A group of children, seen from behind, are looking at two horses in a grassy field. The children are wearing winter clothing, including hats and jackets, and some are wearing bright yellow high-visibility vests. One vest has a logo with two cartoon characters and the text 'pysslingen'. The horses are brown; one is wearing a dark blue blanket. The background shows a fence and some buildings under a cloudy sky.

Q2

February 2, 2023

Interim report presentation July – December 2022

Marcus Strömberg, CEO

Katarina Wilson, CFO

Academedi

CEO introduction

- Continued strong demand, the number of children and students increased by 5.9 percent and in the Preschool segment by 13.0 percent including the acquisition of FAWZ in Germany.
- Preliminary school voucher increase of 4 percent (2.6) in Sweden for 2023 reflecting higher inflation. Preliminary school voucher increase in Norway of 9 percent (2.8). Electricity and food cost increased by about 20 MSEK in the quarter.
- The Adult Education Segment received good allocation of vocational programmes for the autumn 2023 start, in total 7,300 (5,872) new educational places, gaining market share. Demand for municipal adult education continues to contract compared to last year due to strong labour market.
- Great interest in compulsory and upper secondary school open houses in Sweden and increased demand for new preschool places in Germany creates a solid foundation for 2023 and our journey ahead.



Foto: Pyslingen Förskolor Sverige

Change Through Education

Highlights Q2

Lower volumes in Adult Education Segment, inflation and expansion impact profitability

- Student numbers grew by 5.9 percent.
- Net sales increased by 7.1 percent, organic growth was 4.3 percent, adjusted for positive currency effects and acquisitions of Sandviks and FAWZ contributed 1.8 p.p.
- Adjusted EBIT was SEK 203 million (263), adjusted EBIT-margin decreased to 5.0 percent (7.0).
- Lower volumes in part of Adult Education Segment, capacity expansion in Compulsory and Upper Secondary School Segments and inflation impacted profitability.
- Items affecting comparability SEK -21 million (7) related to transaction expenses FAWZ, restructuring expenses compulsory school, and insurance compensation from a fire. EBIT excluding IFRS16 SEK 181 million (270).
- Lower free cash flow SEK 282 million (606) mainly due to less positive working capital impacted by calendar effects from the first quarter and lower operating profit.

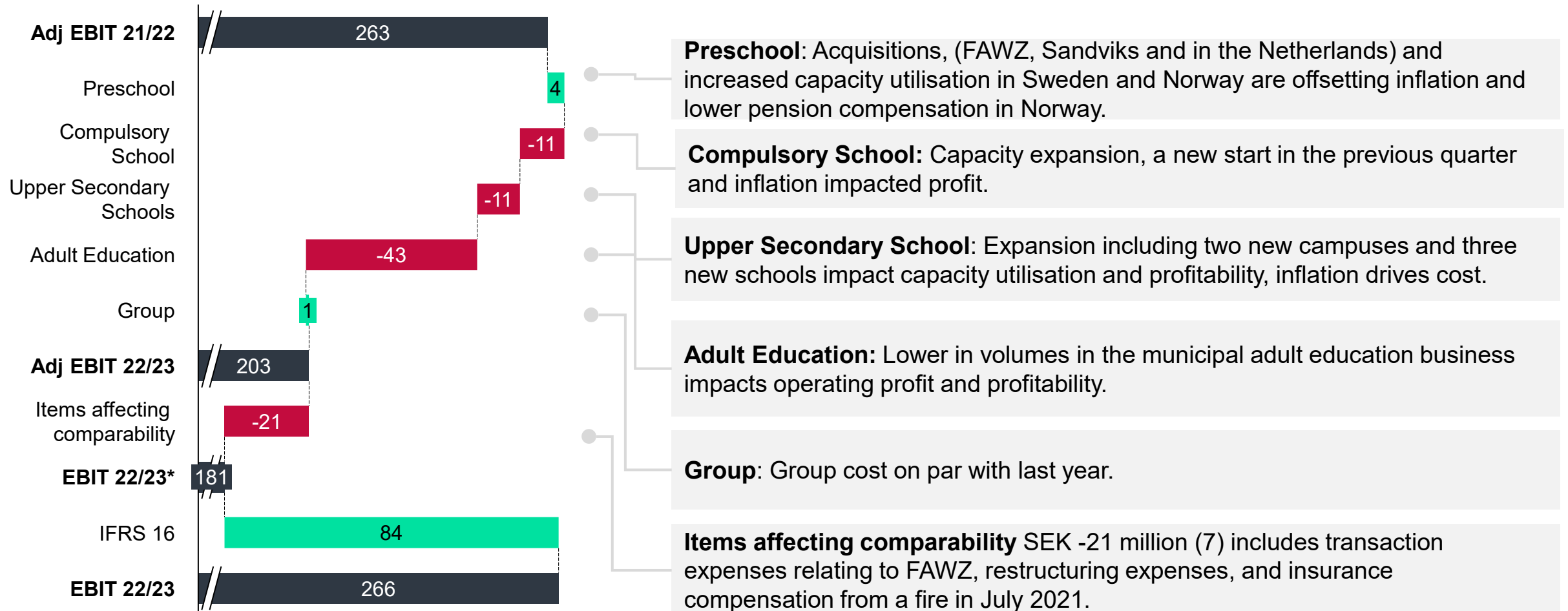
Key figures Q2 2022/23, excluding effects of IFRS 16

