



Q2

Interim report presentation July – December 2023

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February 1, 2024

AcademeMedia

CEO introduction

- Strong demand, net sales increased by 9.7 percent.
- Increased earnings and margin in the Adult Education Segment following successful transition of the municipal education and increased volumes in higher vocational education.
- AcadeMedia's higher vocational education was awarded 30 percent more educational places for the autumn 2024 start and is gaining market share in a growing market.
- Great interest in our upper secondary school open houses. Many schools have had record number of visiting students and parents.
- Focused efforts to reduce discrepancy between grades and national tests in AcadeMedia's compulsory and upper secondary schools have given effect.
- 2024 preliminary school voucher increase of above 4 percent (4.6) in Sweden and in Norway 5.5 percent (9).
- Our strategy is to continue to grow internationally.



Photo from the preschool Espira Levestad, Norway

Highlights Q2

Strong growth, adjusted EBIT in line with last year

- Student numbers grew by 3.6 percent.
- Net sales increased by 9.7 percent and organic growth was 8.5 percent, adjusted for negative currency effect -0.5 percent and the acquisition of FAWZ and Winford College that contributed 1.7 percent.
- Adjusted EBIT was SEK 204 million (203) and adjusted EBIT-margin decreased to 4.6 percent (5.0).
- The margin decline was due to continued higher operating costs caused by inflation. Index adjusted rental cost increased SEK 35 million and the annual salary revision was SEK 20 million, mitigated by higher capacity utilisation and about SEK 10 million related to lower energy costs.
- Profitability in the Adult Education Segment increased following last year's capacity adjustments and increased volumes in Higher Vocational Education.
- EBIT (excluding IFRS16) SEK 204 million (181) including SEK 0 million (-21) items affecting comparability.
- Higher free cash flow SEK 537 million (282) mainly due to more positive working capital.

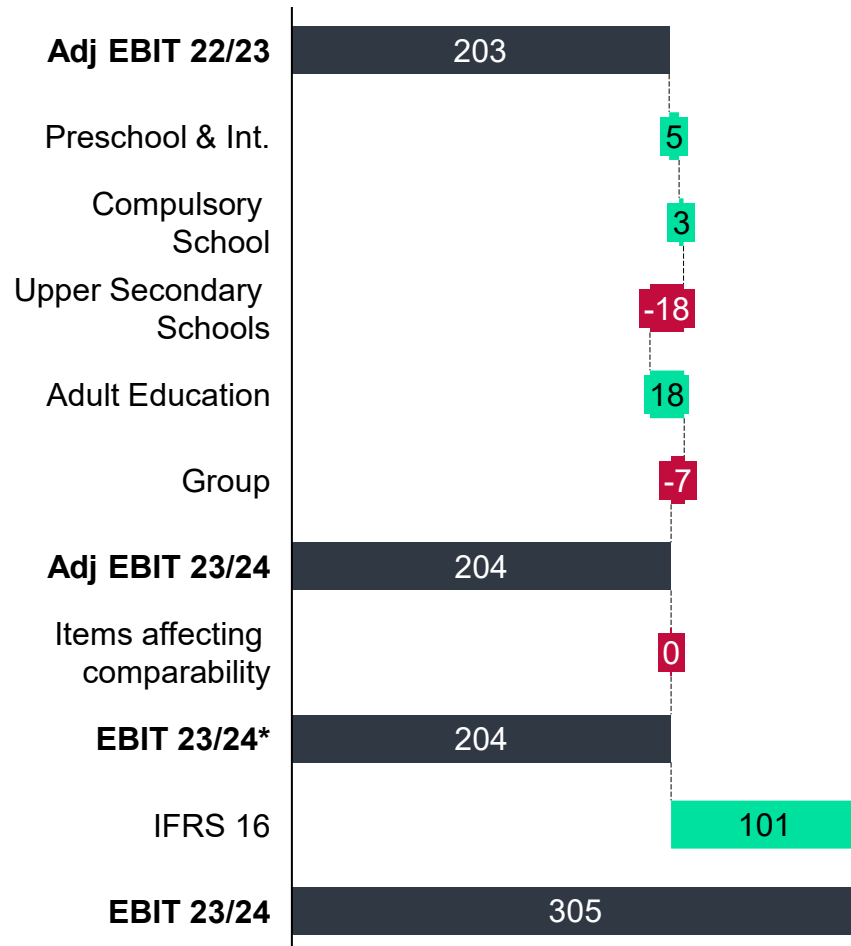
Key figures Q2 2023/24, excluding effects of IFRS 16

