YA Holding AB (publ)

Investor presentation Q4 2016 and Full Year 2016

Jan Larsson CEO
Mikael Vesterlund CFO

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Participants

CEO
Jan Larsson

CFO
Mikael Vesterlund
Inflow of asylum seekers still low, decision speed high until end of 2016, now dropping

Effect on market starts to be visible:
- Increasing concern among local labour offices and civil servants
- Number of granted permits high until end 2016, now in line with inflow
- Average handling time in December was 363 and continues to increase: 392 days in February
- Proportion granted decreases to approx. 50%
- Skilled potential teachers leave Migration Board now

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

**Unemployment Sweden 2014-2017**

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**Continued need for matching and training:**

- Unemployment slowly down: -7,000 compared to January 2016.
- 126' vacant positions – up 15' in a year.
- 60,887 in ”etablerings-program”, up 15' in a year.
- Half of people in ”etableringsprogram” lack secondary education. ”It is important to motivate them to take education that leads to work”, Head of analysis Annika Sundén says.
- 4.3% unemployment among born in Sweden.
- 22.1% among born abroad.
- Unemployment decreases in 16 of 21 regions (län)

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

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

In 14 of 20 jobs with largest skills deficits, YA is educating unemployed. In an additional 3 jobs, we provide part of required competence:

<table>
<thead>
<tr>
<th>Chef and kitchen aid</th>
<th>Carpenter</th>
<th>Control engineer</th>
<th>Service mechanics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plumber</td>
<td>Concrete worker</td>
<td>Industrial electrician</td>
<td>Construction worker</td>
</tr>
<tr>
<td>Construction tin smith</td>
<td>Excavator operator</td>
<td>Floorer</td>
<td>Painter</td>
</tr>
<tr>
<td>Electrician</td>
<td>Vehicle mechanics</td>
<td>Bricklayer</td>
<td>Medical secretary</td>
</tr>
<tr>
<td>Assistant nurse</td>
<td>Truck driver</td>
<td>Fine tin smith</td>
<td>Dental nurse</td>
</tr>
</tbody>
</table>

Legend
- Existing YA programs
- Parts of occupation skills
- No programs today
Large share of YA participants find a job after their course

<table>
<thead>
<tr>
<th>Participants in work after YA education</th>
<th># respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td>685</td>
</tr>
<tr>
<td>Service</td>
<td>344</td>
</tr>
<tr>
<td>Excavator</td>
<td>635</td>
</tr>
<tr>
<td>Industry</td>
<td>225</td>
</tr>
<tr>
<td>Total</td>
<td>1889</td>
</tr>
</tbody>
</table>

Preliminary results, methodology under development

- Response frequency 68% of contacted.
- SMS-based survey to all participants immediately after, and after 3 and 6 months.
- We will measure every 14 days to rapidly be able to adjust way we work.
- Part of a larger structural profitability development work.
Almost same volumes and marginal market share loss in 2016 despite close down of AF warehouse and transport training

Volume growth
- AUB market stabilize at low levels
- YA’s market share decreased somewhat over 2016 due to warehouse and terminal, and truck-and bus driver education
- Increased participant numbers in primarily Service and excavator operator educations 2015

Source: The Swedish Public Employment Service, Arbetsförmedlingen
Profit & loss Q4 2017

- Revenues were SEK 77.9 million (103.8) in the quarter.
- The average number of students in AUB has been 1291 (1545) for the period.
- The decline versus prior year is due to terminated business within truck/bus.
- EBITDA amounted to SEK 7.6 million (9.2)
- The result has been effected by cost for terminated business and startup cost for new educations.
- Divestures of excess vehicles has been made during the period which has offset the cost above.
- The result is also positive impacted by the divesture of Fastighetsakademin.
Profit & loss Full Year 2016

- Revenues were SEK 358.0 million (375.5) for the full year.
- The terminated business within truck and bus education has impacted the revenues with 46 SEK millions compared to prior year.
- Higher sales in other business areas have compensated for part of lost volume.
- The average number of students in AUB has been 1464 (1450) for the period.
- EBITDA amounted to SEK 40.7 million (40.3).
- The termination of truck an bus education have strongly impacted profit negatively compared to prior year but has been compensated by better results in other business areas.
- EBITDA was affected by SEK 3.0 million non-recurring cost.
## Normalized EBITDA

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<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>
<td>2.0</td>
<td>7.6</td>
</tr>
<tr>
<td>Non recurring cost</td>
<td>+1.6</td>
<td></td>
<td>+2.1</td>
<td></td>
<td>+3.0</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Other income</td>
<td></td>
<td></td>
<td></td>
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<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>
<td>2.0</td>
<td>7.6</td>
</tr>
</tbody>
</table>
Cash balance amounted to SEK 22.4 million (11.9) at the end of the quarter, bank overdraft facility (SEK 30 million) not used.

Cash flow amounted to SEK 3.9 million (2.2).

Cash flow from operating activities amounted to SEK 10.5 million (10.3).

Change in Working capital was SEK 2.2 million (11.0).

Net debt amounted to SEK 363.2 million (392.1).
## Cash flow Q4 2016 and Full year 2016

<table>
<thead>
<tr>
<th>(SEK millions)</th>
<th>Oct-Dec</th>
<th>Full year 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>7,6</td>
<td>40,7</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>2,1</td>
<td>5,0</td>
</tr>
<tr>
<td>Cash flow before interest and taxes</td>
<td>9,7</td>
<td>45,7</td>
</tr>
<tr>
<td>Interest paid</td>
<td>-6,2</td>
<td>-28,3</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>6,9</td>
<td>4,7</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>10,4</td>
<td>22,2</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>4,8</td>
<td>6,8</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>-11,3</td>
<td>-18,5</td>
</tr>
<tr>
<td>Cash flow for the period</td>
<td>3,9</td>
<td>10,5</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>8.3x</td>
<td>&lt;3.0x</td>
</tr>
<tr>
<td>Interest coverage (EBITDA/Net finance charges)</td>
<td>1.6x</td>
<td>&gt;2.5x</td>
</tr>
</tbody>
</table>
After the loss of truck and bus, the profitable growth plan has delivered potentially higher turn-over than before

- New won contracts have in general lower margins than previous driver contracts
- New bus driver education tender is due March 17
- Truck driver RfP posted March 9, due April 6
- YH volume gain will double in 2018 to approx SEK 50m
- Additional RfPs are analysed
Thank You!