



YA Holding AB (publ) Investor presentation full year and Q4 2018

Jan Larsson CEO

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March 8, 2019

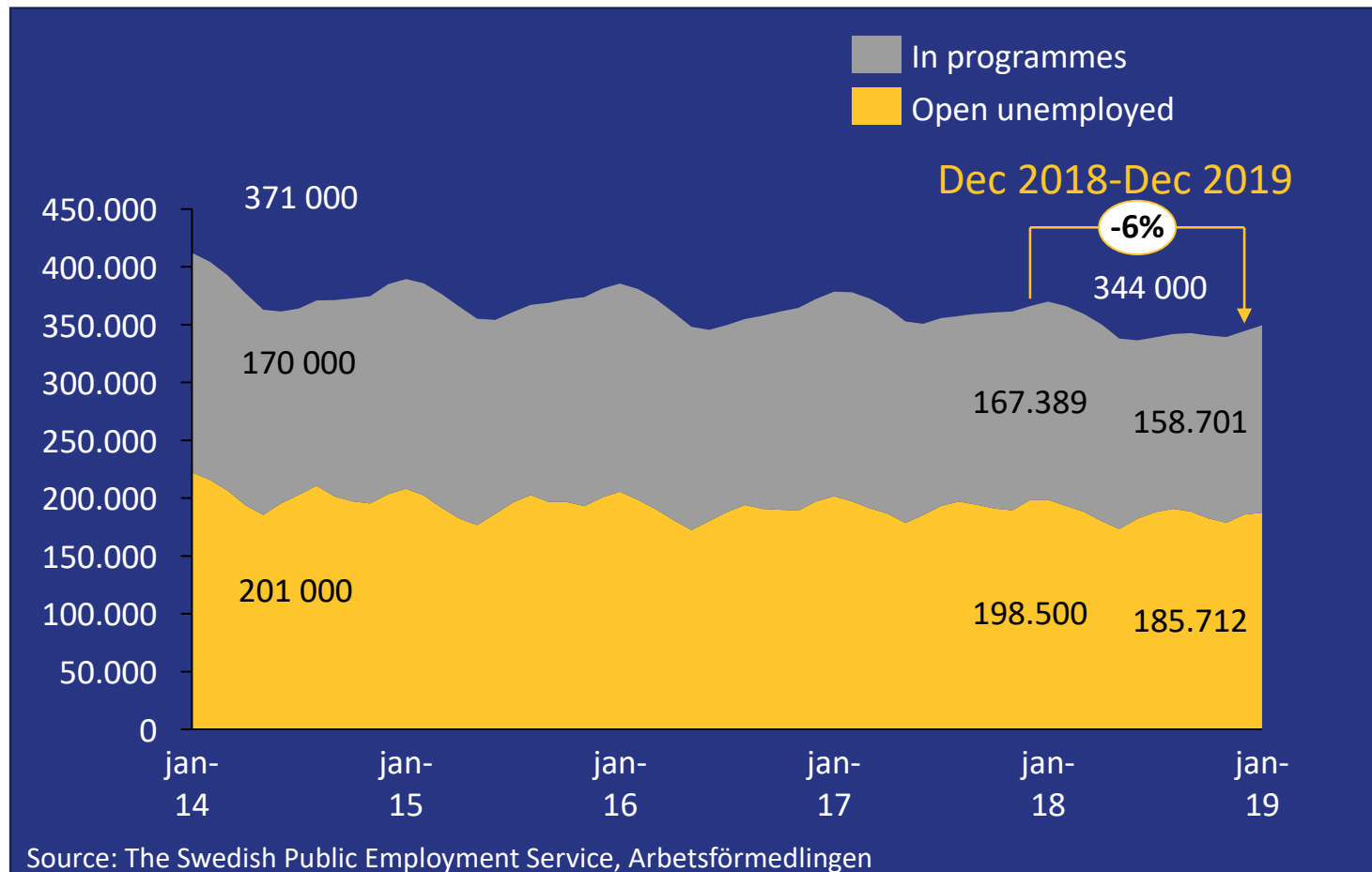
Market situation



Still more than 300 000 unemployed – but continued decrease in all sub-groups

Unemployment Sweden 2014-2018

January 2014-January 2019



Continued reduction of unemployment

- 7% unemployment. Total unemployment down 6% in one year. Both number of people in programs and open unemployment down.
- 3.8% of Sweden-born are unemployed. Down from 4.1
- 8.7% och 18 to 24 year olds unemployed. Down from 9.6.
- 19% of born-abroads are unemployed. Down from 21%. 60% of the new hired have unsubsidized jobs.

