Market situation and YA development
Still more than 300 000 unemployed – but continued decrease in all sub-groups

Unemployment Sweden 2014-2019
January 2014-March 2019

- 14,000 fewer in total unemployment than last year – previously 20,000
- 6.9% unemployment. Total unemployment down 0.3 p.u in
- Employment service: “There is still a large demand of labor, but also a lot of unemployed that lack the skills demanded and need competence add-on to be employed”.
- 3.8% of Sweden-born are unemployed. Down from 4.1
- 8.2% of 18 to 24 year olds unemployed. Down from 9.1.
Higher share of participants in employment than last year

**Share in employment 2017-2019**

- 3 months after end of course - Average last 8 weeks

### All of YA: Average last 4 months*

<table>
<thead>
<tr>
<th>Period</th>
<th>Share in employment</th>
<th>Share full-time</th>
<th>Within occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directly after course</td>
<td>68</td>
<td>93</td>
<td>98</td>
</tr>
<tr>
<td>3 months after course</td>
<td>74</td>
<td>89</td>
<td>86</td>
</tr>
<tr>
<td>6 months after course</td>
<td>80</td>
<td>86</td>
<td>84</td>
</tr>
</tbody>
</table>

### Share premature drop-out from course

- **10%**
  - Employed**
  - Disease
  - Large absences
  - Did not manage
  - Other

**Last year: 36% dropped out because they were employed**

* Response frequency 78% (3 months), 408 answers
YA’s share of employment education (AUB) is falling somewhat as the earth-moving machine operator courses are being closed down

YA maintains its position as the provider with the largest number of participants

Source: Public Employment Service, Monthly statistics
Despite decrease in volumes, YA is still the largest private provider also when looking at AUB together with preparatory courses (FUB).
Number of participants in other customer segments increases rapidly
Despite reduction in AUB, the total number of students is on the same level as a year ago due to larger diversity.
Financial information
Q1 2019
Income Statement

- Revenues were SEK 153.8 million (149.1) in the quarter.
- Q1 includes
  - 5.6 million retrospectively invoiced revenues
  - 3.0 million one-time & retrospective cost.
- EBITDA was SEK 24.5 million (28.3) or 15.9% (18.9%).
- EBIT was SEK 7.7m (12.4) or 5.0% (8.3%).
- Start-up costs had a negative effect on results.
- EBITDA in graf according to:
  - IFRS16 in 2018/2019
  - IAS17 before 2018
- Leasing cost of 12.9 m is treated as depreciations and interest expenses according to IFRS16.
Cash balance amounted to SEK 1.4 million (4.4) at the end of the quarter.
Cash flow amounted to SEK -7.4 million (-1.6).
Cash flow from operating activities amounted to SEK 10.0 million (13.9).
- Leasing payments treated as financing activities and interests.
Change in working capital was SEK 4.2 million (6.4).
Net debt amounted to SEK 552 million (555).
- Including leasing liability of SEK 154 million.
Start-up costs of vocational university and close down of earth-moving machine educations are affecting liquidity starting from march.
- Compensated by retrospective revenues.

### Cashflow Q1

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>24,5</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>-4,2</td>
</tr>
<tr>
<td>Amortizations / other non-cash items</td>
<td>-1,1</td>
</tr>
<tr>
<td>Cash flow before interest and taxes</td>
<td>19,2</td>
</tr>
<tr>
<td>Interest paid</td>
<td>-8,4</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>-0,8</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>10,0</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>-5,4</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>-12,0</td>
</tr>
<tr>
<td>Cash flow for the period</td>
<td>-7,4</td>
</tr>
</tbody>
</table>
Forecast
Budget for 2019 somewhat more uncertain than in the winter

**Increased uncertainty on growth budget due to:**
- Political uncertainty
- Slower start-up in janitor courses
- Appeal of earth-moving machine operator courses
- Start-up costs for Vocational university courses (YH)
- Still, Q1 on budget

### Revenue and gross profit bridge 2018-2019 budget, SEKm

**Budget** – existing contracts  
**Growth budget** – new and extended contracts

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>Expiring contracts</th>
<th>Volume in existing contracts</th>
<th>Cost adaptation and efficiency</th>
<th>2019 budget</th>
<th>New public tenders</th>
<th>Other customer segments</th>
<th>2019 Growth budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue bridge</strong></td>
<td>545</td>
<td>59</td>
<td>26</td>
<td>0</td>
<td>512</td>
<td>56</td>
<td>26</td>
<td>594</td>
</tr>
<tr>
<td><strong>Gross profit bridge</strong></td>
<td>29</td>
<td>11</td>
<td>10</td>
<td>44</td>
<td>72</td>
<td>7</td>
<td>6</td>
<td>85</td>
</tr>
</tbody>
</table>
### Long term forecast

<table>
<thead>
<tr>
<th>SEKm</th>
<th>2018</th>
<th>2019E</th>
<th>2020E</th>
<th>2021E</th>
<th>2022E</th>
<th>2023E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>545.0</td>
<td>594.0</td>
<td>632.1</td>
<td>667.0</td>
<td>681.7</td>
<td>705.5</td>
</tr>
<tr>
<td>Revenue growth</td>
<td>40.0%</td>
<td>9.0%</td>
<td>6.7%</td>
<td>5.5%</td>
<td>2.2%</td>
<td>3.5%</td>
</tr>
<tr>
<td>EBITDA (by IFRS16**)</td>
<td>67.7*</td>
<td>102.9</td>
<td>107.6</td>
<td>119.2</td>
<td>127.6</td>
<td>138.1</td>
</tr>
<tr>
<td>EBITDA-margin**</td>
<td>3%*</td>
<td>17%</td>
<td>17%</td>
<td>18%</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td>EBIT</td>
<td>-3.7*</td>
<td>36.6</td>
<td>41.3</td>
<td>53.2</td>
<td>61.6</td>
<td>72.1</td>
</tr>
<tr>
<td>EBIT-margin</td>
<td>-0%</td>
<td>6%</td>
<td>6%</td>
<td>8%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Cash flow</td>
<td>2.8</td>
<td>29.4</td>
<td>20.0</td>
<td>26.9</td>
<td>31.8</td>
<td>40.3</td>
</tr>
</tbody>
</table>

### Assumptions
1. Financial situation that enables YA to capture and deliver continued growth
2. AF budget forecasts on AUB and FUB published February 19, 2019
3. Maintained market shares in AUB and FUB, thus lower revenue from AF as its vocational training is expected to fall
4. Reduced growth ambitions in YH, leading to levelling out of revenue and increased operational efficiency/margins
5. Continued market growth in vux-volumes and in share of vux courses operated by private companies
6. Continued market growth in corporate competence demand (or AUB increase from economic down-turn)
7. Continued but relatively slow growth in YA sales in Finland due to a larger profitability focus
8. The growth budget (that was announced in the Q4 report 2018) for 2019 will be materialized
Thank you!

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Yrkes Akademin
Vi hjälper dig att lyckas!