

## Interim report for the third quarter, July 1 – September 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.

### THIRD QUARTER JULY - SEPTEMBER 2015

- Net sales amounted to SEK 77.1 million (80.5), a decrease of 4.2%
- EBITDA amounted to SEK 7.8 million (10.3), reaching an EBITDA-margin of 10.2% (12.8%)
- EBITA amounted to SEK -4.4 million (0.2), reaching an EBITA-margin of -5.7% (0.3%)
- Operating cash flow amounted to SEK -0.4 million (35.2).
- Net debt amounted to SEK 403.2 million (392.1)

### NINE MONTHS PERIOD JANUARY - SEPTEMBER 2015

- Net sales amounted to SEK 271.7 million (280.8), a decrease of 3.0%
- EBITDA amounted to SEK 31.1 million (42.5), reaching an EBITDA-margin of 11.4% (15.2%)
- EBITA amounted to SEK -5.6 million (11.7), reaching an EBITA-margin of -2.1% (4.2%)
- Operating cash flow amounted to SEK 1.1 million (32.1).

### 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	
	(Jul-Sep)	(Jul-Sep)	(Jan - Sep)	(Jan - Sep)
	2015	2014 *	2015	2014 *
Net sales	77,1	80,5	271,7	280,0
EBITDA	7,8	10,3	31,1	42,5
EBITDA margin, %	10,2%	12,8%	11,4%	15,2%
EBITA	-4,4	0,2	-5,6	11,7
EBITA margin, %	-5,7%	0,3%	-2,1%	4,2%
Net debt	403,2	392,1	403,2	392,1

\* 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)	8.8x
Interest coverage (EBITDA/Net finance charges)	1.7x

## MARKET DEVELOPMENT

Arbetsförmedlingen (AF) official figures concerning the level of unemployment in Sweden is almost unchanged since last period. At the end of September, the official unemployment rate of 7.8 % with 372 000 people enrolled was reported.

The number of people in Arbetsmarknadsutbildning (AUB) was reported at September to be -14 % compared to December 2014. Within the third quarter the volume has fluctuated between -24 % to at the end of September be -14 %. NB. AF has not released statistics for the same period last year.

Efforts to deal with the large number of immigrants to our country affects the AF organization. According to the Director General the number of people within the country who need additional training to reach a job will increase greatly in the second half of 2016.

The new organization of AF has been implemented as per September. Work remains both regionally and locally to adapt working methods in line with the new organization.

The publication of the government's budget for 2016 has shown continued focus on AUB and Yrkeshögskola.

The new law on further education of professional drivers, Driver Certificate of Professional Competence (YKB - Yrkeskompetensbevis) with effect from September 2016. As a consequence of this we can see increased activity on the market.

### **Sales, marketing and tenders**

YrkesAkademin has won fourteen new contracts (with a possibility of one additional) in a major tender from AF related to training courses within industry, i.e. welding and CNC operators. The yearly value of the new contracts is estimated to about SEK 50 million, however as YrkesAkademin already operates the main part of the courses today this will have a positive incremental impact with SEK 20 million per annum.

## **BUSINESS DEVELOPMENT DURING THE THIRD QUARTER**

### **Revenues**

#### **Third quarter July - September 2015**

Revenue amounted to SEK 77.1 million (80.5) for the quarter. The average number of students in AUB has been 1191 (1186) for the period. A decline in revenue in our business areas Transport and Construction is compensated by higher sales in business area Service due to increasing volume in new courses for real estate industry.

#### **Nine months period January - September 2015**

Revenue amounted to SEK 271.7 million (280.0) for the period. The average number of students in AUB has been 1422 (1390). Lower revenue in Business area Transport and Construction is compensated by higher sales in business area Service due to increasing volume in new courses for real estate industry.

### **Earnings**

#### **Third quarter July - September 2015**

EBITDA amounted to SEK 7.8 million (10.3) for the quarter. The lower revenue is offset by sales of excess vehicles and operating expenses are higher due to increased footprint in new sites.

## **Nine months period January - September 2015**

EBITDA amounted to SEK 23.2 million (32.1) for the period.

The lower profit is explained by the change in sales mix and the increased cost driven by the ramp-up of new sites for courses for the real estate industry.

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

Cash flow from operating activities amounted to SEK -0.4 million (35.2) during the quarter. The decrease compared to prior year is explained by the change in payment process from AF that occurred in Q3 last year. For the nine-months-period operating cash flow amounted to SEK 1.6 million (-3.1).

Cash flow from investing activities amounted to SEK -4.7 million (-13.2) during the quarter and SEK -6.8 million (-541.9) for the nine-months-period.

Cash flow from financing activities amounted to SEK 5.3 million (-12.1) during the quarter and SEK -11.1 million (525.5) for the nine-months-period.

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

### **OTHER DISCLOSURES**

Nothing to report.

### **Events after the third quarter**

Jan Larsson has been announced as the new CEO from January 2016. Jan has during 2015 been a member of the Board of YrkesAkademin and today he is working working as partner at Brunswick. Prior to that he has been Secretary of State, Communications Director at Nordea and Consultant at McKinesey.