(MSEK)	2022/23	2021/22	Change
# of Students	97,767	92,363	5.9%
Net sales	4,041	3,774	7.1%
EBIT	181	270	-33.0%
EBIT-margin	4.5%	7.2%	-2.7 p.p.
Adj. EBIT	203	263	-22.8%
Adj. EBIT margin	5.0%	7.0%	-2 p.p.
Earnings after tax	133	207	-35.7%
Earnings per share ¹ , SEK	1.39	1.96	-29.3%
Free cash flow	282	606	-53.4%

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

Highlights Q2

Lower volumes in Adult Education Segment, inflation and expansion impact profitability



12 month rolling figures Q2 2022/23

Continued growth, EBIT affected by lower volumes in the Adult Education Segment and inflation

- 12 month rolling net sales continue to grow and are now at SEK 14.8 billion.
- Rolling 12-month adjusted EBIT at SEK 898 million and adjusted EBIT margin rolling 12-months at 6.1 percent.
- Operating profit impacted by lower volumes in the Adult Education Segment, inflation as well as capacity expansion in the school segments.
- Rolling 12-month EBIT (ex IFRS 16) is SEK 841 million.
- Free cash flow amounted to SEK 633 million (922)

Key figures Q2 R12 2022/23, excluding effects of IFRS 16

(MSEK)	Jan 2022 – Dec 2022	2021/22	Change*
Net sales	14,799	14,339	3.2%
EBIT	841	936	-10.1%
EBIT-margin	5.7%	6.5%	-0.8 p.p.
Adj. EBIT	898	1 001	-10.3%
Adj. EBIT margin	6.1%	7.0%	-0.9 p.p.
Earnings after tax	612	692	-11.6%
Free cash flow	633	922	-31.3%

