

Interim report for the second quarter, April 1 – June 30, 2015

FINANCIAL OVERVIEW

Financial information in the interim report refers, unless otherwise stated, to the YA Holding Group. The comparative figures (in parentheses) are pro forma and show comparison with previous year as if YA Holding Group was consolidated as of January 1, 2014.

SECOND QUARTER APRIL - JUNE 2015

- Net sales amounted to SEK 91.8 million (97,9), a decrease of 6.2%
- EBITDA amounted to SEK 10.0 million (13.1), reaching an EBITDA-margin of 10.9% (13.4%)
- EBITA amounted to SEK -2.2 million (2.3), reaching an EBITA-margin of -2.4% (2.4%)
- Operating cash flow amounted to SEK 6.3 million (0.9).
- Net debt amounted to SEK 397.9 million (413.8)

SIX MONTHS PERIOD JANUARY - JUNE 2015

- Net sales amounted to SEK 194.6 million (199.5), a decrease of 2.5%
- EBITDA amounted to SEK 23.2 million (32.1), reaching an EBITDA-margin of 11.9% (16.1%)
- EBITA amounted to SEK -1.3 million (11.6), reaching an EBITA-margin of -0.7% (5.8%)
- Operating cash flow amounted to SEK 1.6 million (-3.1).

ABOUT THE BUSINESS

YA Holding, including subsidiaries is a Sweden based educational company. The business is primarily conducted in YrkesAkademin, the largest subsidiary. YrkesAkademin is one of the leading companies in the vocational education and labour market training industry. YrkesAkademin conducts training in several areas, including professional drivers, machine operators, technology, restaurant and health care. Under the name of Study Abroad, YrkesAkademin mediate Swedish students to foreign universities.



FINANCIAL INFORMATION

(MSEK)	Quarter		Full Year	
	(Apr-Jun)	(Apr-Jun)	(Jan - Jun)	(Jan - Jun)
	2015	2014 *	2015	2014 *
Net sales	91,8	97,9	194,6	199,5
EBITDA	10,0	13,1	23,2	32,1
EBITDA margin, %	10,9%	13,4%	11,9%	16,1%
EBITA	-2,2	2,3	-1,3	11,6
EBITA margin, %	-2,4%	2,4%	-0,7%	5,8%
Net debt	397,9	413,8	397,9	413,8

* The Group was formed on June 23, 2014. For the assumptions used in the pro forma accounts for comparable periods, see Accounting policies, Pro forma accounting.

KEY RATIOS

Leverage (net debt/EBITA)	8.5x
Interest coverage (EBITDA/Net finance charges)	1.7x

MARKET DEVELOPMENT

Public market

Arbetsförmedlingen (AF) official figures shows that the number of unemployed remains at a stable level around 8%. The process to reorganize AF started from April, and has as anticipated had a negative impact on the number of participants sent to education sessions. In the longer term, the impact of the reorganisation should be positive but during the first six months the total number of students within Arbetsmarknadsutbildning (AUB) decreased with 18% while the participants within the program "Stöd och Matchning" (STOM) has increased from a low level. YAs number of student has been stable during the period in spite of the overall decline.

The government in Sweden confirms its intention to actively address the level of unemployment. The government have recently announced a strengthened focused on Yrkeshögskola with the aim to increase number of students the coming years. This has been well received by all parties.

Private and corporate market

YA has continued the focus on activities to bring in more sales from the private and corporate market. We target companies with a national presence within our focused segments.

Sales, marketing and tenders

AF has released a tender for Industry with a total scope of 54 different cities amounting to ca SEK 250 million in total revenue. YA operates 7 out of these cities as of today.

BUSINESS DEVELOPMENT DURING THE SECOND QUARTER

Revenues

Second quarter April - June 2015

Revenue amounted to SEK 91.8 million (97.8) for the quarter. The average number of students in AUB has been 1533 (1536) for the period. A decline in students in the education for machine operators is offset by increasing volume in courses for the real estate industry.

Six months period January - June 2015

Revenue amounted to SEK 194.6 million (199.5) for the quarter. The average number of students in AUB has been 1582 (1538). The increasing volume in new courses for real estate industry is compensating a lower degree of filling of students for other educations.

Earnings

Second quarter April - June 2015

EBITDA amounted to SEK 10.0 million (13.1) for the quarter. The lower profit is due to the sales mix compared to prior year resulting in lower revenue. The costs and expenses are stable compared to prior year.

Six months period January - June 2015

EBITDA amounted to SEK 23.2 million (32.1) for the quarter. Earnings compared to prior year are affected by lower revenue due to the change in sales mix and the increased cost driven by the ramp-up of new sites for education for the real estate industry.

Cash flow and financial position

Cash flow from operating activities amounted to SEK 6.3 million (0.9) during the quarter. The increase is explained by lower paid taxes and interest and improved working capital offsetting the decreasing EBIT. For the six months-period operating cash flow amounted to SEK 1.6 million (-3.1).

Cash flow from investing activities amounted to SEK -1.2 million (-505.6) during the quarter and SEK -2.0 million (-528.7) for the six months-period.

Cash flow from financing activities amounted to SEK -5.0 million (521.6) during the quarter and SEK -16.4 million (537.7) for the six months-period.

Prior year is effected by the acquisition and forming of the Group.

OTHER DISCLOSURES

The company has listed the up to SEK 400,000,000 senior secured floating notes on the Corporate Bond list on Nasdaq Stockholm as of June 8th.

Events after the second quarter

YA have submitted an offer for the AF tender related to Industry mentioned earlier in the report.