The company has initiated a cost savings program due to the low level of students for certain courses.

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

For the period the average number of employees (FTE) in the Group was 360 (341). The increase is related to the start-up of new locations for real estate courses.

## **Reporting dates**

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.

This interim report has not been reviewed by the Company's auditors.

Falun, November 27, 2015

The Board of Directors

## **For further information, please contact**

Mikael Vesterlund, CFO

YA Holding AB  
Pelle Bergs backe 3  
PO Box 127  
SE-791 23 Falun, Sweden  
[www.ya.se](http://www.ya.se)  
+43 23 585 00

## FINANCIAL REPORTS

### Income statement and other comprehensive income

				*	*
	2015-07-01	2014-07-01	2015-01-01	2014-01-31	2014-01-31
(SEK thousands)	2015-09-30	2014-09-30	2015-09-30	2014-09-30	2014-12-31
Net sales	77 059	80 542	271 698	280 002	382 689
Other operating income	5 117	1 210	8 587	3 856	5 228
<b>Total</b>	<b>82 176</b>	<b>81 752</b>	<b>280 285</b>	<b>283 858</b>	<b>387 917</b>
<i>Operating expenses</i>					
Other external costs	-38 076	-34 634	-123 086	-116 791	-169 132
Employee benefit expenses	-36 255	-36 792	-126 105	-124 415	-170 170
Amortisation and depreciation of intangible and tangible fixed assets	-12 200	-10 092	-36 718	-30 767	-46 955
Other operating expenses				-193	-356
<b>Operating profit/ loss</b>	<b>-4 355</b>	<b>234</b>	<b>-5 624</b>	<b>11 692</b>	<b>1 304</b>
<i>Profit/loss from financial items</i>					
Profit from participations in group companies					-100
Other interest income and similar profit items	5	-13	26	24	42
Interest expense and similar loss items	-7 245	-8 338	-21 406	-13 663	-21 555
<b>Profit after financial items</b>	<b>-11 595</b>	<b>-8 117</b>	<b>-27 004</b>	<b>-1 947</b>	<b>-20 309</b>
Tax on profit for the period	3 849	4 882	5 104	1 857	-51
<b>Net profit for the period</b>	<b>-7 747</b>	<b>-3 235</b>	<b>-21 901</b>	<b>-90</b>	<b>-20 360</b>

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

## BALANCE SHEET

(SEK thousands)	2015-09-30	2014-09-30	2014-12-31
<b>Non-current assets</b>			
<i>Intangible assets</i>	491 141	492 056	491 739
<i>Tangible fixed assets</i>	124 444	167 647	153 756
<i>Financial assets</i>	37	3	37
<b>Current assets</b>			
<i>Inventories etc.</i>	1 099	1 946	1 099
<i>Current receivables</i>	61 483	54 438	56 357
<b>Cash and bank balances</b>	9 846	22 808	26 588
<b>Total assets</b>	<b>688 050</b>	<b>738 898</b>	<b>729 576</b>
<b>Equity</b>	<b>202 384</b>	<b>241 414</b>	<b>224 284</b>
<b>Liabilities</b>			
<i>Deferred tax</i>	19 035	24 901	21 472
<i>Long-term interest-bearing debt</i>	397 905	399 843	403 558
Bond loans	335 000	335 000	335 000
Other non-current liabilities	62 905	64 843	68 558
<i>Short-term interest-bearing debt</i>	15 100	15 100	11 669
<i>Current liabilities</i>	53 626	57 640	68 593
<b>Total equity and liabilities</b>	<b>688 050</b>	<b>738 898</b>	<b>729 576</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			-21 901	-21 901
<b>Closing balance as of september 30, 2015</b>	<b>500</b>	<b>241 700</b>	<b>-39 817</b>	<b>202 384</b>

## CASH-FLOW STATEMENT

				*	*
	2015-07-01	2014-07-01	2015-01-01	2014-01-31	2014-01-31
(SEK thousands)	2015-09-30	2014-09-30	2015-09-30	2014-09-30	2014-12-31
<b>Operating profit (EBIT) for the period</b>	-4 355	234	-5 624	11 692	1 304
Depreciation/amortization	12 200	10 092	36 718	30 767	46 955
Interest paid/received	-7 080	-3 445	-20 430	-13 639	-20 677
Income tax paid	-2 135	-723	-7 458	-1 510	-1 062
<b>Cash flow from operating activities before change in operating capital</b>	-1 370	6 158	3 206	27 310	26 520
Change in operating working capital	971	29 051	-2 007	4 813	9 097
<b>Cash flow from operating activities</b>	-399	35 209	1 199	32 123	35 617
<b>Cash flow from investing activities</b>	-4 755	-13 175	-6 808	-541 889	-535 454
<b>Cash flow from financing activities</b>	5 293	-12 148	-11 133	525 542	519 393
<b>Cash flow for the period</b>	139	9 886	-16 742	15 776	19 556
<b>Cash and cash equivalents, opening balance</b>	9 707	12 922	26 588	7 032	7 032
<b>Cash and cash equivalents, closing balance</b>	9 846	22 808	9 846	22 808	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.



## 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.