Photo from internationella hotell- och restaurangskolan

AcadeMedia AB (publ)

INTERIM REPORT July 2023 - March 2024

- Net sales increased 10.0 percent, of which 6.8 percent organic
- International expansion continues with large acquisition in Finland
- School vouchers increase in Sweden for 2024 averages 4.5%

AcadeMedia

Interim report quarter 3, July 2023 - March 2024

Summary of the third quarter (January - March 2024)

- Net sales increased by 10.0 percent and amounted to SEK 4,613 million (4,195). Organic growth, including bolt-on acquisitions, was 6.8 percent.
- Operating profit (EBIT) amounted to SEK 422 million (361).
- Adjusted operating profit, adjusted for items affecting comparability and effects of IFRS 16, amounted to SEK 327 million (277). Items affecting comparability were SEK -11 million (-6).
- Net profit for the period amounted to SEK 215 million (170).
- Earnings per share were SEK 2.05 (1.60) after dilution. Adjusted for IFRS 16, earnings per share were SEK 2.30 (1.85) after dilution.
- The number of children and students in preschool, compulsory school, and upper secondary school increased by 5.4% to an average of 104,421 (99,076) in the third quarter.
- In March 2024, Touhula was acquired in Finland. The acquisition includes 113 preschools with 7,800 children and a turnover of approximately EUR 100 million.

Summary of the first nine months (July 2023 - March 2024)

- Net sales increased by 10.0 percent and amounted to SEK 12,476 million (11,340). Organic growth, including bolt-on acquisitions, was 7.4 percent.
- Operating profit (EBIT) amounted to SEK 958 million (865).
- Adjusted operating profit, adjusted for items affecting comparability and effects of IFRS 16, amounted to SEK 682 million (631). Items affecting comparability were SEK -17 million (-22).
- Net profit for the period amounted to SEK 383 million (372).
- Earnings per share were SEK 3.64 (3.52) after dilution. Adjusted for IFRS 16, earnings per share were SEK 4.39 (4.19) after dilution.
- The number of children and students in preschool, compulsory school, and upper secondary school increased by 4.7% to an average of 102,155 (97,559) during the first nine months.
- In March, the voluntary share redemption programme ended. In total, the number of shares and votes decreased by 4,095,867.

Summary of the third quarter

	Third quarter			Nine months			Rolling 12 months	Full year
SEK m	2023/24	2022/23	Change	2023/24	2022/23	Change	Apr 23 - Mar 24	2022/23
Net sales	4,613	4,195	10.0%	12,476	11,340	10.0%	16,675	15,539
Organic growth, %	6.8%	7.5%	-0.7 p.p.	7.4%	5.5%	1.9 p.p.	7.4%	6.0%
Operating profit (EBIT)	422	361	16.9%	958	865	10.8%	1,362	1,270
EBIT margin, %	9.1%	8.6%	0.5 p.p.	7.7%	7.6%	0.1 p.p.	8.2%	8.2%
Adjusted EBIT[1]	327	277	18.1%	682	631	8.1%	1,015	964
Adjusted EBIT margin, %	7.1%	6.6%	0.5 p.p.	5.5%	5.6%	-0.1 p.p.	6.1%	6.2%
Net financial items	-149	-144	-3.5%	-472	-385	-22.6%	-598	-511
Profit for the period	215	170	26.5%	383	372	3.0%	588	578
Earnings per share, diluted (SEK)	2.05	1.60	27.9%	3.64	3.52	3.5%	5.59	5.47
Free cash flow	200	168	19.0%	610	385	58.4%	1,016	792
Number of children and students[2]	104,421	99,076	5.4%	102,155	97,559	4.7%	101,363	97,916
Number of FTEs	15,561	14,702	5.8%	15,058	14,398	4.6%	n.m.	14,459

[1] The key performance indicators Adjusted EBITDA and Adjusted EBIT are performance measures adjusted for items affecting comparability and with lease agreements reported as it was applied in previous accounting periods (IAS 17). This means that leases of real estate are recognised as rent and not as finance leases. [2]Excl. adult education. See definitions on pages 35-36.

CEO’s comments

The third quarter of the financial year shows continued stable development and good growth. Continued quality initiatives and investments resulted in a net sales increase of 10.0 percent. International operations increased its turnover by 22 percent, with Finland now also included. The increase in school voucher funding in Sweden for 2024 averaged 4.5 percent and now better matches the high inflation we saw during 2023, although in many municipalities, school vouchers still do not compensate for cost increases. Growth, stable financial development, and further positive developments in the Adult Education Segment creates a solid base for the rest of the year.