(MSEK)	2023/24	2022/23	Change
# of Students	101,292	97,767	3.6%
Net sales	4,433	4,041	9.7%
EBIT	204	181	12.7%
EBIT-margin	4.6%	4.5%	0.1 p.p.
Adj. EBIT	204	203	0.5%
Adj. EBIT margin	4.6%	5.0%	-0.4 p.p.
Earnings after tax	130	133	-2.3%
Earnings per share ¹ , SEK	1.23	1.39	-11.4%
Free cash flow	537	282	90.4%

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

Highlights Q2

Strong growth, adjusted EBIT in line with last year



* Excluding IFRS 16

Preschool & International: Improved adjusted EBIT and margin despite inflation and higher cost for temporary staff caused by increased sick leave. Acquisitions contributed SEK 5 million.

Compulsory School: Adjusted EBIT higher despite continued inflation. Increased capacity utilisation and acquisition contributed about SEK 10 million.

Upper Secondary School: Higher operating cost and annual salary revision impacts profitability, somewhat offset by lower energy cost. Physical school fairs and open houses increased costs by approximately SEK 5 million.

Adult Education: Continued strong growth in the Higher Vocational Education and capacity adjustments in Municipal Adult Education had a positive effect on profitability. The acquisition of Berghs contributed SEK 5 million.

Group: Fewer vacancies, expansion of some staff functions due to growth, and a generally higher activity level increased costs.

Items affecting comparability SEK 0 million (-21).

12 month rolling figures Q2 2023/24

Continued growth with stable adjusted EBIT

- 12 month rolling net sales continue to grow and amounts to SEK 16.3 billion.
- Rolling 12-month adjusted EBIT SEK 966 million and adjusted EBIT margin rolling 12-months 5.9 percent.
- Adjusted EBIT margin below target of 7-8 percent, impacted by inflation.
- Rolling 12-month EBIT (ex IFRS 16) is SEK 931 million.
- Continued strong free cash flow SEK 984 million.

Key figures Q2 R12 2023/24, excluding effects of IFRS 16

(MSEK)	Jan 2023 – Dec 2023	2022/23	Change*
Net sales	16,256	15,539	4.6%
EBIT	931	920	1.2%
EBIT-margin	5.7%	5.9%	-0.2 p.p.
Adj. EBIT	966	964	0.2%
Adj. EBIT margin	5.9%	6.2%	-0.3 p.p.
Earnings after tax	649	675	-3.9%
Free cash flow	984	792	24.3%

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

NB Comparison between Q2 12-month rolling figures and full year 2022/23

pyslingen

FÖRSKOLOR

RH
INTERNATIONELLA
HOTELL- OCH RESTAURANGSKOLAN



HAGSTRÖMSKA GYMNASIET

VITTRA

espira

KUNNSKAPSBARNEHAGEN

DROTTNING BLANKAS
GYMNASIESKOLA

FRAMTIDSGYMNASIET

The Game Assembly

ah. th. vh. nti
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Q2 Segment reporting

NTI GYMNASIET

rytmus
MAKE | MUSIC | LIVE

PRAKTISKA
Gymnasiet

LBS KREATIVA
GYMNASIET

DIDAKTUS
GYMNASIUM

eductus

Innovitaskolan

joki

STEPKE

KLARA
TEORETISKA GYMNASIUM







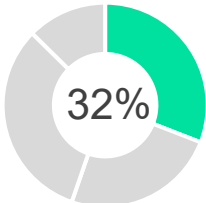
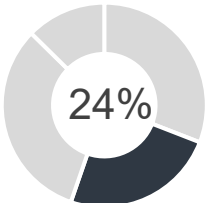
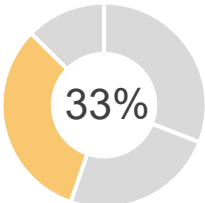
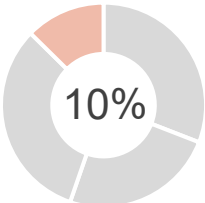
DESIGN
GYMNASIET