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

NB Comparison between Q2 12-month rolling figures and full year 2021/22

pyslingen

FÖRSKOLOR

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INTERNATIONELLA
HOTELL- OCH RESTAURANGSKOLAN



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VITTRA

espira

KUNNSKAPSBARNEHAGEN

DROTTNING BLANKAS
GYMNASIESKOLA

FRAMTIDSGYMNASIET

The Game Assembly

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Q2 Segment reporting

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LBS KREATIVA
GYMNASIET

DIDAKTUS
GYMNASIUM

eductus

Innovitaskolan

joki

STEPKE

KLARA
TEORETISKA GYMNASIUM







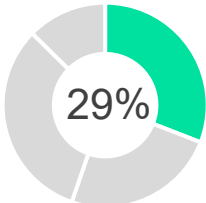
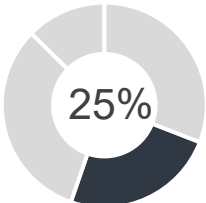
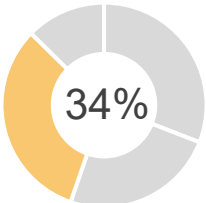
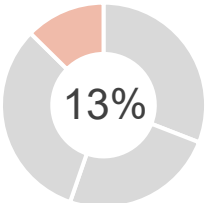
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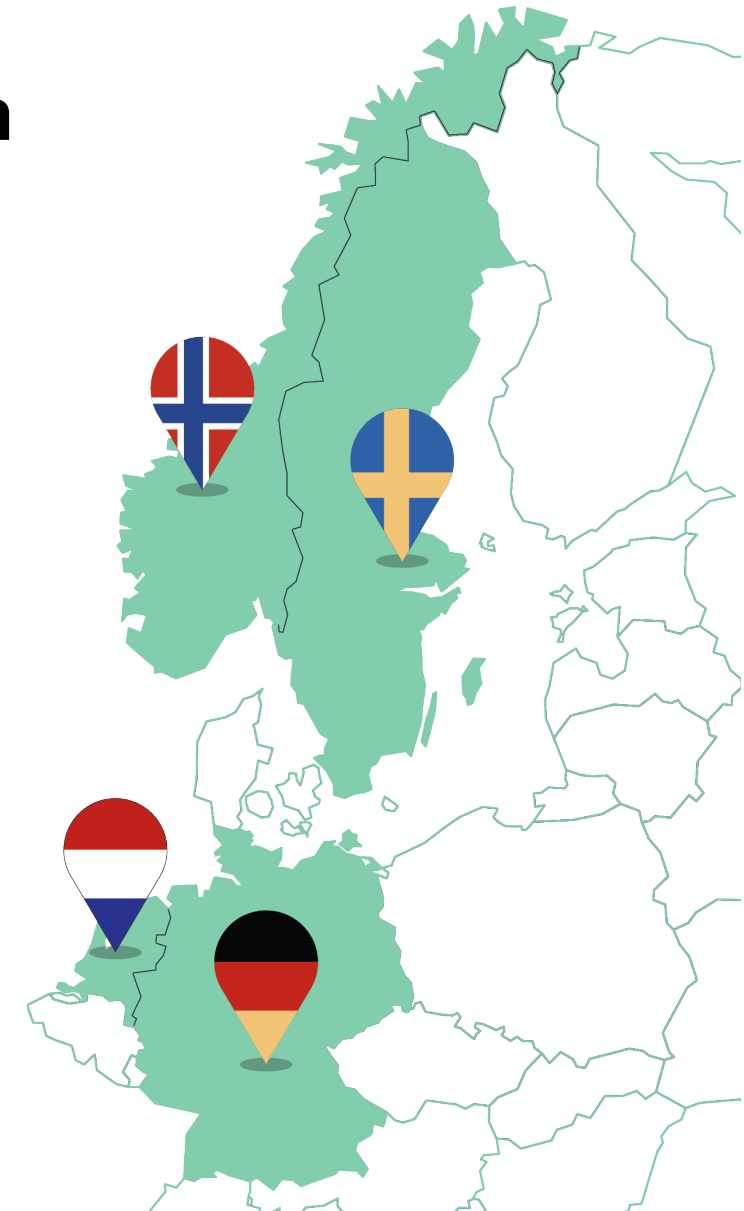
POPS
ACADEMY

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*				



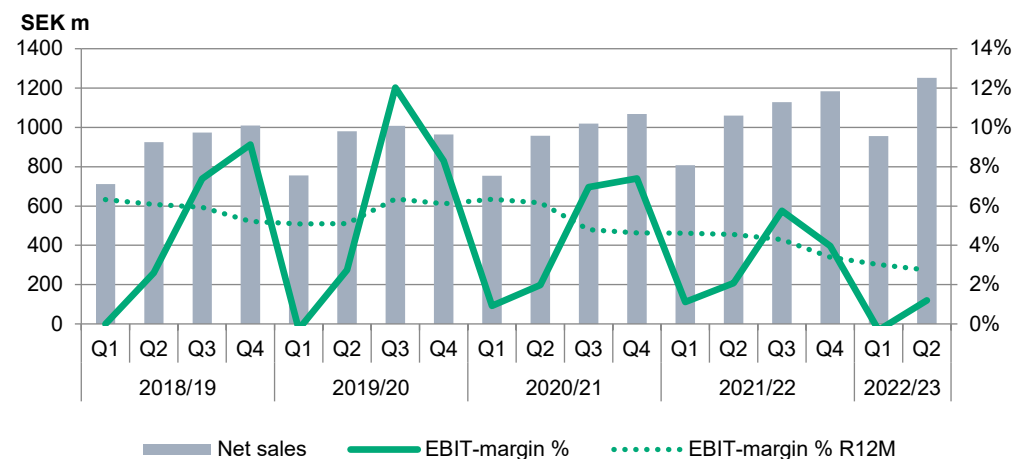
*) 2021/22

Preschool Segment

Acquisitions and higher capacity utilisation in Sweden and Norway are offsetting inflation

