loan agreement signed securing financing until 2025 with a possibility to extend until 2027.

Key figures full year 2021/22, excluding effects of IFRS 16

(MSEK)	2021/22	2020/21	Change
# of Students	92,549	87,823	5.4%
Net sales	14,339	13,340	7.5%
EBIT	936	931	0.5%
EBIT-margin	6.5%	7.0%	-0.5 p.p.
Adj. EBIT	1,001	939	6.6%
Adj. EBIT margin	7.0%	7.0%	0.0 p.p.
Earnings after tax	692	694	-0.3%
Earnings per share ¹⁾ , SEK	6.56	6.54	0.3%
Free cash flow (FCF)	922	1,117	-17.4%

Highlights full year 2021/22

Adjusted EBIT increased to 1 billion despite lower volumes in the Adult Education Segment and higher costs in Norway



* Excluding IFRS 16

Preschool: Higher costs and lower pension compensation in Norway was mitigated by return to normal operations in Germany and lower personnel expenses in Sweden.

Compulsory School: Adjusted EBIT was positively impacted by increased number of students and lower personnel costs due to increased absence in 2nd and 3rd quarter and employees taking more vacation days.

Upper Secondary School: Adjusted EBIT was positively impacted by increased number of students and lower personnel costs due to increased absence in 2nd and 3rd quarter and employees taking more vacation days.

Adult Education: Adjusted EBIT was impacted by lower volumes in the municipal business area as well as contract transition in the labour market services business. AcadeMedia's higher vocational education continued to grow.

Group: Expenses somewhat higher than last year due to higher activity level.

Items affecting comparability SEK -64 million (-14) includes costs and insurance compensation related to a fire in a compulsory school (-18), restructuring expenses in the Upper Secondary Segment (-15), provision for lossmaking units in Preschool Norway (-21) and VAT costs in the Adult Education segment (-11)

Financial performance vs targets

Dividend of SEK 1.75 (1.75) per share proposed, corresponding to 31 percent (31) of net profit excluding IFRS 16

			2021/22 (20/21)
Growth	5-7%	Financial targets are unchanged <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 	5.2% (8.1%)
Profitability¹	7-8%	<ul style="list-style-type: none"> Adj. EBIT margin of 7-8% over time 	7.0% (7.0%)
Capital structure¹	<3.0x	<ul style="list-style-type: none"> Net debt / adj. EBITDA below 3.0x Leverage may temporarily, exceed the maximum level 	0.7x (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 	1.75 SEK/ share (1.75)

¹ Defined excluding effects of IFRS 16



Q&A

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change through education