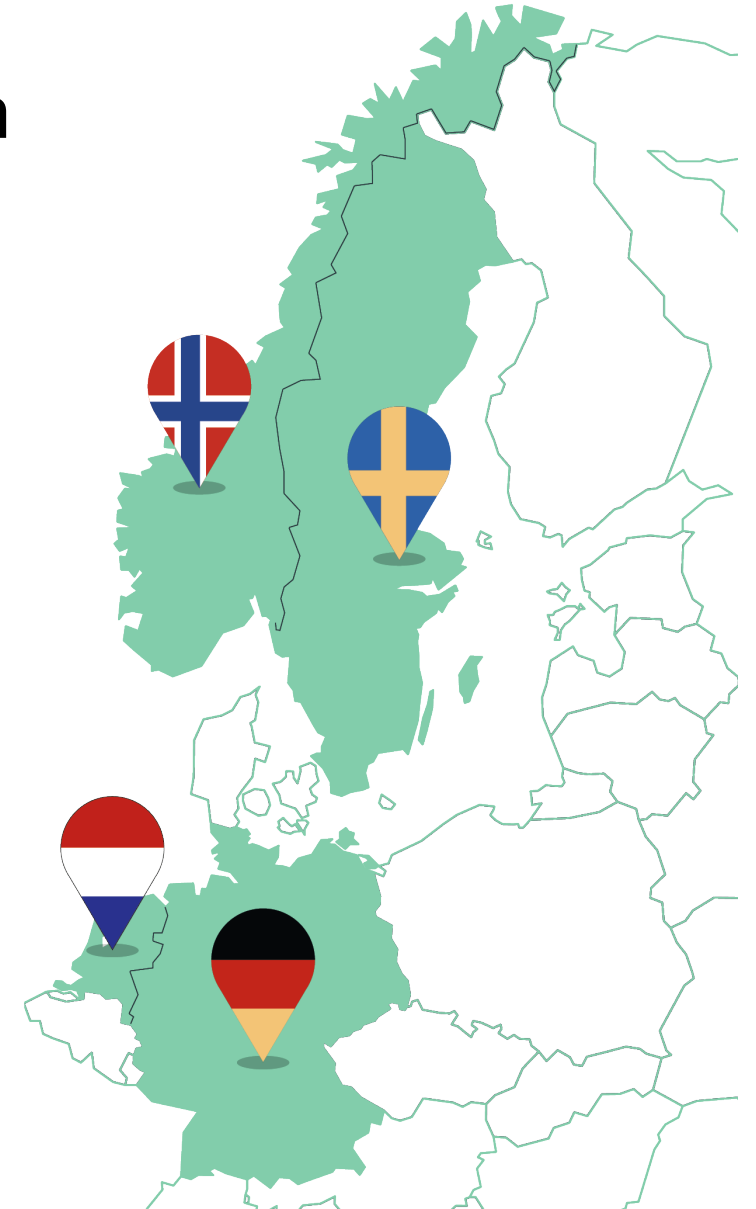
POPS
ACADEMY

Hermods

4 business segments and presence in 4 countries

We operate throughout the education chain

	Preschool & Int	Compulsory School	Upper Secondary School	Adult Education
Age group	0-6 yrs	6-16 yrs	16-18 yrs	18+ yrs
Geography				
# FTE*	5 797	3 498	3 831	1 139
Net sales split*				