- The number of children increased by 13,0 percent with growth in all countries, also included the acquisition of FAWZ in Germany. FAWZ includes 1 preschool and 7 schools, in total about 1 800 children and students as well as adult education.
- Net sales increased by 18.1 percent to SEK 1,252 million. Organic growth was 8.1 percent, adjusted for positive currency development and the acquisition of Sandviks in Norway and FAWZ in Germany.
- Adjusted EBIT increased compared to last year, margin remained unchanged. Higher capacity utilisation in Sweden and Norway and the acquisitions offset lower pension supplement in Norwegian preschool and increased operating costs, driven by inflation.
- Items affecting comparability SEK -11 million related to transaction and integration cost FAWZ.
- Preliminary school voucher increase in Norway for 2023 9 percent (2.8).

Quarter results (MSEK)	2022/23	2021/22	Change
Net sales	1,252	1,061	18.1%
EBIT	15	22	-31.8%
EBIT-margin	1.2%	2.1%	-0.9 p.p.
Adj. EBIT	26	22	18.2%
Adj. EBIT-margin	2.1%	2.1%	0 p.p.
# of children	24,842	21,982	13.0%

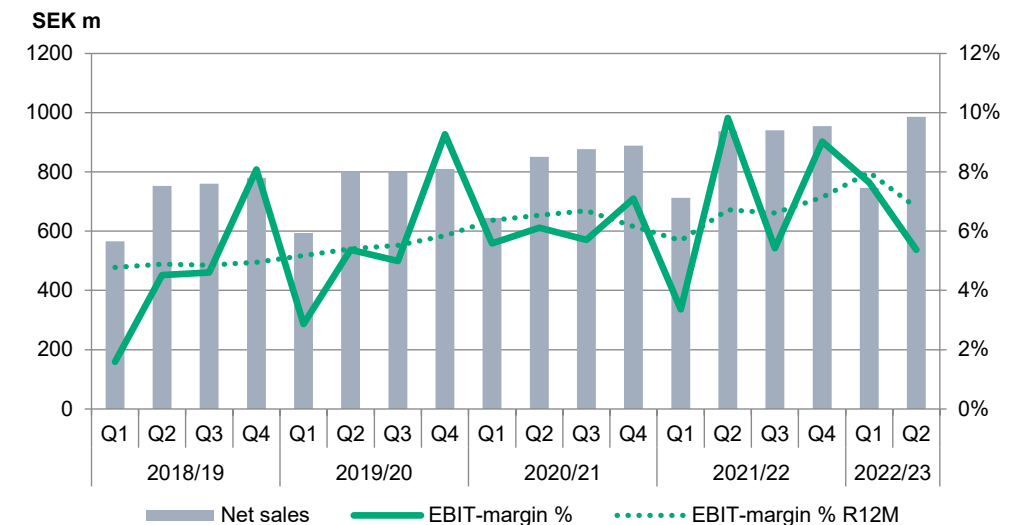


Compulsory School Segment

Capacity expansion and inflation impact earnings

- The segment includes 116 compulsory schools and integrated preschools in Sweden under six profiles. One new unit opened in the first quarter and several units have increased capacity.
- Number of children and students increased by 2.3 percent. Net sales grew 5.2 percent as a result of increased number of students, annual voucher revisions and increased government grants.
- Adjusted EBIT decreased to SEK 63 million impacted by inflation, energy and meal costs increased by SEK 7 million. The new start and expansion is temporarily impacting capacity utilisation. Continued initiatives to strengthen student health also impacted EBIT.
- Items affecting comparability amounted to SEK -10 million (18) and includes restructuring expenses and insurance compensation related to a fire at a school in July 2021.

Quarter results (MSEK)	2022/23	2021/22	Change
Net sales	986	937	5.2%
EBIT	53	92	-42.4%
EBIT-margin	5.4%	9.8%	-4.4 p.p.
Adj. EBIT	63	74	-14.9%
Adj. EBIT-margin	6.4%	7.9%	-1.5 p.p.
# of children	28,520	27,867	2.3%

