

## Interim report for the first quarter, January 1 – March 31, 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.

### FIRST QUARTER JANUARY - MARCH 2015

- Net sales amounted to SEK 102.8 million (101,6), an increase of 1.2%
- EBITDA amounted to SEK 13.2 million (19.0), reaching an EBITDA-margin of 12.9% (18.7%)
- EBITA amounted to SEK 0.9 million (9.3), reaching an EBITA-margin of 0.9% (9.1%)
- Operating cash flow amounted to SEK -4.7 million (-4.0).
- Net debt amounted to SEK 402.4 million (122.0)

### 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
	(Jan - Mar)	(Jan - Mar)	(Jan - Dec)
	2015	2014 *	2014 *
Net sales	102,8	101,6	382,7
EBITDA	13,2	19,0	48,3
EBITDA margin, %	12,9%	18,7%	12,6%
EBITA	0,9	9,3	1,3
EBITA margin, %	0,9%	9,1%	0,3%
Net debt	402,4	122,0	388,6

\* 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)	7.8
Interest coverage (EBITDA/Net finance charges)	2.2

## MARKET DEVELOPMENT

### Public market

The change of government in Sweden has so far not had any major impact on YrkesAkademin's ("YA") main customer Arbetsförmedlingen ("AF"). About 9.3 billion SEK is reserved for labour market programmes and initiatives which is about 100 million SEK more than the previous year. AF has begun a reorganization of its business that aims to be more active towards local and regional business.

### Private and corporate market

During the period, YA has focused activities more on sales to the private and corporate market. A number of visits have been carried out to companies with a national spread within our focused segments.

### Sales, marketing and tenders

At the end of the year YA won a tender worth about SEK 80 million on a yearly basis related to training courses for machine operators for AF. YA is now the sole supplier to AF regarding this type of training. Training courses will start in for YA two new regions; Stockholm which has been retaken and Skåne as a new region..

## **BUSINESS DEVELOPMENT DURING THE FIRST QUARTER**

### **Revenues**

#### **First quarter January-March 2015**

Revenue amounted to SEK 102.8 million (101.6) for the quarter. The total number of students continues to be at stable level. A temporarily decline in students in the education for machine operators due to the start-up of the new contract is offset by increasing volume in courses for the real estate industry.

### **Earnings**

#### **First quarter January-March 2015**

EBITDA amounted to SEK 13.2 million (19.0) for the quarter. Earnings compared to prior year are affected by start-up costs for the new training courses for real estate and increasing labour cost.

### **Cash flow and financial position**

Cash flow from operating activities amounted to SEK -4.7 million (-4.0) during the quarter and of the total decrease (-0.7) relates SEK -8.2 million to lower operating profit, SEK -8.1 to interest and SEK 19.5 million to a change in working capital.

Cash flow from investing activities amounted to SEK -0.9 million (-23.2) during the quarter. Investments in machinery and vehicles are low compared to prior year.

Cash flow from financing activities amounted to SEK -11.4 million (16.1) during the quarter. The higher interest expenses are due to the pay outs in relation to the Company's bond loan.

## **OTHER DISCLOSURES**

### **Events after the first quarter**

Our training in real estate is steadily growing, we have currently started in 13 locations out of 16 planned. The tender won in machine operators now starts gradually.

The process to reorganize AF has started from April, a consequence for YA is lower activity in general, there is a risk that it will have a negative impact on the number of participants sent to YA's training sessions for the coming months. In the longer term should the impact of the reorganisation be positive.

As a result of the increased market activity towards the private and corporate market several new contracts were signed on different types of training during April and May.

The company has applied for listing of the up to SEK 400,000,000 senior secured floating notes on the Corporate Bond list on Nasdaq Stockholm. The trade expects to commence during Q2.

### **Average number of employees in the Group**

For the period the average number of employees (FTE) in the Group was 355 (328). The increase is related to the start up of new locations for real estate courses.