Continued international expansion

During the quarter, AcadeMedia expanded into another country, Finland, through the acquisition of Touhula, with 113 units, 7,800 children, and a turnover of approximately EUR 100 million. We have long wanted to establish operations in Finland, and Touhula is one of the country’s leading preschool operators. In Finland, the number of children attending preschool is rising and more families are choosing private options.

AcadeMedia's international operations in Norway, Finland, Germany, and the Netherlands, as well as smaller operations in Poland and the UK, account for nearly 30 percent of AcadeMedia's total sales. Opportunities for further expansion are good; in Germany, demand for preschools is strong and the Group’s organic new starts continue to contribute to growth. During the quarter, the number of children in our preschools in Germany increased by 13 percent. Operations in several countries creates opportunity for sharing experiences across borders to further develop our business.

Leading provider of vocational education

AcadeMedia is Sweden's leading provider of vocational education where we especially have made efforts to support development of higher vocational education and apprenticeships in upper secondary schools. There is a major skills shortage in many sectors, and the lack of skilled workers will become increasingly acute in healthcare, social care, and industry. The fact that AcadeMedia's higher vocational education were allocated 30 percent more educational places in January than the year before is proof that our programmes are positively reducing the skills shortage in society.

Sweden’s Agency for Higher Vocational Education has announced that it has started an historical expansion and will grow 15 percent over the next three years. This, combined with an increase in number of applicants to higher vocational education programmes, bodes well for the future, in an area where AcadeMedia is actively working to strengthen its position.

Interest in upper secondary school vocational programmes is also growing, the proportion of students is increasing for the first time in more than ten years according to recent figures from Sweden’s National Agency for Education. A total of 38,300 students are currently in their first year of a vocational programme in Sweden − about 3 percent more than in the previous academic year. AcadeMedia operates upper secondary vocational education mainly within Praktiska, where the number of students increased by 6.6 percent during the academic year 2023/24.

We continue to invest in and develop Swedish schools

In autumn 2025, AcadeMedia will open a new upper secondary school campus in a historic setting in central Malmö, through a reinvestment of approximately SEK 380 million including rental commitments. Three of our existing upper secondary schools, Designgymnasiet, LBS Kreativa Gymnasiet and Rytmus Musikgymnasium, will be able to grow and unite in a shared and creative campus accommodating 1,000 students. The campus will include music and design studios, a shared dining hall, café, indoor and outdoor stages for concerts and fashion shows, a staffed library and much more.

In Helsingborg, AcadeMedia operates five upper secondary schools and four compulsory schools. Praktiska Gymnasiet and Drottning Blankas Gymnasieskola have undergone major refurbishment in recent years and Innovitaskolan has also been refurbished. Newly refurbished school premises are an important investment in a good working environment for our students and staff.

Proportion of qualified teachers increasing

The Swedish National Agency for Education's statistics on the proportion of licensed and qualified teachers in compulsory and upper secondary schools 2022/23 show that the proportion of qualified teachers in AcadeMedia's schools is increasing. In AcadeMedia's compulsory schools, the proportion of qualified teachers increased by 5.4 percentage points to 67 percent and in upper secondary schools by 2.1 percentage points to 78.3 percent. The increase is positive, but the variations between different subjects and pedagogical profiles vary. AcadeMedia schools will continue to make dedicated efforts to increase the proportion of qualified teachers.

PISA 2022

PISA is an international study of reading, mathematics, and science skills of 15-year-olds. The findings from PISA 2022 show a decline in performance in most OECD countries, compared to PISA 2018, as well as in Sweden.

Researcher Gabriel Heller Sahlgren has conducted an in-depth analysis of Swedish results. The analysis shows that the declining results were, as in most countries, most likely due to the pandemic. There were also a number of other factors that influenced the results, including the presence of homework, which had positive impact, and students arriving late to class and truancy, which had negative impact.

The report shows that students in independent schools outperform students in municipal schools in PISA 2022, even after adjusting for the student’s background. It also found that the knowledge advantage in the independent schools compared to the municipal schools increased in recent PISA surveys. The independent school results barely dropped at all between 2018 and 2022.

We want to continue to give students the opportunity to find a form of education that gives them the best possible conditions for the future. We don't believe that everyone is moulded into the same shape. We are proud to contribute to diversity, where students and teachers can find the school where they feel they belong.