YA well positioned: educates in 15 of the 20 most demanded skills in 5 years among blue collars

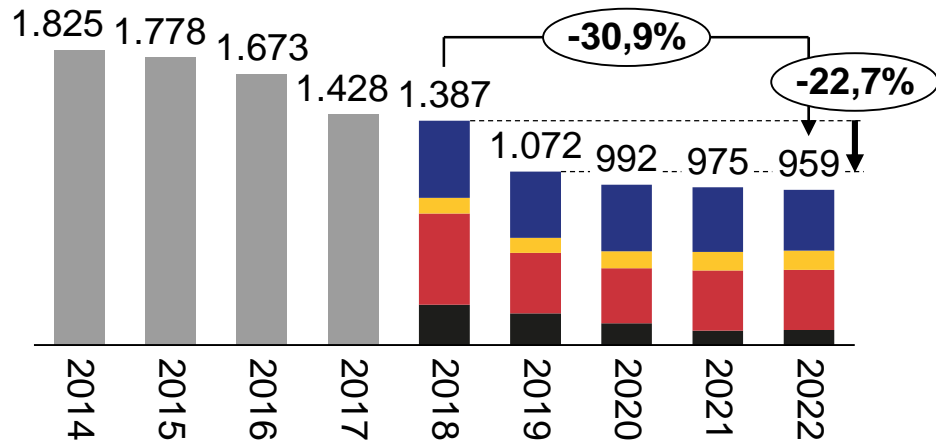
<u>Occupation</u>	<u>YA courses</u>	<u>Occupation</u>	<u>YA courses</u>
Construction worker	Yes	Brick layer	Partial
Earth moving machine operator	Yes	Painter	No
Cement worker	Partial	Butcher	No
Transport driver	Yes	Welder	Yes
Construction tin-smith	Partial	Roofer	Partial
Electrician	No	Carpenter	Partial
Chef and kitchen worker	Yes	Thin tin-smith	Partial
Heat and cold pump operator	No	Machine operator	Yes
Metal machine operator	Yes	Sub-nurse	No
Vehicle mechanics	Yes	Plumber	Partial

- AF makes survey every half year
- Published Feb 2019
- This is a sample of professions. Not all YA's courses are explicitly covered in survey

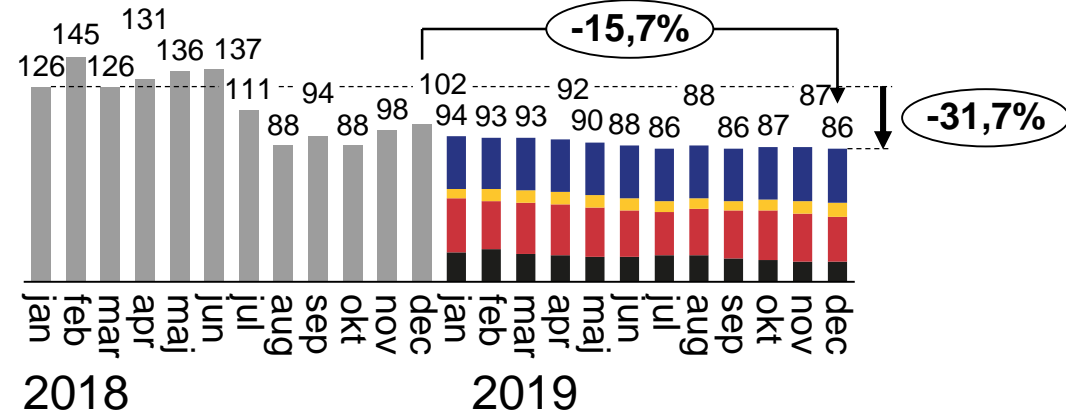
But Parliament has put Arbetsförmedlingen under "fundamental transition"

Yearly funding

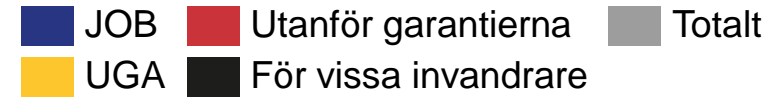
- employment education (AUB)



Monthly funding 2018-2019



AUB, SEKm, name of "program":



AF transition:

- Reduction of local offices by 130 to less than half (from 242 to 112)
- Office location primarily in towns and geographical hubs
- Advance notice (varsel) of 4.500 of 13.400 employed (34%)
- Actual reduction of staff still unknown.