### **Reporting dates**

Interim report Q2, 2015	August 28, 2015
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, May 29, 2015

The Board of Directors

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## FINANCIAL REPORTS

### Income statement and other comprehensive income

	Group - Pro forma *			Parent company
	2015-01-01 2015-03-31	2014-01-31 2014-03-31	2014-01-31 2014-12-31	2015-01-01 2015-03-31
(SEK thousands)				
Net sales	102 834	101 594	382 689	1 295
Other operating income	494	1 646	5 228	124
<b>Total</b>	<b>103 328</b>	<b>103 240</b>	<b>387 917</b>	<b>1 419</b>
<i>Operating expenses</i>				
Other external costs	-43 556	-40 934	-169 132	-2 064
Employee benefit expenses	-46 541	-43 262	-170 170	-618
Amortisation and depreciation of intangible and tangible fixed assets	-12 305	-9 784	-46 955	
Other operating expenses			-356	
<b>Operating profit/ loss</b>	<b>926</b>	<b>9 260</b>	<b>1 304</b>	<b>-1 263</b>
<i>Profit/loss from financial items</i>				
Profit from participations in group companies			-100	
Other interest income and similar profit items	28	35	42	1 073
Interest expense and similar loss items	-7 535	-1 849	-21 555	-6 774
<b>Profit after financial items</b>	<b>-6 581</b>	<b>7 446</b>	<b>-20 309</b>	<b>-6 964</b>
Tax on profit for the period	1 141	-1 405	-51	1 532
<b>Net profit for the period</b>	<b>-5 440</b>	<b>6 041</b>	<b>-20 360</b>	<b>-5 432</b>

\* 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)	Group - Pro forma *			Parent company
	2015-03-31	2014-03-31	2014-12-31	2015-03-31
<b>Non-current assets</b>				
<i>Intangible assets</i>	491 450	113 335	491 739	-
<i>Tangible fixed assets</i>	142 596	111 507	153 756	-
<i>Financial assets</i>	37	10	37	524 538
<b>Current assets</b>				
<i>Inventories etc.</i>	1 099	1 946	1 099	-
<i>Current receivables</i>	59 772	79 482	56 357	68 271
<b>Cash and bank balances</b>	9 575	8 670	26 588	846
<b>Total assets</b>	<b>704 529</b>	<b>314 950</b>	<b>729 576</b>	<b>593 655</b>
<b>Equity</b>	<b>218 844</b>	<b>83 084</b>	<b>224 284</b>	<b>226 601</b>
<b>Liabilities</b>				
<i>Deferred tax</i>	20 660	9 472	21 472	- 2 868
<i>Long-term interest-bearing debt</i>	400 169	130 688	403 558	350 406
Bond loans	335 000	-	335 000	335 000
Other non-current liabilities	65 169	130 688	68 558	15 406
<i>Short-term interest-bearing debt</i>	11 854	21 759	11 669	-
<i>Current liabilities</i>	53 002	69 947	68 593	19 516
<b>Total equity and liabilities</b>	<b>704 529</b>	<b>314 950</b>	<b>729 576</b>	<b>593 655</b>

## STATEMENT OF CHANGES IN EQUITY

(SEK thousands)	Share capital	Other paid in capital	Retained earnings	Total
<b>Opening balance as of January 1, 2015</b>	<b>500</b>	<b>241 700</b>	<b>-17 916</b>	<b>224 284</b>
Net profit			-5 440	-5 440
<b>Closing balance as of March 31, 2015</b>	<b>500</b>	<b>241 700</b>	<b>-23 356</b>	<b>218 844</b>

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## CASH-FLOW STATEMENT

(SEK thousands)	2015-01-01	2014-01-31	2014-01-31
	2015-03-31	2014-03-31	2014-12-31
<b>Operating profit (EBIT) for the period</b>	926	9 096	1 304
Depreciation/amortization	12 305	10 172	46 955
Interest paid/received	-8 008	1 829	-20 677
Income tax paid	-3 164	1 244	-1 062
<b>Cash flow from operating activities before change in operating capital</b>	2 059	22 341	26 520
Change in operating working capital	-6 769	-26 325	9 097
<b>Cash flow from operating activities</b>	-4 710	-3 984	35 617
<b>Cash flow from investing activities</b>	-858	-23 161	-535 454
<b>Cash flow from financing activities</b>	-11 446	16 121	519 393
<b>Cash flow for the period</b>	-17 014	-11 024	19 556
<b>Cash and cash equivalents, opening balance</b>	26 588	7 032	7 032
<b>Cash and cash equivalents, closing balance</b>	9 574	-3 992	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

<b>EBITA</b>	Earnings before interest, tax and amortization.
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortization.
<b>EBITA-margin</b>	EBITA as a percentage of net sales.
<b>EBITDA-margin</b>	EBITDA as a percentage of net sales.
<b>Net debt</b>	Interest-bearing liabilities less cash balances excluding shareholder loans.
<b>Number of annual employees</b>	The total number of hours of attendance divided by the normal working hours.
<b>Lease contracts</b>	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.