Marcus Strömberg
President and CEO

AcadeMedia AB (pub

Development in the third quarter (January - March 2024)

Volume development and net sales

Net sales in the third quarter increased by 10.0 percent and amounted to SEK 4,613 million (4,195). The acquisitions Winford College and Touhula contributed 3.6 percent. Organic growth, including bolt-on acquisitions, was 6.8 percent and changes in exchange rates impacted sales by -0.4 percent. Average number of children and students, excluding the Adult Education Segment, increased by 5.4 percent to 104,421 (99,076).

Adjusted operating profit and operating profit (EBIT)

Adjusted operating profit amounted to SEK 327 million (277) and the adjusted EBIT margin was 7.1 percent (6.6). Operating profit (EBIT) amounted to SEK 422 million (361), corresponding to an EBIT margin of 9.1 percent (8.6).

Results and margins were positively affected by more students, expansions, and acquisitions. Capacity utilisation increased in both compulsory and upper secondary schools. All segments showed an improvement in margins except the Upper Secondary School Segment, where the increase in school vouchers from 1 January do not fully compensate for higher costs driven by inflation. In Sweden, higher rental costs due to indexation increased by 6.5 percent in January, amounting to approximately SEK 20 million. Energy costs were approximately SEK 20 million lower in the quarter. Earlier restructuring efforts in the Adult Education Segment and higher volumes in higher vocational education continued to have a positive effect and the operating profit increased by SEK 10 million.

Group overhead expenses increased compared to last year due to fewer vacancies and expansion of some staff functions.

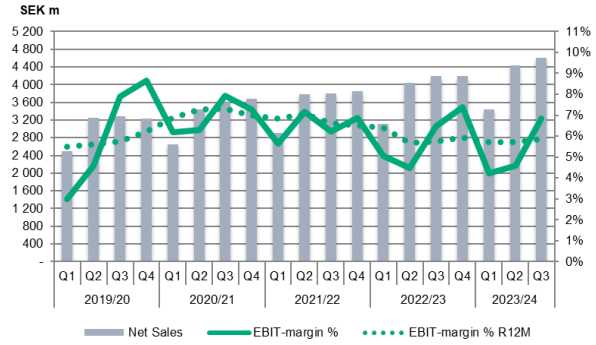
Items affecting comparability

Items affecting comparability were SEK -11 million (-6) and relate to transaction and integration costs attributable to the acquisition of the Touhula preschool business in Finland.

	Third quarter	
SEK m	2023/24	2022/23
Transaction expenses (Pre & Int.)	-11	-
Fire 2023 (Comp.)	-	-6
Total	**-11**	**-6**

Acquisitions, divestments, new establishments, and discontinued operation

During the quarter, three new preschools opened in Germany and the Touhula preschool business in Finland was acquired (March). The acquisition includes 113 preschools with 7,800 children.



In the graph above, the EBIT margin is excluding IFRS 16.

Summary of the third quarter by segment

	Number of students (average)		Net sales, SEK m		Adj. operating profit. (EBIT), SEK m		Adj. EBIT margin		Operating profit (EBIT), SEK m		EBIT margin	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Preschool & International	29,938	26,446	1,605	1,386	108	76	6.7%	5.5%	97	75	6.0%	5.4%
Compulsory School	29,344	28,715	1,092	1,008	78	69	7.1%	6.8%	78	63	7.1%	6.3%
Upper Secondary School	45,139	43,915	1,473	1,385	121	116	8.2%	8.4%	121	116	8.2%	8.4%
Adult Education	-[1]	-[1]	443	415	43	33	9.7%	8.0%	43	33	9.7%	8.0%
Group OH and adj.	-	-	0	1	-23	-16	-	-	-23	-16	-	-
Impact from IFRS 16[2]	-	-	-	-	-	-	-	-	106	90	-	-
Total	**104,421**	**99,076**	**4,613**	**4,195**	**327**	**277**	**7.1%**	**6.6%**	**422**	**361**	**9.1%**	**8.6%**

[1] *Adult education volume is not measured by the number of participants as the length of the programmes varies from single occasions to academic years.*
[2] *Please see note 2 for information on how application of IFRS 16 impact the financial reports.*

Performance in the first nine months (July 2023 - March 2024)

Volume development and net sales

Net sales increased by 10.0 percent to SEK 12,476 million (11,340), of which SEK 14 million was related to electricity support in the first quarter. The acquisition of FAWZ, Winford College and Touhula contributed 2.8 percent. Organic growth, including bolt-on acquisitions, was 7.4 percent. Changes in exchange rates affected net turnover by -0.2%. The average number of children and students, excluding the Adult Education Segment, increased by 4.7 percent to 102,155 (97,559).