Government signals

- No signs of additional funding from Government in supplementary spring budget
- AF role will be to assess need, not match unemployed
- AF will also assess delivery from private companies

Conclusions for YA:

- Continued reduction of AUB-volumes.
- Risk of drop in demand of education due to lack of staff, focus and resources in AF
- Opportunity to increase matching activities as AF transforms
- General need for competence development increasing, uncertainty of who will have responsibility for funding in future

Financial information

A quarter subdued by a declining market

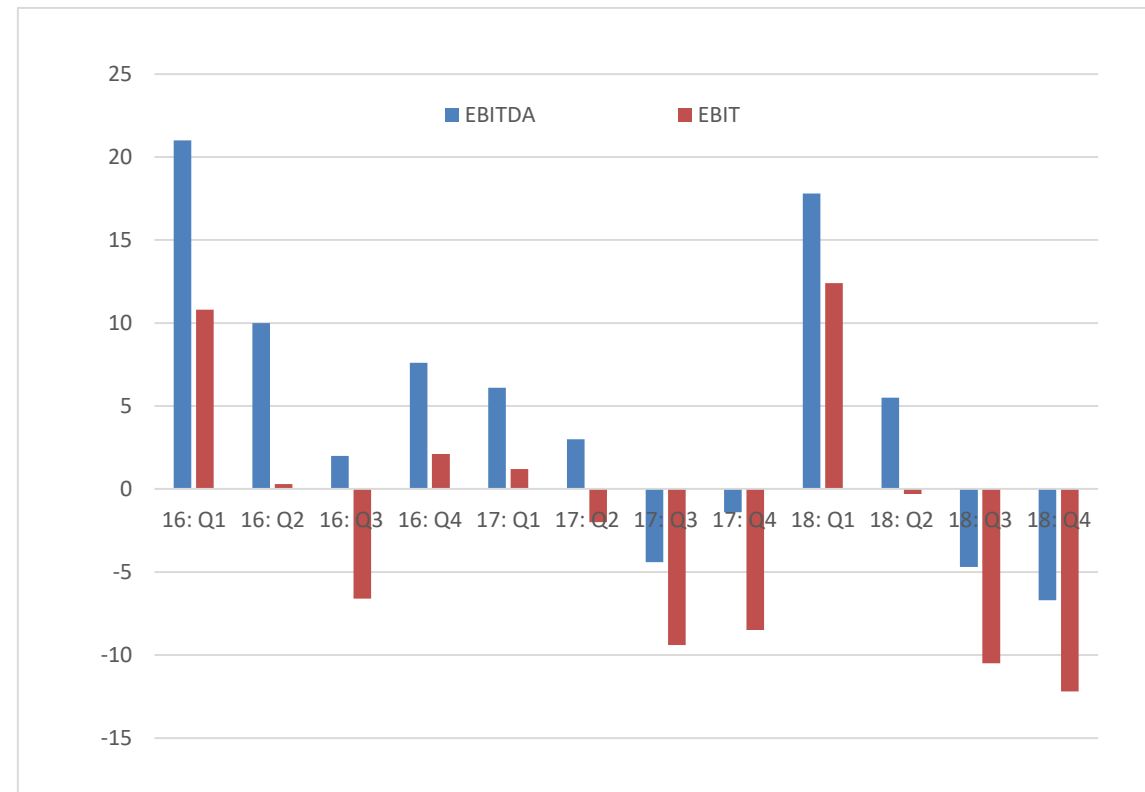


Profit & loss Q4 2018

- ▶ Revenues were SEK 135,9 million (124,8) in the quarter.
- ▶ The average number of students in AUB has been 2530 (2286) for the period.
- ▶ Write down of goodwill by SEK 50m affects EBIT in the quarter.
- ▶ Cost reduction program in Q4 has led to one-off provisions of SEK 6.9m.
 - ▶ EBITDA excluding provisions was SEK +0,2m (-1.4)
 - ▶ EBITDA Including provisions SEK -6,7m (-1,4)
 - ▶ EBIT excluding one-off provisions and goodwill write down was SEK -5.3m (-8.5)