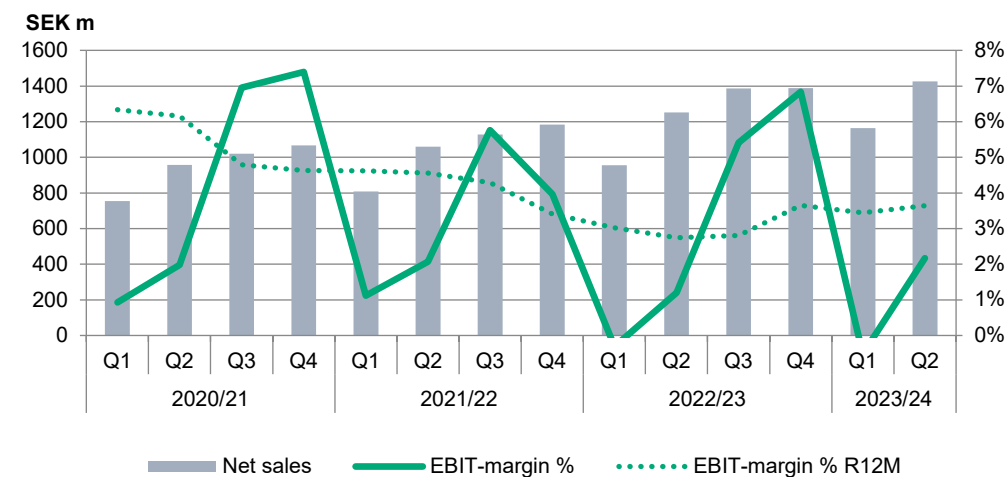
*) 2022/23

Preschool and International Segment

Higher adjusted EBIT and margin despite inflation and higher staff costs due to higher sickness rate

- The number of children increased by 6.5 percent driven by acquisitions and new preschools in Germany and in the Netherlands.
- Net sales were SEK 1,427 million. Organic growth was 10.1 percent, adjusted for negative currency development and the acquisition of FAWZ and Winford.
- Adjusted EBIT and margin increased compared to last year. Acquisitions contributed SEK 5 million. Higher operating costs driven by inflation and higher sickness rate with increased staff costs were offset by increased voucher mainly in Norway and lower energy costs.
- All countries have been affected by increased sick leave, which resulted in higher costs for temporary staff, approximately SEK 5 million.
- Eight new preschools have opened in Germany during the first six months, the plan is to open 15 in total during 23/24.
- 2024 preliminary school voucher increase in Sweden is just over 4 percent (5.3) and in Norway 5.5 percent (9).

Quarter results (MSEK)	2023/24	2022/23	Change
Net sales	1,427	1,252	14.0%
EBIT	31	15	106.7%
EBIT-margin	2.2%	1.2%	1.0 p.p.
Adj. EBIT	31	26	19,2%
Adj. EBIT-margin	2.2%	2.1%	0.1 p.p.
# of children	26,452	24,842	6.5%

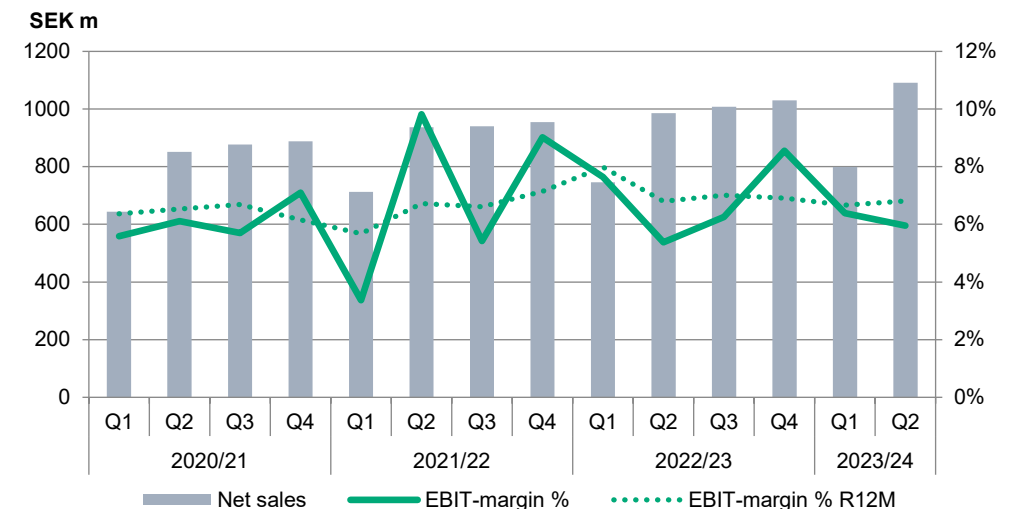


Compulsory School Segment

Adjusted EBIT stable despite continued inflation, offset by increased capacity utilization and acquisitions