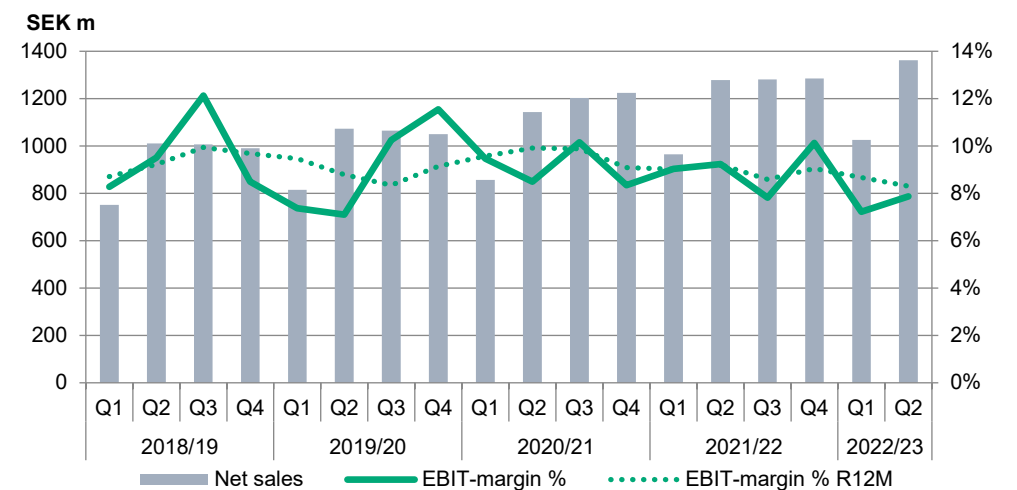


Upper Secondary School Segment

Expansion impacts capacity utilisation and profitability, inflation drives cost

- Two state of the art campuses opened in Stockholm and 3 further new units opened at the beginning of the 2022/23 school year. The segment now includes 152 upper secondary schools in Sweden under 16 brands.
- Student numbers increased by 4.5 percent of which 24 new units since 2017 have admitted about 1,250 additional students compared to the same period last year.
- Net sales increased by 6.5 percent.
- Adjusted EBIT decreased due to expansion and generally higher cost levels. Electricity and other operating costs increased by SEK 6 million.
- The new campuses and new openings will temporarily impact capacity utilisation, which decreased to 84.9 percent (87.6) and put pressure on profitability. Adjusted EBIT-margin decreased to 7.9 percent.

Quarter results (MSEK)	2022/23	2021/22	Change
Net sales	1,361	1,278	6.5%
EBIT	107	118	-9.3%
EBIT-margin	7.9%	9.2%	-1.3 p.p.
Adj. EBIT	107	118	-9.3%
Adj. EBIT-margin	7.9%	9.2%	-1.3 p.p.
# of children	44,405	42,513	4.5%

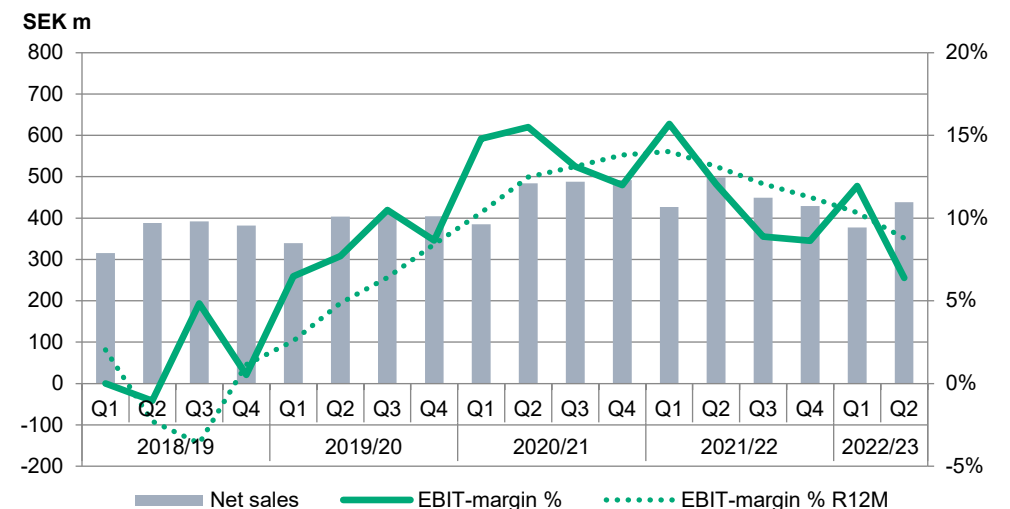


Adult Education Segment

Lower demand for municipal education drives revenue and EBIT decrease

- Net sales decreased by 12.0 percent to SEK 438 million (498), mainly due to contracting volumes in Municipal Adult Education where net sales decreased by 28 percent.
- Higher Vocational Education number of participants continued to increase and net sales increased by 15 percent with stable margin. Higher Vocational Education now largest business area in the segment.
- Net sales in Labour Market Services decreased by 25 percent, but from a very low level, a conscious choice to reduce exposure to this market.
- EBIT and EBIT-margin decline mainly related to volume decrease in municipal operation.
- EBIT margin in this segment should over a longer period be between 9 to 11 percent. Expectation for next quarter is that margin will remain below this range. Development of the economy and new transition study grant can change this outlook.