Subdued results in Q4

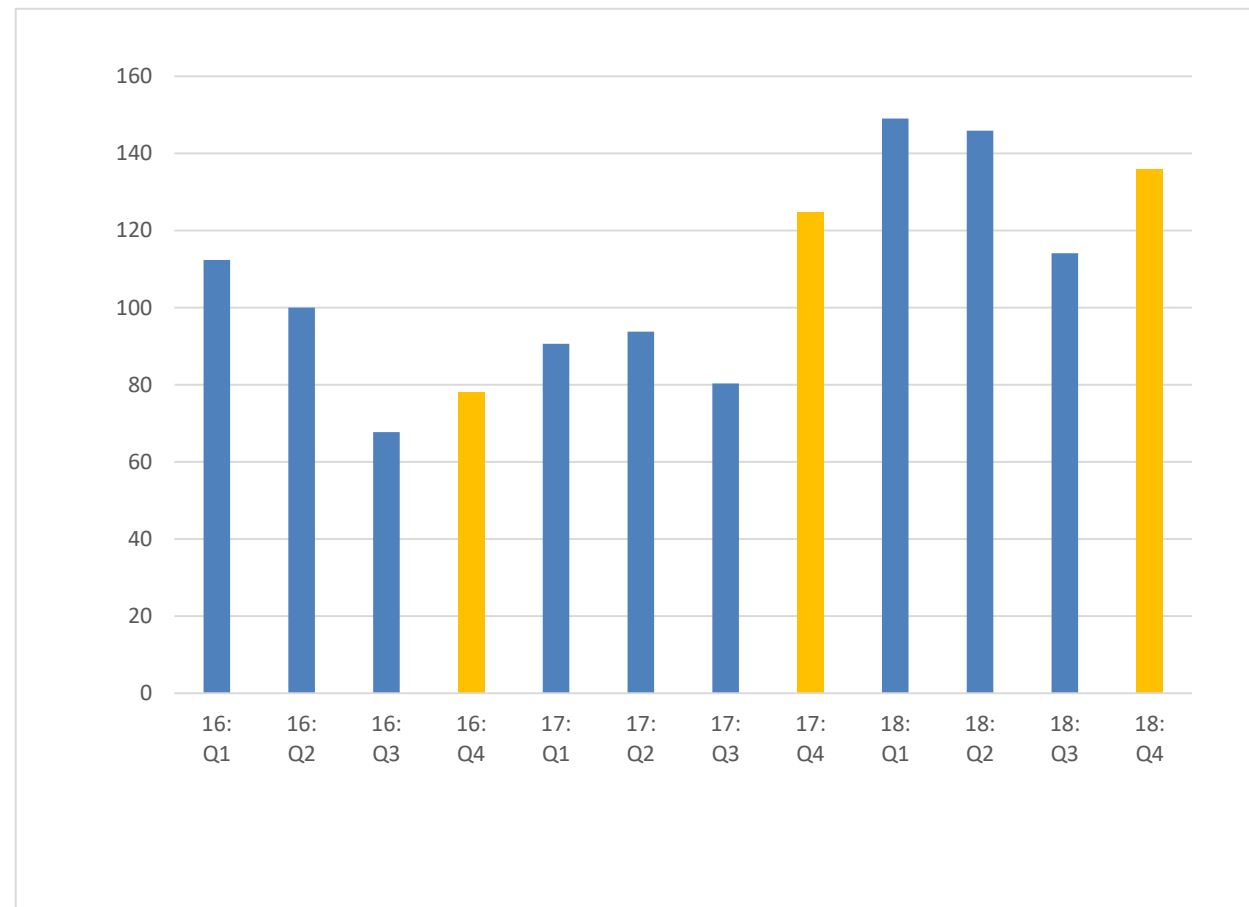
- due to reduced volumes in Q3, provisions for cost reductions and few working days in December