- The segment includes 118 compulsory schools and integrated preschools in Sweden under six profiles.
- Number of children and students increased by 2.6 percent. Net sales grew 10.6 percent as a result of increased number of students, annual voucher revisions, increased government grants with corresponding cost, and SEK 5 million in retroactive school voucher adjustment.
- Adjusted EBIT somewhat higher than last year and the margin declined due to higher operating cost caused by inflation. Increased capacity utilisation and acquisition contributed about SEK 10 million. Rent increase SEK 10 million due to indexation and the annual salary revision 4,1 percent from September affected the quarter by SEK 5 million.
- EBIT was SEK 65 million (53), EBIT margin increased compared to last year.
- 2024 preliminary school voucher increase just over 5 percent (5.3).

Quarter results (MSEK)	2023/24	2022/23	Change
Net sales	1,091	986	10.6%
EBIT	65	53	22.6%
EBIT-margin	6.0%	5.4%	0.6 p.p.
Adj. EBIT	65	63	3.2%
Adj. EBIT-margin	6.0%	6.4%	-0.4 p.p.
# of children	29,257	28,520	2.6%

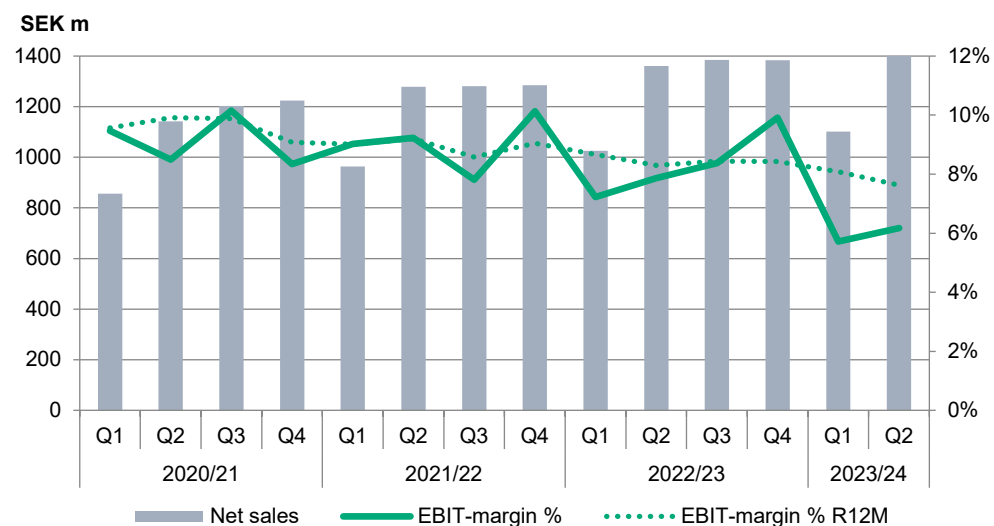


Upper Secondary School Segment

Continued inflation impacts profitability, capacity utilisation increased

- The segment includes 149 upper secondary schools in Sweden under 16 brands. One new unit opened at the beginning of the new school year.
- Student numbers increased by 2.7 percent. The two campuses that opened last autumn have increased the number of students by about 13 percent compared to last year. Capacity utilisation increased to 86.5 percent (84.9).
- Net sales increased by 5.9 percent as a result of increased number of students and annual voucher revision. In the greater Stockholm area, the 2023 voucher increase was 1.8 percent which is not compensating for current inflation.
- Adjusted EBIT and margin decreased due to higher operating cost caused by inflation. Increased rent due to indexation SEK 20 million and annual salary revision SEK 15 million had the largest impact. Physical school fairs increased costs by about SEK 5 million. Lower energy cost, SEK 5 million, and higher capacity utilisation dampened the impact from inflation.
- 2024 preliminary school voucher increase close to 4 percent (3.9).

