YA Holding AB (publ)

Investor presentation Q2 2016

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Mikael Vesterlund CFO

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Participants

CEO
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CFO
Mikael Vesterlund
Inflow of asylum seekers low, but increase in decision speed will lead to more job seekers

Delayed effect on market:
- Inflow continues to be lower than before the asylum wave
- Average handling time in July was 317 days, increasing 80 days since January 2016
- Proportion granted increases. 71% in July, 50% on average 2016.
- >150,000 asylum seekers in system, 132,000 with no asylum decision
- # of decisions doubled since January to 9640 in July

Source: The Swedish Migration Board, Migrationsverket
Unemployment down, but labour market divided depending on education and background

Continued need for matching and training:

- 72’ vacant positions - twice as high as July 2013
- Youth unemployment (18-24) down 17% in one year to 58.000 (11%)
  - primarily youth w/out secondary education
- Long term unemployed up 4.000 to 142.000
- Unemployment down 3’ among people born in Europe, but up 13’ among those born out of Europe to 148.000
- Unemployed among people born in Sweden 4.2%.
- 48.000 unemployed in "Establishing mission"
  - 50%, 23.000 have no secondary education

Source: The Swedish Public Employment Service, Arbetsförmedlingen
Lack of skilled labour growing concern

Labour agency’s assessment of demanded skills on Swedish labor market:

In 16 of 20 jobs with largest skills deficits, YA has or is building educational competence:

- Chef
- Truck mechanics
- Construction tin smith
- Carpenter
- Plumber
- Assistant nurse
- Floorer
- Tiler
- Bricklayer
- Medical secretary
- Truck driver
- Electrician
- Concrete worker
- Roofer
- Painter
- Toolmaker
- Construction worker
- Fine tin smith
- Car mechanics
- Control engineer

Occupations with excess of skilled labour

- Janitor
- Sales, groceries
- Sales, specialty retail
- Warehouse worker
- Administrator
- Fitter in plastic, rubber and metal
- Park worker
- Kitchen assistant
- Postman
- Accounts assistants
YA has same volumes and market share as 12 months ago despite close down of AF warehouse and transport training

Volume growth
- AUB market stabilize at low levels
- YA’s market share somewhat higher than June 2015
- Close down of warehouse and terminal worker programs and transport training has affected numbers in second quarter

Source: The Swedish Public Employment Service, Arbetsförmedlingen
Profit & loss Q2 2016

- Revenues were SEK 100.0 million (91.8) in the quarter.
- The average number of students in AUB has been 1624 (1491) for the period.
- A decline in truck and bus education is compensated with higher activity in other business areas.
- EBITDA amounted to SEK 10.0 million (10.0)
- Increased revenue has generated a better operating result during the quarter.
- EBITDA is affected by non-recurring cost of SEK 3 million related to redundancy cost for closing down truck and bus education.
## Normalized EBITDA

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Reported EBITDA</td>
<td>13.2</td>
<td>10.0</td>
<td>7.8</td>
<td>9.2</td>
<td>21.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Non recurring cost</td>
<td>+1.6</td>
<td></td>
<td></td>
<td>+2.1</td>
<td></td>
<td>3.0</td>
</tr>
<tr>
<td>Other income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Normalized EBITDA</td>
<td>14.8</td>
<td>10.0</td>
<td>7.8</td>
<td>11.3</td>
<td>21.0</td>
<td>13.0</td>
</tr>
</tbody>
</table>
Cash balance amounted to SEK 28.8 million (9.7) at the end of the quarter, bank overdraft facility (SEK 30 million) not used.

Cash flow amounted to SEK 8.0 million (0.1).

Cash flow from operating activities amounted to SEK 11.1 million (6.3).

Change in Working capital was SEK 8.6 million (3.8).

Net debt amounted to SEK 370.7 million (402.3).
## Cash flow Q2 2016

<table>
<thead>
<tr>
<th>(SEK millions)</th>
<th>Apr-Jun</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>10,0</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>8,6</td>
</tr>
<tr>
<td>Cash flow before interest and taxes</td>
<td>18,6</td>
</tr>
<tr>
<td>Interest paid</td>
<td>-7,3</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>-0,2</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>11,1</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>-0,5</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>-2,6</td>
</tr>
<tr>
<td>Cash flow for the period</td>
<td>8,0</td>
</tr>
</tbody>
</table>
## Covenants

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leverage (Net debt/EBITDA)</td>
<td>7.0x</td>
<td>&lt;3.0x</td>
</tr>
<tr>
<td>Interest coverage (EBITDA/Net finance charges)</td>
<td>2.0x</td>
<td>&gt;2.5x</td>
</tr>
</tbody>
</table>
After the truck and bus tender, a combined cost reduction and growth plan has been executed.

**Cost reductions:**
In September, all truck and bus education will end, why we have:
- **Staff:** adaption to smaller volumes based on municipalities, licenses (YKB), armed forces and private education
- **Vehicles:** Increased divestments after summer as participants are rapidly reduced
- **Premises:** Adaption to new business

**Legal appeal:**
- On truck, ”förvaltningsdomstolen” ruled against YA. No decision in Kammarrätten on whether they will open case.
- On bus, decision expected next week

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**Profitable growth program**
*- Losses of turn-over and regain plan:*

<table>
<thead>
<tr>
<th>Loss in transport tender</th>
<th>Regain May-June</th>
<th>Potential regain rest of 2016*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Truck</td>
<td>-125</td>
<td>+20-30</td>
</tr>
<tr>
<td>Bus</td>
<td>-125</td>
<td>Various tenders and other business ~0-100*</td>
</tr>
</tbody>
</table>

* Estimate based on average success rate in previous tenders
Thank You!