Profit & loss 2018

- ▶ Net sales increased by 40% to SEK 545 million (389.4)
- ▶ EBITDA was SEK 11.8 million (3.3), or 2.2% (0,9%)
- ▶ EBITDA excluding provisions was 18.7m
- ▶ EBIT was SEK -60.6 million (-18.8), or -11.1% (-4.8%)
- ▶ EBIT excl. provisions and write-down was SEK -3,7m or -0,7%
- ▶ Cash flow amounted to SEK 2.8 million (-16.4)

Increased yearly turnover, despite reduction after H1



Balance sheet and cash flow

- ▶ Cash balance amounted to SEK 8,8 million (6.0) at the end of the quarter.
- ▶ Cash flow amounted to SEK 6.8 million (1.0).
- ▶ Cash flow from operating activities amounted to SEK 9.5 million (21.6).
- ▶ Change in Working capital was SEK 15.4 million (27.9).
- ▶ Net debt amounted to SEK 392.4 million (378.2).

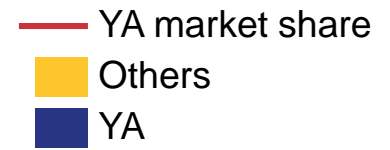
Cashflow Q4 and full year 2018

	Q4	2018
EBITDA	-62,2	-60,6
Change in working capital	15,4	13,1
Amortizations / other non-cash items	61,0	77,9
Cash flow before interest and taxes	14,2	30,4
Interest paid	-7,0	-28,6
Income tax paid	2,4	-0,1
Cash flow from operating activities	9,5	1,8
Cash flow from investing activities	9,7	-14,6
Cash flow from financing activities	-12,4	15,7
Cash flow for the period	6,8	2,8

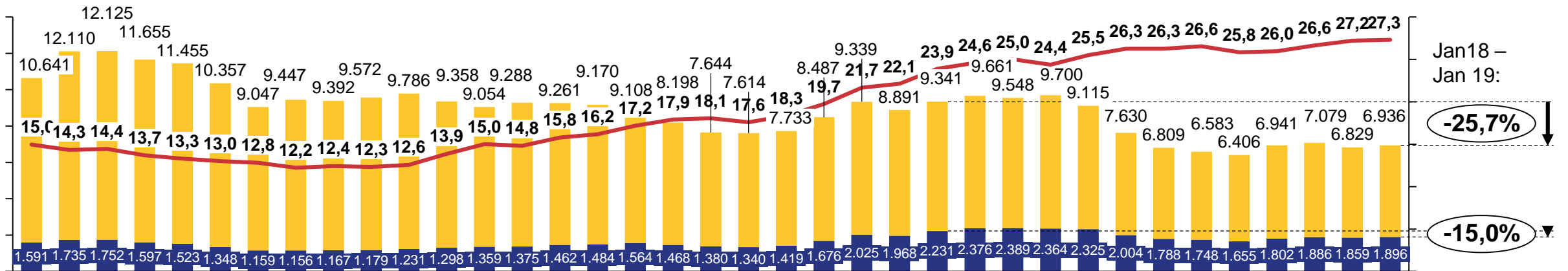
Growth and profitability in 2019



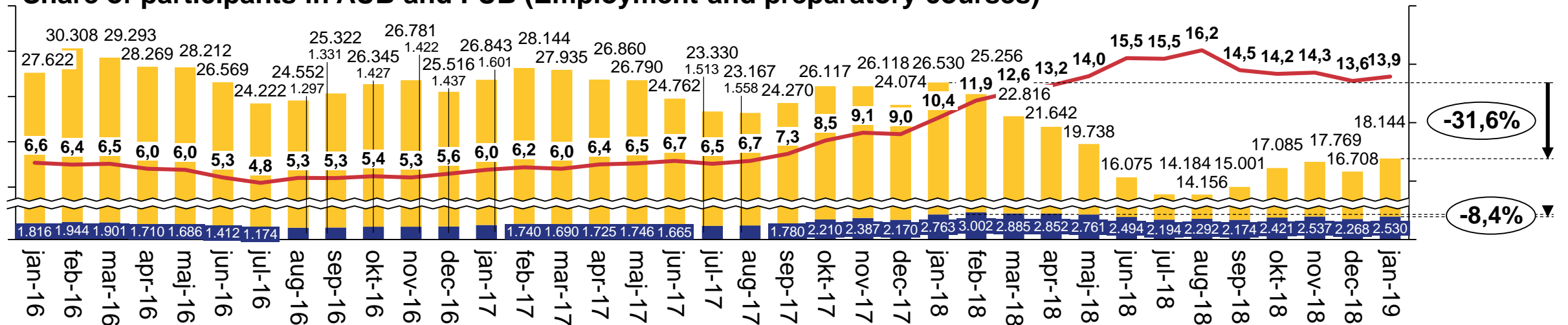
YA's market share of participants in employment education (AUB) continues to grow despite decreasing volumes