Quarter results (MSEK)	2023/24	2022/23	Change
Net sales	1,441	1,361	5.9%
EBIT	89	107	-16.8%
EBIT-margin	6.2%	7.9%	-1.7 p.p.
Adj. EBIT	89	107	-16.8%
Adj. EBIT-margin	6.2%	7.9%	-1.7 p.p.
# of children	45,583	44,405	2.7%

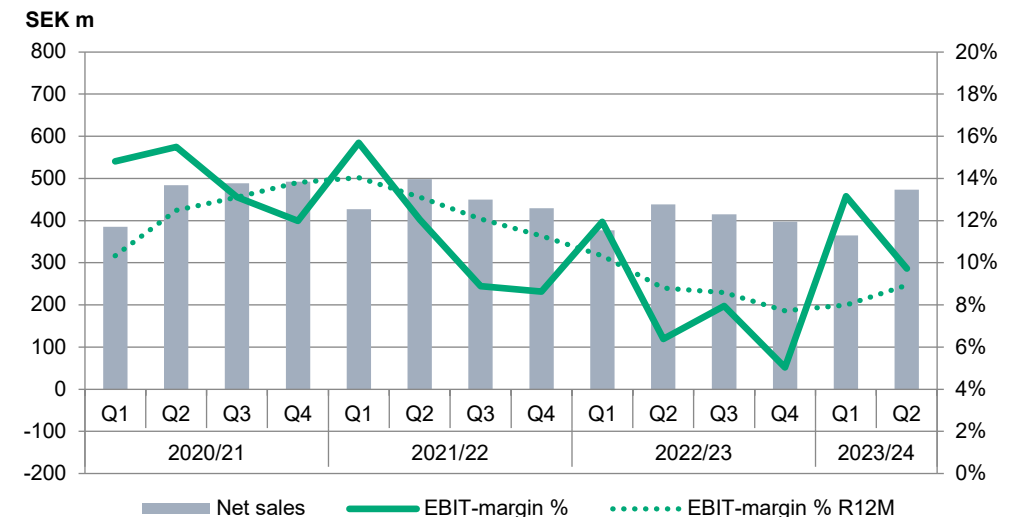


Adult Education Segment

Increased profit and margin due to continued growth in Vocational Education and transition of the Municipal business

- Net sales increased by 8.0 percent to SEK 473 million (438), due to increased number of students in Higher Vocational Education and the acquisition of Berghs.
- EBIT and EBIT-margin increased mainly due to higher volumes in Higher Vocational Education and increased profitability in the Municipal Adult Education business where last year's capacity adjustments has had a positive effect. The acquisition of Berghs contributed SEK 5 million.
- The quarter is positively impacted by short vocational education courses. In addition, Berghs has most of the earnings in Q2 due to seasonality.
- The expectation is that the margin for the full year will be in the lower range of 9-11 percent. The development of the economy can impact this.
- AcadeMedia's Higher Vocational Education was awarded 30 percent more educational places, 9,500, for the autumn 2024 start. The award means that AcadeMedia gains market share in a growing market.

Quarter results (MSEK)	2023/24	2022/23	Change
Net sales	473	438	8.0%
EBIT	46	28	64.3%
EBIT-margin	9.7%	6.4%	3.3 p.p.
Adj. EBIT	46	28	64.3%
Adj. EBIT-margin	9.7%	6.4%	3.3 p.p.