Adjusted operating profit and operating profit (EBIT)

Adjusted EBIT for the first nine months was SEK 682 million (631) and the adjusted EBIT margin was 5.5 percent (5.6). Operating profit (EBIT) amounted to SEK 958 million (865), corresponding to an EBIT margin of 7.7 percent (7.6).

The year-on-year improvement was mainly attributable to the Adult Education Segment and its higher volumes in higher vocational education and the restructuring efforts of the municipal business. The improvement in the school segments in the third quarter had a positive impact as higher costs driven by inflation to a higher extent are compensated by the annual school voucher revision from January. The exception was the Upper Secondary School Segment, which continues to have a low school voucher revision relative to inflation. Acquisitions contributed about SEK 15 million and lower energy costs and electricity support, about SEK 50 million.

Group overhead expenses remained higher than previous year, from the second quarter many vacancies have been filled. Furthermore, some staff functions have been strengthened with additional resources, as a result of growth.

Items affecting comparability

Items affecting comparability amounted to SEK -17 million (-22) and relate to transaction costs from acquisitions (Winford and Touhula) and insurance compensation from the fire at a compulsory school in January 2023. It is expected that additional insurance compensation, SEK 2 million, will be received.

	Nine months	
SEK m	2023/24	2022/23
Transaction costs (Pre & Int)	-17	-11
Restructuring expenses (Comp.)	-	-13
Fire, insurance compensation (Comp.)	+1	+9
Fire 2023 (Comp.)	-	-6
Total	**-17**	**-22**

Acquisitions, divestments, new establishments, and discontinued operation

As of this financial year, the Preschool Segment has changed name to “Preschool and International Segment”.

Net, 125 new units were added during the first nine months. Mostly via acquisitions in Finland (113), the Netherlands (10) and new units in Germany (11). Furthermore, 1 upper secondary school opened, and two compulsory schools were acquired in Sweden. The first nine months were also affected by 12 fewer units.

See note 5 for further information on acquisitions.

Nine-month summary by segment

	Number of students (average)		Net sales, SEK m		Adj. operating profit. (EBIT), SEK m		Adj. EBIT margin		Operating profit (EBIT), SEK m		EBIT margin	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Preschool & International	27,460	24,663	4,197	3,595	139	98	3.3%	2.7%	122	87	2.9%	2.4%
Compulsory School	29,142	28,550	2,982	2,740	194	183	6.5%	6.7%	195	172	6.5%	6.3%
Upper Secondary School	45,553	44,345	4,016	3,770	272	297	6.8%	7.9%	272	297	6.8%	7.9%
Adult Education	-[1]	-[1]	1,281	1,230	137	105	10.7%	8.5%	137	105	10.7%	8.5%
Group adj. Parent company	-	-	1	5	-61	-53	-	-	-61	-53	-	-
Impact from IFRS 16[2]	-	-	-	-	-	-	-	-	293	256	,	,
Total	102,155	97,559	12,476	11,340	682	631	5.5%	5.6%	958	865	7.7%	7.6%

[1] Adult education volume is not measured by the number of participants as the length of the programmes varies from single occasions to academic years
[2] Please see note 2 for information on how application of IFRS 16 impact the financial reports.

Cash flow and financial position

In the cash flow analysis below, lease payments attributable to property leasing are reported as part of operating activities. According to IFRS 16, lease payments are reported as part of the financing activities. Please see note 2 for reconciliation with the financial reports.

Cash flow adjusted for lease payments

	Third quarter		Nine months		Rolling 12m	Full year
SEK m.	**2023/24**	2022/23	**2023/24**	2022/23	Apr 23 - Mar 24	2022/23
Cash flow from operating activities before changes in working capital	**343**	**273**	**783**	**666**	**1,161**	**1,044**
Cash flow from changes in working capital	-101	-50	34	-65	130	31
Cash flow from operating activities	**242**	**223**	**817**	**601**	**1,291**	**1,075**
Investments related to existing operations[1]	-42	-56	-207	-215	-275	-283
Investments related to expansion[2]	-330	-35	-580	-192	-586	-198
Cash flow from investing activities	**-372**	**-91**	**-787**	**-407**	**-861**	**-481**
Cash flow from financing activities	**255**	**-66**	**261**	**-453**	**-56**	**-770**
CASH FLOW FOR THE PERIOD[3]	**125**	**67**	**290**	**-260**	**374**	**-176**
Free cash flow[4]	**200**	**168**	**610**	**385**	**1,016**	**792**

Cash flow from operating activities for the quarter amounted to SEK 242 million (223). The increased cash flow was due to higher profit. Working capital development was more negative than in the previous year, totalling SEK -101 million (-50), mainly due to calendar effects.