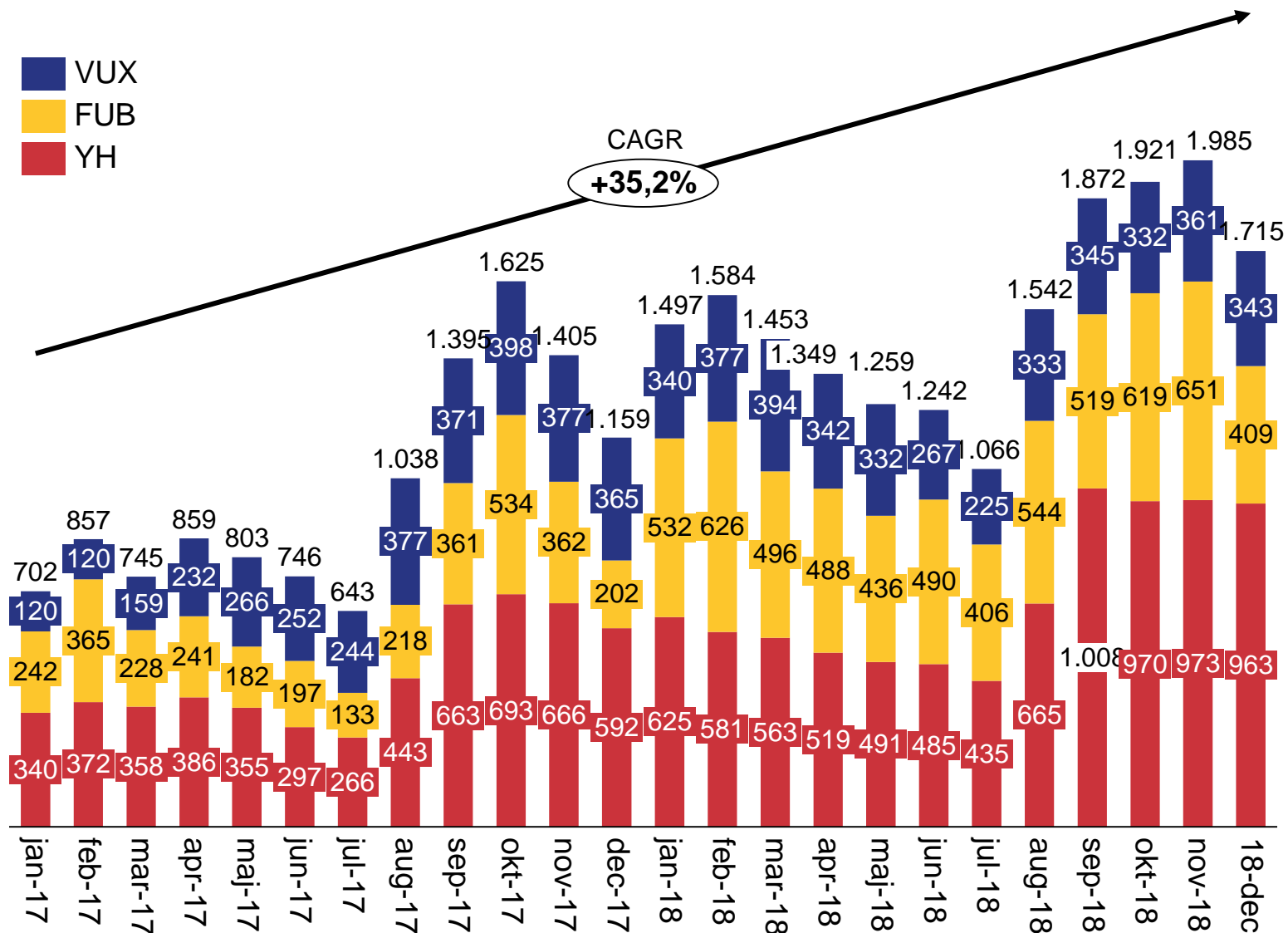
Share of participants in AUB (Employment courses)