Quarter results (MSEK)	2022/23	2021/22	Change
Net sales	438	498	-12.0%
EBIT	28	60	-53.3%
EBIT-margin	6.4%	12.0%	-5.6 p.p.
Adj. EBIT	28	71	-60.6%
Adj. EBIT-margin	6.4%	14.3%	-7.9 p.p.



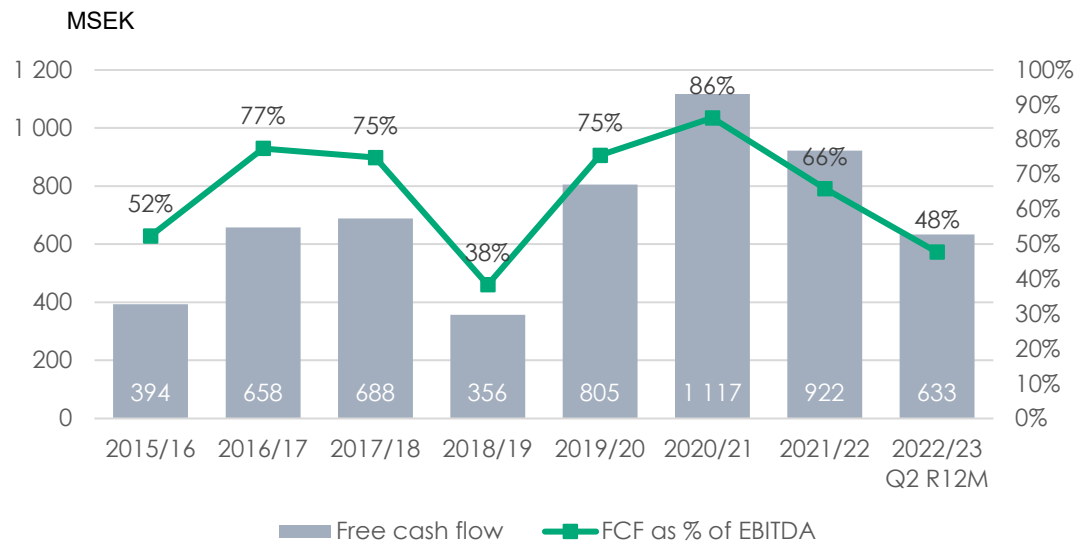
Q2 Financial position

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Free cash flow and investments

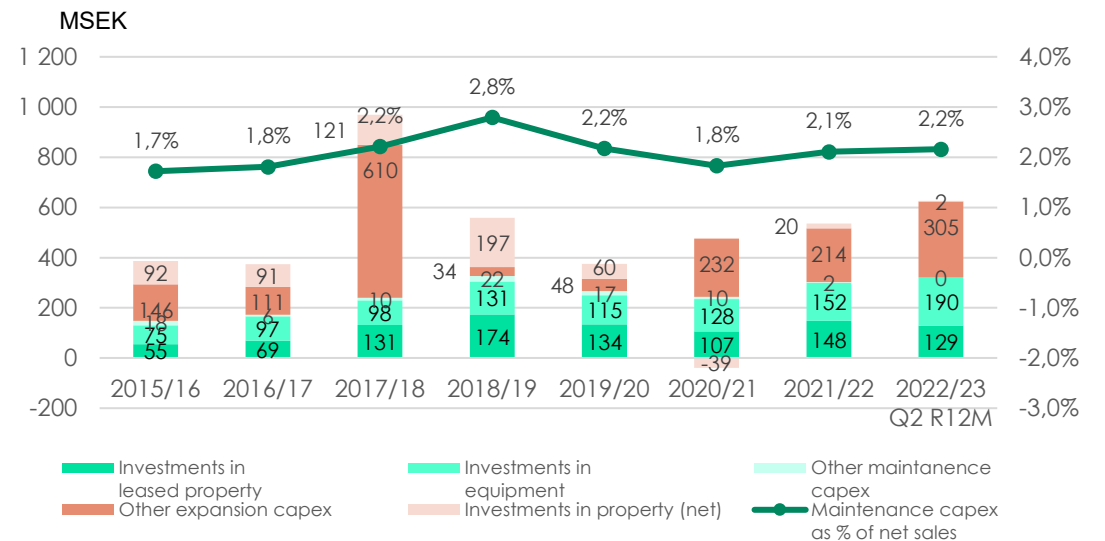
Strong free cash flow can fund investments in current operations and growth