Investments in existing operations[1] were in line with last year and amounted to SEK -42 million (-56) contributing to a free cash flow[3] of SEK 200 million (168). Expansion investments[2] in the period were SEK 330 million (35) and includes the proceeds from the acquisition of Touhula. Cash flow from investing activities amounted to SEK -372 million (-91). Cash flow from financing activities totalled SEK -255 million (-66), of which interest-bearing liabilities increased by SEK 593 million and SEK 268 million was repaid to shareholders under the voluntary redemption programme. All in all, cash flow for the third quarter amounted to SEK 125 million (67).

In the first nine months, cash flow from operating activities amounted to SEK 817 million (601). The increase was due to higher profit and a positive effect from net working capital development, SEK 34 million (-65). Paid tax in the first nine months amounted to SEK 229 million (244).

Investments in existing operations[1] were lower compared to last year and amounted to SEK 207 million (215) contributing to a free cash flow[3] before expansion of SEK 610 million (385). Expansion investments[2] in the period were SEK 580 million (192) and includes i.e. the proceeds from the acquisition of Berghs, Winford College, and Touhula. In total, cash flow from investing activities amounted to SEK -787 million (-407). Cash flow from financing activities totalled SEK 261 million (-453) of which interest-bearing liabilities increased by SEK 902 million, dividends paid amounted to SEK -185 million (-185) and repayments to shareholders under the voluntary redemption programme amounted to SEK -268 million. All in all, cash flow from the first nine months amounted to SEK 290 million (-260).

[1] Investments related to existing operations include leasehold improvements, investments in equipment, investments in intangible non-current assets, investments in non-current financial assets, and divestment of non-current financial assets.

[2] Expansion investments include acquisitions and investments in own preschool buildings in Norway, as well as divestments of such assets.

[3] Cash flow from financing activities include leasing payments of computers amounting to SEK 47 million (47) in the quarter and SEK 133 million (123) in the first nine months. Full year 2022/23 the leasing payments of computers was SEK 161 million.

[4] Free cash flow before expansion investments consists of the cash flow from operating activities less investments in existing operations.

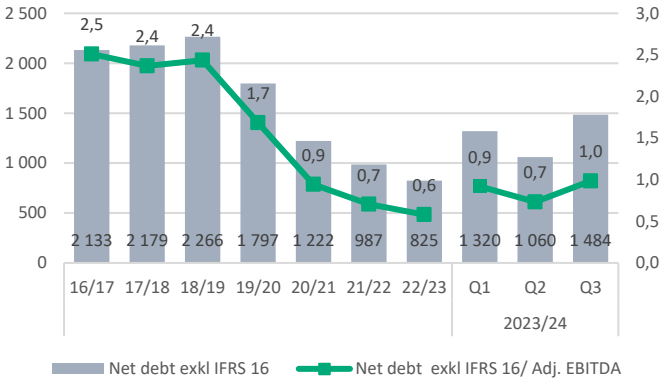
Financial position[1]

	Including IFRS 16			Excluding IFRS 16		
SEK m	**2024-03-31**	2023-03-31	2023-06-30	**2024-03-31**	2023-03-31	2023-06-30
Net debt	12,601	10,678	10,142	1,484	1,191	825
Property-related leasing liabilities	11,117	9,487	9,317	-	-	-
Net debt/ adjusted EBITDA	3.6	3.4	3.1	1.0	0.9	0.6
Debt ratio (%)	57.5%	55.6%	53.5%	12.8%	11.5%	8.0%
Equity/asset-ratio (%)	26.0%	29.4%	30.8%	50.6%	56.0%	57.9%
Buildings[2]	1,092	1,148	1,170	1,092	1,148	1,170

Consolidated interest-bearing net debt[1] including property-related leasing liabilities amounted to SEK 12,601 million (10,678), of which property-related leasing liabilities amounts to SEK 11,117 million (9,487). The increase compared to last year is related to expansion and new lease agreements, current lease agreements expired and resigned, and that existing contracts have been indexed. Financial expenses increased to SEK 505 million (399) following the increased leasing liabilities and increased interest rates. Interest expenses related to property-related leasing liabilities amounted to SEK 400 million (347).