Share of participants in AUB and FUB (Employment and preparatory courses)



Rapid increase also in number of participants in other educational forms and customer segments



As market for employment education (AUB) has become increasingly important, diversification has been part of the growth strategy:

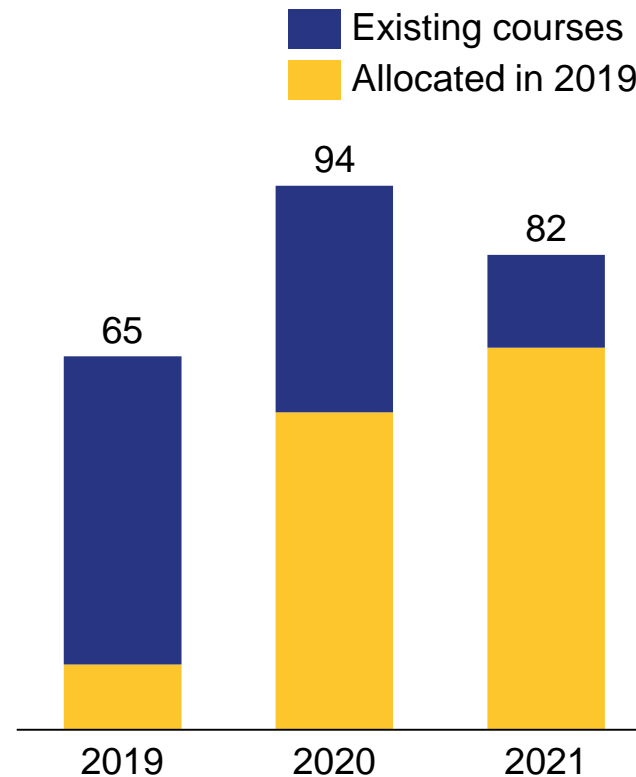
- Average yearly growth rate 2017-2019 is 35% in number of students outside AF
 - Number of YH students have in 2 years threefolded
 - Preparatory courses (FUB) has doubled
 - Secondary vocational students are close to three times as many as early 2017

28 new won Vocational University courses in January

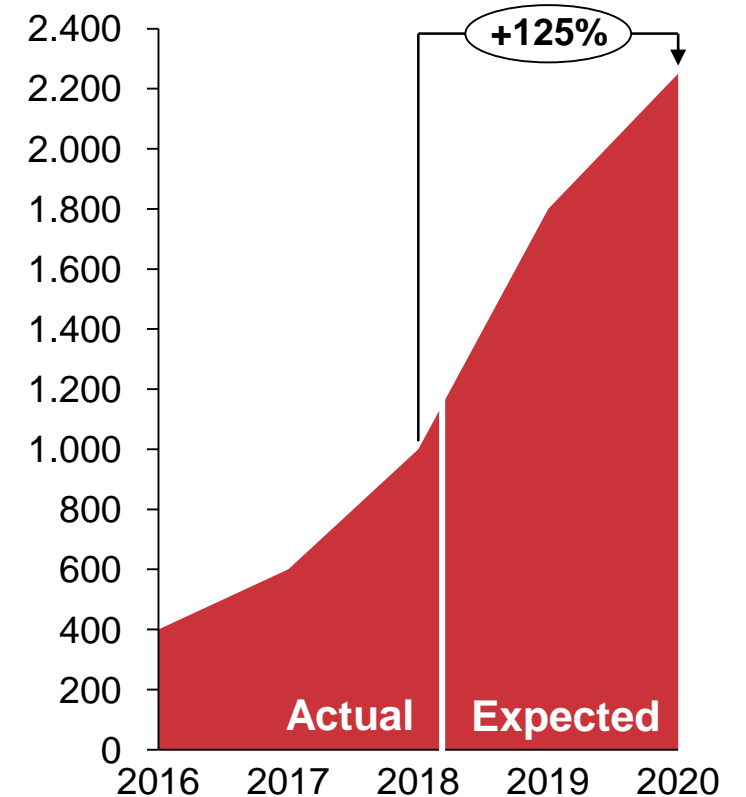
Outcome of allocation 2019

- 28 new courses allocated to YA (out of 42 applied)
 - 13 continuation of existing education
 - 8 continuation of existing course but at new location
 - 7 brand new course
- 18 have at least three course starts
- 10 have two starts
- 22 have first start in 2019
- 6 start up in 2020