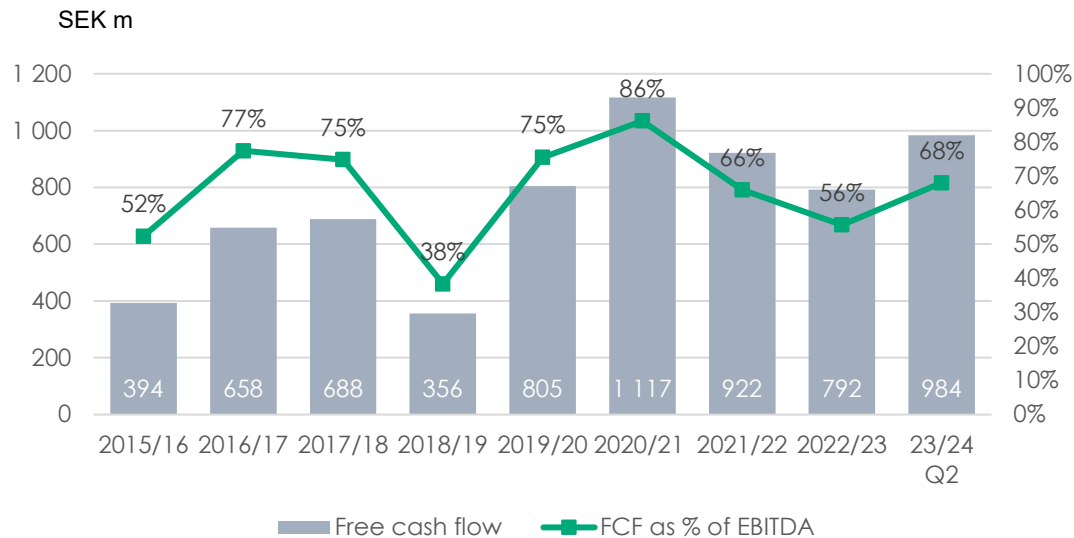
Q2 Financial position

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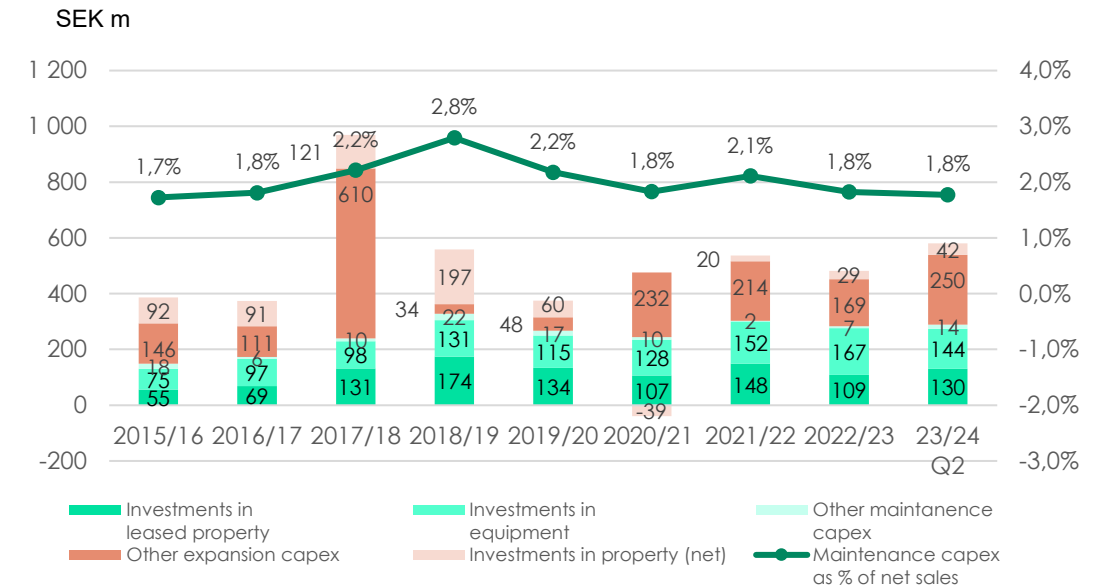
Free cash flow and investments

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

FCF as % of adj. EBITDA



Capex and Maintenance capex as % of net sales



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

- Capex in current operations ("maintenance capex") is stable at 1,8% of net sales after a temporary increase 2021/22 due to investments in capacity expansion.
- Growth capex can largely be funded by free cash flow except for large acquisitions.