Josefin Born-Nilsson has been appointed business area manager Yrkeshögskolan in order to strengthen our focus within that segment.

Average number of employees in the Group

For the period the average number of employees (FTE) in the Group was 357 (329). The increase is related to the start-up of new locations for real estate courses.

Reporting dates

Interim report Q3, 2015	November 30, 2015
Interim report Q4, 2015	February 29, 2016

Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

Goodwill should be tested annually for impairment in accordance with IAS 36.

Pro forma accounting

The Group was formed on June 23, 2014. Pro forma figures for comparative periods are based on reported numbers for the acquired YA Group prepared in accordance with K3. Hagströmska Gymnasiet is excluded from the reported numbers. An adjustment has been made to adopt the reported numbers for comparative periods to IFRS, amortization of goodwill has been reversed.

Falun, August 28, 2015

The Board of Directors

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FINANCIAL REPORTS

Income statement and other comprehensive income

(SEK thousands)	*		*		
	2015-04-01 2015-06-30	2014-04-01 2014-06-30	2015-01-01 2015-06-30	2014-01-31 2014-06-30	2014-01-31 2014-12-31
Net sales	91 805	97 866	194 639	199 460	382 689
Other operating income	2 976	1 000	3 470	2 646	5 228
Total	94 781	98 866	198 109	202 106	387 917
<i>Operating expenses</i>					
Other external costs	-41 454	-41 416	-85 010	-82 350	-169 132
Employee benefit expenses	-43 309	-44 361	-89 850	-87 623	-170 170
Amortisation and depreciation of intangible and tangible fixed assets	-12 213	-10 743	-24 518	-20 527	-46 955
Other operating expenses					-356
Operating profit/ loss	-2 195	2 346	-1 269	11 606	1 304
<i>Profit/loss from financial items</i>					
Profit from participations in group companies					-100
Other interest income and similar profit items	-7	2	21	37	42
Interest expense and similar loss items	-6 626	-3 476	-14 161	-5 325	-21 555
Profit after financial items	-8 828	-1 128	-15 409	6 318	-20 309
Tax on profit for the period	114	15	1 255	-1 390	-51
Net profit for the period	-8 714	-1 113	-14 154	4 928	-20 360

*The Group was formed on June 23, 2014. For the assumptions used in the pro forma accounts for comparable periods, see Accounting policies. Pro forma accounting

BALANCE SHEET

(SEK thousands)	2015-06-30	2014-06-30 *	2014-12-31
Non-current assets			
<i>Intangible assets</i>	491 387	492 373	491 739
<i>Tangible fixed assets</i>	131 640	159 062	153 756
<i>Financial assets</i>	37	3	37
Current assets			
<i>Inventories etc.</i>	1 099	1 946	1 099
<i>Current receivables</i>	55 854	76 324	56 357
Cash and bank balances	9 707	12 922	26 588
Total assets	689 724	742 630	729 576
Equity	211 754	235 927	224 284
Liabilities			
<i>Deferred tax</i>	19 848	25 713	21 472
<i>Long-term interest-bearing debt</i>	392 406	411 583	403 558
Bond loans	335 000	335 000	335 000
Other non-current liabilities	57 406	76 583	68 558
<i>Short-term interest-bearing debt</i>	15 171	15 100	11 669
<i>Current liabilities</i>	50 545	54 307	68 593
Total equity and liabilities	689 724	742 630	729 576

STATEMENT OF CHANGES IN EQUITY

(SEK thousands)	Share capital	Other paid in capital	Retained earnings	Total
Opening balance as of January 1, 2015	500	241 700	-17 916	224 284
Net profit			-14 154	-14 154
Closing balance as of June 30, 2015	500	241 700	-32 070	210 130

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CASH-FLOW STATEMENT

(SEK thousands)	*		*		
	2015-04-01 2015-06-30	2014-04-01 2014-06-30	2015-01-01 2015-06-30	2014-01-31 2014-06-30	2014-01-31 2014-12-31
Operating profit (EBIT) for the period	-2 194	3 132	-1 269	12 228	1 304
Depreciation/amortization	12 213	10 529	24 518	20 701	46 955
Interest paid/received	-5 342	-12 023	-13 350	-10 194	-20 677
Income tax paid	-2 160	-2 827	-5 323	-1 583	-1 062
Cash flow from operating activities before change in operating capital	2 517	-1 189	4 576	21 152	26 520
Change in operating working capital	3 791	2 087	-2 978	-24 238	9 097
Cash flow from operating activities	6 308	898	1 598	-3 086	35 617
Cash flow from investing activities	-1 195	-505 553	-2 053	-528 714	-535 454
Cash flow from financing activities	-4 980	521 569	-16 426	537 690	519 393
Cash flow for the period	133	16 914	-16 881	5 890	19 556
Cash and cash equivalents, opening balance	9 574	-3 992	26 588	7 032	7 032
Cash and cash equivalents, closing balance	9 707	12 922	9 707	12 922	26 588

*The Group was formed on June 23, 2014. For the assumptions used in the pro forma accounts for comparable periods, see Accounting policies. Pro forma accounting

DEFINITIONS

EBITA	Earnings before interest, tax and amortization.
EBITDA	Earnings before interest, tax, depreciation and amortization.
EBITA-margin	EBITA as a percentage of net sales.
EBITDA-margin	EBITDA as a percentage of net sales.
Net debt	Interest-bearing liabilities less cash balances excluding shareholder loans.
Number of annual employees	The total number of hours of attendance divided by the normal working hours.
Lease contracts	Finance lease contracts are recorded as asset on the balance sheet and the value of the lease payments as debt. Depreciation is charged on the asset over the useful economic life.