

YA Holding AB (publ)

Investor presentation Q3 2014

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Major events during Q3

- ▶ Sweden has a new government after the election with a focus on reducing unemployment with an expected positive impact on YA's main customer the Swedish Employment Agency (Arbetsförmedlingen – "AF"). According to the Statement of Government Policy, AF will be fundamentally reformed and opportunities for training and development in working life should increase significantly.
- ▶ The new management at AF has informed the suppliers about their ambition to work closer to the suppliers and with focus on quality which is positive for YA. Meetings with the suppliers have already started.
- ▶ The new administrative system ("KA web") within AF is now handling all new students. The new system means more administration for both AF and YA but improved working capital for YA.

Major events during Q3, continued

- ▶ YA submitted 34 applications for higher vocational education in September. The total number of applications received by the National Agency for Higher Vocational Education was 1,339. Decisions will be made in January 2015 and last time 30% of the applications were approved.
- ▶ The sales force has been reorganized and now works closer to the business units.
- ▶ A road show is running through Sweden in Q3 and Q4 in order to market our training courses to as many students as possible.
- ▶ Most of our customers have been visited during Q3. About 500 visits have been made.

Real estate labor market training programs

- ▶ The start of the programs within property management has been delayed caused by repeated appeals but is now determined by “Kammarrätten” (June 30) in favor of YA.
- ▶ A national start-up meeting with AF was held August 29.
- ▶ The programs have started during Q4. Before year end 7 courses of the total 17 shall have started and another 4 courses are planned to start in January 2015.
- ▶ Total yearly revenue at full capacity will be approximately SEK 40 million.
- ▶ Costs have been recorded during the year and due to the delay of the start, the real estate programs will report a loss for 2014.

Profit & loss Q3 2014

- ▶ Revenue amounted to SEK 80.5 million (81.6), slightly below previous year. Positive development for YA's main business unit, Professional Drivers. The decline relates to Machine Operators due to an expired contract.
- ▶ EBITDA amounted to SEK 10.3 million (10.4), which is in line with previous year. Lower costs compensate for the negative deviation in revenue.
- ▶ Lower direct cost for production (including leasing and depreciation), SEK 68.4 million compared to SEK 70.7 million previous year.
- ▶ Direct cost as a percentage of revenue decreases from 86.6% previous year to 85.0% during Q3 2014.

Direct costs and overhead (incl. leasing fees & depreciation)

Direct costs (SEK million)	Q3 2014	Q3 2013	Δ
Employees & Consultants	36.1	35.0	1.1
Premises, Vehicles & Machines & leasing	19.3	21.9	-2.6
Other	13.0	13.8	-0.8
TOTAL	68.4	70.7	-2.3

Indirect costs (SEK million)	Q3 2014	Q3 2013	Δ
Overhead	10.0	8.8	1.2
TOTAL	10.0	8.8	1.2

TOTAL COST	78.4	79.5	-1.1
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Balance sheet & cash flow Q3 2014

- ▶ Cash balance amounted to SEK 22.8 million (2.8), bank overdraft facility not used.
- ▶ The cash flow from operating activities amounted to SEK 38.0 million (14.4).
- ▶ Delayed payments from AF related to Q2 as a positive one time effect in Q3.
- ▶ Improved cash flow from AF due to the new administrative system, with earlier and more regular payments.

Cash flow Q3 2014

(SEK millions)	July – Sept.
EBITDA	10.3
Income tax paid	3.2
Operating cash flow before change in WC	13.5
Accounts receivables	15.2
Accrued income	13.8
Other	-4.5
Change in working capital	24.5
Cash flow from operating activities	38.0

Major events after the report period

- ▶ Positive development in the number of students participating in YA's different training courses.
- ▶ AF has issued a tender for training of Machine Operators with a yearly value of about SEK 80 million. YA is the market leader in this segment today and the offer will be submitted in the beginning of December.
- ▶ Tony Ivarsson, previously business area manager for the real estate business, has been appointed Head of the private and corporate market. A reorganization has been made and the number of business areas have been reduced from 5 to 4.
- ▶ A contract for a labor market training program regarding gardening has been won. This is a new segment and the yearly value for this local contract is SEK 5 million.

Major events after the report period, continued

- ▶ The agreement with AF regarding Professional Drivers (maturity date March 31 2015) has been prolonged one year to March 31 2016.
- ▶ Based on the outcome in the first nine months of the year, it is estimated that the full year revenue will be somewhat below previous year.