FCF as % of adj. EBITDA



- AcadeMedia has a strong Free cash flow.
- Swings between years and quarters are mainly an effect of changes in net working capital.

Capex and Maintenance capex as % of net sales



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

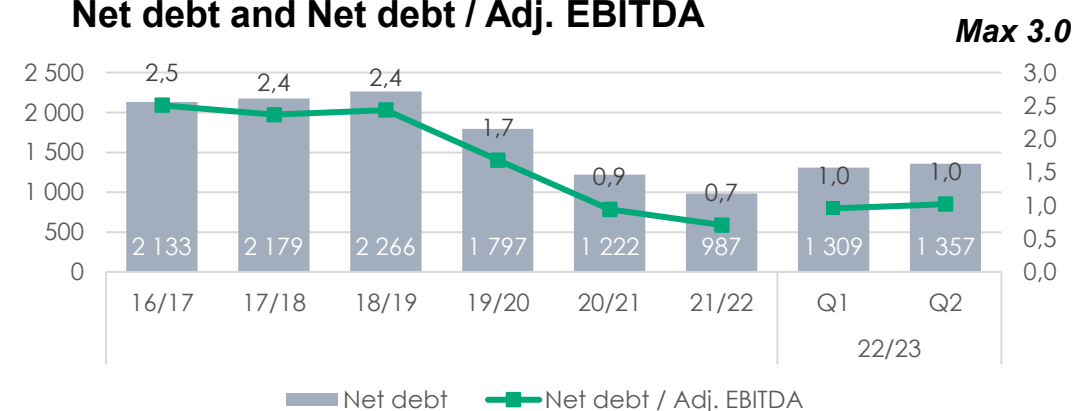
Financial position

Financial position still strong

- Net debt excluding IFRS 16 was higher than the same period last year.
- Net debt including IFRS 16 lease liabilities was higher than last year due to expansion in capacity.
- Leverage ratio was higher than the same period last year 1.0x (0,9) and well below AcadeMedia's financial target of maximum 3.0x.
- Property related lease liabilities amounted to SEK 9,052 million as per 31 December 2022 (8,109).
- Book value of property increased to SEK 1,138 million (1,120), due to currency and acquisition of FAWZ.
- Debt ratio defined as net debt/ total assets excluding cash and cash equivalents, including and excluding the effects of IFRS 16 remained stable compared to last year.

SEK m	2022/23 31 Dec	2021/22 31 Dec	Change
Total equity ¹	6,117	5,668	7.9%
Net debt ¹	1,357	1,216	11.6%
Net debt (incl IFRS 16)	10,409	9,324	11.6%
Property related lease liabilities	9,052	8,109	11.6%
Property BV	1,138	1,120	1.6%
Net debt / Adj. EBITDA incl IFRS 16	3.4	3.2	8.8%
Net debt / Adj. EBITDA excl IFRS 16	1.0	0.9	17.3%
Debt ratio, incl IFRS 16	13%	13%	0.5 p.p.
Debt ratio, excl IFRS 16	55%	54%	1.3 p.p.

Net debt and Net debt / Adj. EBITDA



Financial performance vs targets

Growth and Profitability just below the financial targets

			Q2 R12M (FY 21/22)
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 	4.3%¹ (5.2%)
Profitability²	7-8%	<ul style="list-style-type: none"> Adj. EBIT margin of 7-8% over time 	6.1% (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 	1.0x (0.7x)
Use of free cash flow	n.a.	<ul style="list-style-type: none"> Free cash flow primarily to be reinvested Excess cash distributed to the shareholders while still maintaining quality and leverage targets 	1.75 SEK/ share (1.75)

¹ Q2R12 22/23 vs Q2R12 21/22

² Defined excluding effects of IFRS 16



Q&A

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