

Press Release, Tuesday, August 30, 2016

AcademeMedia's Year-End Report 2015/16

Fourth quarter (April 2016 – June 2016)

- Net sales increased by 8.1 percent to SEK 2,378 million (2,199).
- Operating profit (EBIT) increased by 35.4 percent to SEK 218 million (161). Adjusted for items affecting comparability the operating profit was SEK 238 million (237).
- Profit for the period was SEK 140 million (80).
- Cash flow from operating activities amounted to SEK 160 million (197).
- The average number of children and students in preschool, compulsory school and upper secondary school during the quarter was 64,342 (61,295), which was an increase of 5.0 percent.
- Basic earnings per share amounted to 1.63 SEK (0.95)^{*} and after dilution 1.63 SEK (0.95).
- The Company was listed on the Nasdaq Stockholm Stock Exchange on June 15.

Full year (July 2015 – June 2016)

- Net sales increased by 5.5 percent to SEK 8,611 million (8,163).
- Operating profit (EBIT) increased by 3.5 percent to SEK 535 million (517). Adjusted for items affecting comparability, operating profit was SEK 568 million (596).
- Net profit for the period was SEK 319 million (222).
- Cash flow from operating activities amounted to SEK 542 million (684).
- The number of children and students in preschool, compulsory school and upper secondary school amounted to 63,151 (60,897) which was an increase of 3.7 percent.
- Basic earnings per share amounted to 3.97 SEK (2.63)[†] and after dilution 3.97 SEK (2.63).
- The Board of Directors proposes that no dividend be paid for the 2015/16 financial year.

Significant events after the end of the reporting period

No significant events have occurred since the end of the reporting period.

The complete report will be made available at

<https://corporate.academediase.com/en/financials/reports-presentations/>

Comments from CEO Marcus Strömberg

“AcademeMedia ends the financial year with strong growth. In summary, we can report a stable year, with good growth and an improved operating profit. Despite major investments in new establishments and several deferred contracts in adult education, our operating result is stable. The strong and stable growth during the year is based on a substantial increase in the number of students and participants, which is based on the growth of our existing operations, as well as on new establishments and acquisitions. During the year we acquired 20 units and completed 14 new establishments. These additions will reach full effect next year. We are also pleased to see that we are making good progress in our quality work and that our students are increasingly achieving their educational objectives.

^{*} Calculated with current number of shares basic earnings per share for the quarter amounted to 1.50 (0.85).

[†] Calculated with current number of shares basic earnings per share for the year amounted to 3.39 (2.36).



Increased proportion of students reach goals

One of AcadeMedia's most important quality objectives as well as an important social objective, is for all students to achieve the goals of the educational program. In compulsory school, the preliminary grades show that 85.8 percent of all students pass in all subjects, an increase of 1.6 percentage points compared with the previous year. This should also be compared with the national average, which was 77 percent for spring semester 2015. Upper secondary school also shows progress for the financial year, as 89.7 percent of students graduated, which was an improvement of 2.3 percentage points compared with the previous year. AcadeMedia's results are somewhat better than the national average, which was 89.2 percent last year.

These achievements are positive for our students and show that our quality work pays off. We will continue to strive for even better student performance, with the goal that 100 percent of students achieve the educational goals.

Improved performance in adult education

After a fall with postponed contracts and competitor appeals regarding contracts we won, adult education now reports a strong performance with good margins and a steady participant flows. The fourth quarter shows a strong improvement in performance. Our breadth in adult education will enable us to follow the favorable market trend, which we believe will continue. The large number of refugees who have come to Sweden represent a great opportunity. By investing in adult education so that they can quickly obtain jobs and contribute to society, we solve many of the integration issues that otherwise rapidly can arise. AcadeMedia is Sweden's leader in integration in terms of both Swedish for Immigrants (Sfi) and various vocational courses.

Education market set to grow

The number of students in the school system will increase substantially over the next five years. Well over 100,000 new students are expected to enroll, both due to an increase in the number of students in age group, and because of the large number of immigrants. Many new schools need to be built, especially in the major metropolitan areas, and the need for additional players is great. We also see a growing trend toward urbanization, which entails a large migration to regions and cities where AcadeMedia has the majority of its operations.

Student year groups in upper secondary schools are now at their lowest level and will grow by almost 20 percent over the next five years. The need for adult education will remain high, mainly because of the high level of immigration to Sweden, and the need for new skills. The need for preschools in Europe remains high since also the youngest children need and will be offered preschool education. AcadeMedia is a leader in preschools in Europe and the Nordic preschool model serves as a model for many countries.

Good growth forms a solid base for development

The trend for the fourth quarter regarding number of students and participants was good and the average number of students was 5.0 percent higher year on year. The volume growth, along with changes in price and mix, produced a revenue increase of 8.1 percent despite a negative currency effect. Operating profit improved in the fourth quarter mainly due to expenses affecting comparability previous year. The number of students for the full year increased by an average of 3.7 percent and sales rose 5.5 percent. The increase in sales was in line with the Group's annual growth target of 5-7 percent, excluding major acquisitions.

During the last quarter we developed our entire organization, including streamlining the support organization for our units. The costs for this reorganization have been expensed in the fourth quarter. At AcadeMedia the development of each unit is key. We have therefore focused on creating structures that support the competitiveness of our schools.

During the year AcadeMedia launched a strategic plan "Roadmap for 2020". The focus of this plan is to improve both quality and efficiency. We also aim to focus on digitization and in this context we are very excited about our recently established partnership with Schoolidoo, which develops digital learning materials.



Conclusion

AcadeMedia has consolidated its position as the leading education company in Northern Europe. We are now undergoing an exciting transformation into a leading international education company. AcadeMedia will develop through quality improvements and growth. We have made several advances over the past financial year, especially regarding quality performance, the acquisition in Germany and good volume growth. This forms a good base for further growth.”

Presentation of the full year results

A web-cast telephone conference will be held at 09:30 CET the same day, where CEO Marcus Strömberg and CFO Eola Änggård Runsten will present the report.

You can follow the presentation and the conference on the following page:

<https://wonderland.videosync.fi/2016-08-30-academedi-q2-report>

Or call one of the following numbers at least ten minutes before the start of the call:

- SE: +46 8 5664 2662
- UK: +44 20 3008 9806

The presentation material will be available before the conference begins on AcadeMedia web via <https://corporate.academedi.se/en/financials/reports-presentations/presentations/>

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About AcadeMedia

AcadeMedia is the leading and single largest independent education provider in northern Europe. In 2015/16, approximately 64,000 children and students attended AcadeMedia’s preschools, compulsory schools and upper secondary schools. An additional 80,000 individuals participated in AcadeMedia’s adult education courses. In 2015/16, AcadeMedia had approximately 425 preschools, compulsory schools and upper secondary schools in Sweden and Norway and approximately 150 adult education units in Sweden. In February 2016, AcadeMedia also took a first step in the Company’s expansion outside Scandinavia through the acquisition of Joki, which operates seven preschools with approximately 450 children in the Munich region of Germany. AcadeMedia has operations throughout the education chain, from preschool, compulsory school and upper secondary school to adult education. More information about AcadeMedia is available on www.academedi.se

This information is information that AcadeMedia AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 08:00 CET on 30 August 2016.