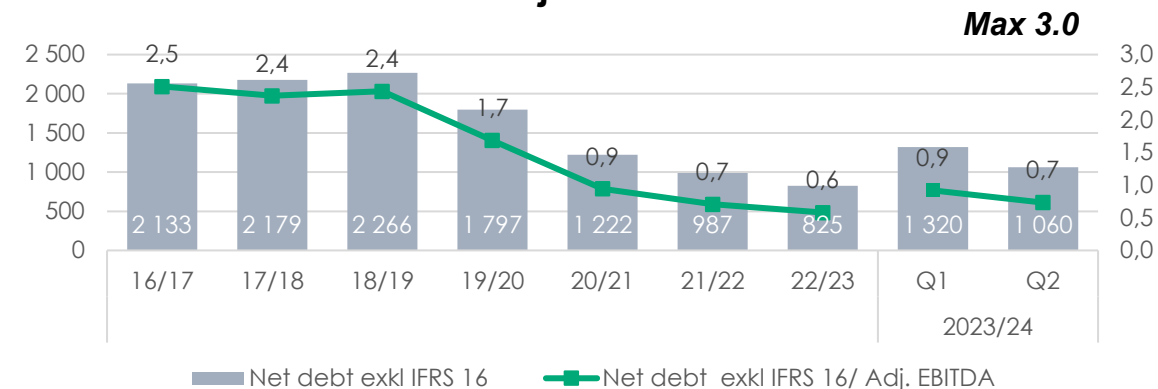
Financial position

Financial position remains strong

- Net debt excluding IFRS 16 was lower than last year.
- Net debt including IFRS 16 lease liabilities was higher than last year due to expansion in capacity and indexation of rent.
- Leverage ratio (excl IFRS 16) is lower than last year 0.7x (1.0) and well below AcadeMedia's financial target of maximum 3.0x.
- Property related lease liabilities amounted to SEK 9,603 million as per 31 December 2023 (9,052).
- Book value of property decreased to SEK 1,082 million (1,138).
- Debt ratio* including and excluding IFRS decreased compared to last year.

SEK m	2023/24 31 Dec	2022/23 31 Dec	Change
Total equity	6,520	6,117	6.6%
Net debt	1,060	1,357	-21.9%
Net debt (incl IFRS 16)	10,663	10,409	2.4%
Property related lease liabilities	9,603	9,052	6.1%
Property BV	1,082	1,138	-4.9%
Net debt / Adj. EBITDA incl IFRS 16	3.2	3.4	-7.7%
Net debt / Adj. EBITDA excl IFRS 16	0.7	1.0	-28.3%
Debt ratio, incl IFRS 16	54.1%	55.4%	-1.3 p.p.
Debt ratio, excl IFRS 16	9.8%	13.1%	-3.3 p.p.

Net debt and Net debt / Adj. EBITDA



*) Debt ratio: defined as net debt/ total assets excluding cash and cash equivalents

Financial performance vs targets

Growth above and Profitability just below the financial targets

			Q2 R12M (FY 22/23)
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 	7.6%¹ (6.0%)
Profitability²	7-8%	<ul style="list-style-type: none"> Adj. EBIT margin of 7-8% over time 	5.9% (6.2%)
Capital structure²	<3.0x	<ul style="list-style-type: none"> Net debt / adj. EBITDA below 3.0x Leverage may temporarily, exceed the maximum level 	0.7x (0.6x)
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 23/24 vs Q2R12 22/23

² Defined excluding effects of IFRS 16

The 2023 Annual General Meeting

Voluntary share redemption program to be launched during the third quarter

- The 2023 Annual General Meeting resolved on a voluntary share redemption program consisting of a reduction of the share capital for repayment to the shareholders, as well as a bonus issue without issuing new shares.
- For each ordinary share in the company, one redemption right will be received. For class C shares in the company, no redemption rights are received and thus no right to redeem shares.
- The maximum number of ordinary shares to be redeemed is 5,279,378, with a quota value of SEK 1.00. After the reduction of the share capital has been implemented, the company's share capital will amount to not less than SEK 100,514,088, divided into a total of not less than 100,514,088 shares, of which not less than 100,308,183 ordinary shares and not less than 205,905 class C shares.
- The redemption amount per share will be set at a premium of maximum 30 percent of the volume-weighted average share price of the company's ordinary share during five trading days preceding the Board of Directors' resolution on the terms and conditions of the program.
- The reduction is made for repayment to shareholders of a total amount of not more than SEK 275 million.
- The program will be implemented during the third quarter of the 2023/24 fiscal year.
- An information brochure describing the voluntary redemption program in more detail will be provided before the start of the application period.



Q&A

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