Expected turnover
Old and new contracts



Number of students



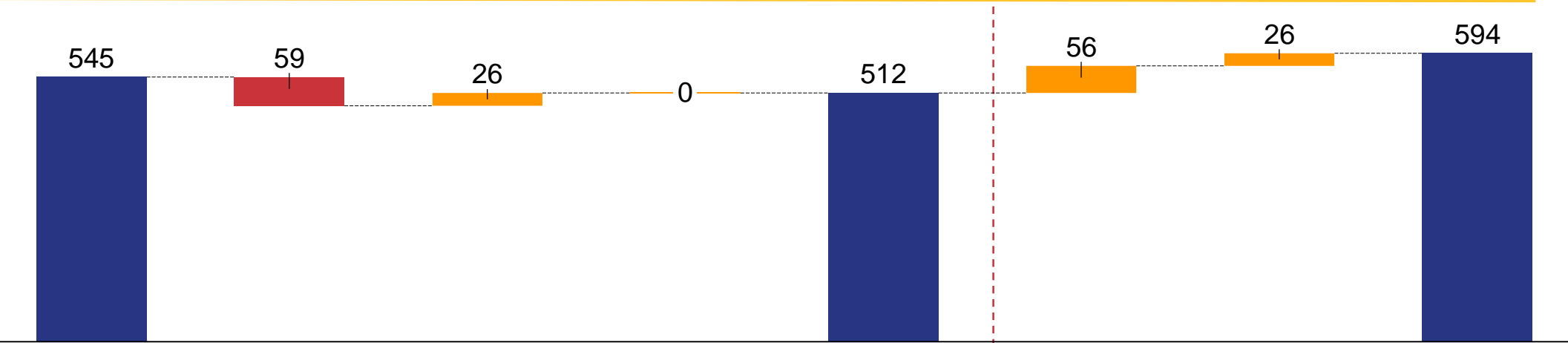
Underlying reduction of revenue expected in 2019 to be counterbalanced by modest expansion of new contracts and margin increase

Revenue and gross profit bridge 2018-2019 budget, SEKm

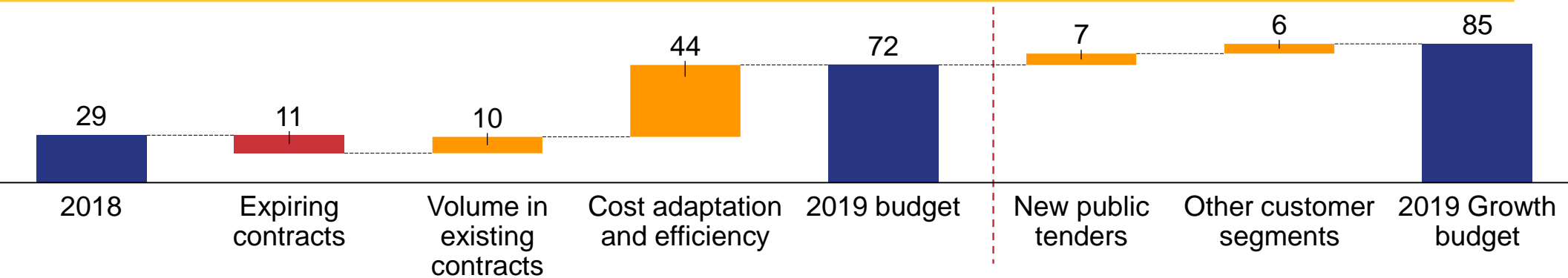
Budget – existing contracts

Growth budget – new and extended contracts

Revenue bridge



Gross profit bridge





Thank you!

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**Yrkes
Akademin**

Vi hjälper dig att lyckas!