

YA Holding AB (publ)

Investor presentation Q2 2014

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Market affected by uncertainty ahead of upcoming election and changes within Arbetsförmedlingen

- ▶ Q2 weaker than previous year and below expectations
- ▶ The number of students negatively affected by the introduction of a new administrative system within the Swedish Employment Agency (Arbetsförmedlingen – "AF")
- ▶ Delayed start of programs within Property management as a consequence of Lernia's unexpected appeal to Kammarrätten. The appeal was declined in favor of YA
- ▶ A number of programs within Higher vocational education (Yrkehögskola – "YH") terminated during Q2. 11 new programs starting during Q3/Q4
- ▶ Lower activity within the corporate market pending new guidelines from the government regarding Driver Certificate of Professional Competence (Yrkeskompetensbevis – "YKB") to the Transportation Board
- ▶ Delayed payments due to the new AF system affecting cash flow negatively
- ▶ The share of students into employment after completing YA programs somewhat increasing to 79.1%

Management refocusing after the sales process completed before the summer

- ▶ The ongoing sales process during the first half of 2014 required a lot of management attention
- ▶ As CapMan enters as a new owner, the management team and board of directors invest into the company, up to an ownership stake of approx. 7%
- ▶ Management now refocusing on increasing revenues and actively managing costs
- ▶ Continued sales focus towards the corporate market and AF through own sales force
- ▶ During August and September, the sales force will visit all employment service offices and a large number of companies
- ▶ Cost reductions currently being implemented without hampering future growth initiatives

Decreasing revenues during Q2

- ▶ Net sales decreasing by 6% during Q2 compared to the same period the previous year, dropping from SEK 104.3m to SEK 97.9m
- ▶ Corporate sales, primarily within Recruitment, decreasing by SEK -2.6m
- ▶ Labor market training decreasing by SEK -1.5m
- ▶ Terminated program within Machine operators in Stockholm implies a drop of SEK -5.5m
- ▶ YH decreasing as a result of the lack of overlap in programs between 2012 and 2014, dropping by SEK -2.6m
- ▶ New programs within measurement technicians, engineering and workshop mechanics contributes positively by SEK +3.7m

Decreasing overhead costs in Q2 and further cost reductions being implemented

- ▶ Costs related to Employees & Consultants increasing during Q2 by SEK +1.6m. The process of replacing consultants with own personnel continues
- ▶ Costs related to Premises, Vehicles & Machines increasing during Q2 by SEK +1.4m. Costs decreasing after Q2 as a number of rental agreements have been terminated
- ▶ Overhead costs decreasing by SEK -0.4m during Q2 despite strengthened management team
- ▶ The number of employees increasing by 20 to 292 during Q2
- ▶ The number of own personnel now being adjusted to the number of students

Direct costs and overhead

Direct costs (SEK thousands)	Q2 2014	Q2 2013	Δ
Employees & Consultants	44,148	42,499	1,649
Premises, Vehicles & Machines	18,293	16,879	1,414
Other	12,325	12,092	233
TOTAL	74,766	71,470	3,296

Indirect costs (SEK thousands)	Q2 2014	Q2 2013	Δ
Overhead	10,818	11,246	-428
TOTAL	10,818	11,246	-428

TOTAL COST	85,584	82,716	2,868
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Change in working capital

(SEK thousands)	
Operating working capital 1/4/2014	16,535
Accounts receivables	-6,390
Accrued income AF	11,828
Accounts payable	4,901
Other	-4,822
Operating working capital 30/6/2014	22,052