Consolidated interest-bearing net debt[1] excluding property-related leasing liabilities amounted to SEK 1,484 million (1,191) as of 31 March 2024. The property loans decreased by SEK 31 million over the past 12 months and amounted to SEK 692 million (723). Excluding currency effects, the property loans decreased by SEK 24 million. Buildings decreased by SEK 56 million to SEK 1,092 million (1,148) during the equivalent period.

Net debt in relation to adjusted EBITDA[1] (rolling 12 months) amounted to 1.0 (0.9), which meets the Group's financial target of a net debt in relation to adjusted EBITDA lower than 3.0. Net debt in relation to adjusted EBITDA including IFRS 16 (rolling 12 months) was 3.6 (3.4).



School voucher development in 2024

The average voucher increase for AcadeMedia's Swedish preschools is estimated to 4.4 (5.3) percent. The average voucher increase has been calculated based on voucher notifications for 97 percent of the children weighted by child and municipality mix. In addition to voucher payments, the preschools receive around 3.7 (3.5) percent of revenues from parental fees according to the maximum fee regulation. The maximum parental fee is adjusted annually by the National Agency for Education. For 2024, the increase was 2.6 (4.6) percent.

In Norway, the municipal contributions to preschools including parental fees have increased about 5.5 (9) percent, weighted by child and municipality mix. In Norway, municipal preschool vouchers for 2024 are calculated based on the municipality's actual cost 2022, calculated with a cost index for 2023 and 2024. This index gave an increase of a total of 5.3% for two years. Compared to the previous year, a redistribution between school vouchers and parental fees is a political decision with the aim of reducing parents' costs for a preschool place. The parental fee is now 13.5 percent (14.5). Components related to real estate cost are also adjusted to reflect each property's age, which means higher contributions for new properties and lower for older properties. The system of school voucher based on historical outcome means that the independent actors can be negatively affected by lagging compensation for general cost increases.

The average voucher increase for Compulsory School Segment is estimated to 5.5 (5.2) percent. The average voucher increase has been calculated based on voucher notifications for 98 percent of the children and is weighted by child and municipality mix. The growth calculation only reflects the compulsory school voucher and does not consider changes in the voucher related to before- and after school care, nor does it consider socio-economic compensation.

The voucher increases for the Upper Secondary School Segment amounts to 3.8 (3.9) percent on average. Voucher increases have been calculated based on received voucher notifications for 97 percent of the students weighted with AcadeMedia's student and program mix. The growth calculation only reflects the basic reimbursement and does not take price changes on introduction programs nor socio-economic compensation into consideration.

In summary, the school voucher increase for AcadeMedia's Swedish school operation is estimated at 4.5 (4.6) percent for 2024 based on just over 95 percent of the student population. The result has been calculated based on voucher notifications received and is weighted by child and student mix. The increases in Sweden are higher than the preliminary figures stated in AcadeMedia's quarterly report as per 31 December 2023.

In March 2024, the Finnish preschool business Touhula was acquired. Touhua is publicly funded and, like AcadeMedia's other preschool programmes, receives a fee per child. Reimbursement is revised in most municipalities at the beginning of each school year, i.e. in August.

[1] *Implementation of IFRS 16 had a significant effect on AcadeMedia's financial statements. By excluding the effects of IFRS 16, continuity is achieved in the KPIs above. See note 2 to understand the effects on the financial reports from implementation of IFRS 16 and pages 35-36 for definitions.*

Preschool and international activities

- Number of children increased by 13.2 percent to 29 938 (26 466) in the third quarter.
- Sales increased by 15.8 percent to SEK 1,605 million (1,386), positively affected by acquisitions. Organic growth was 6.0 percent.
- Adjusted operating profit (adj. EBIT) increased to SEK 108 million (76), of which acquisitions contributed SEK 8 million.

AcadeMedia's Preschool and International segment operates in Sweden, Norway, Finland, Germany, and the Netherlands. The segment had a total of 444 units during the quarter, of which 105 preschools in Sweden, 105 preschools in Norway, 113 preschools in Finland, 94 preschools, 2 compulsory schools, 5 upper secondary schools and adult education in Germany, and 10 preschools and 10 compulsory and upper secondary schools in the Netherlands.

Outcome for the third quarter

Average number of children increased by 13.2 percent compared to the previous year and amounted to 29 938 (26 446). The increase was mainly driven by acquisitions in Finland and the Netherlands and new openings in Germany. Sales increased by 15.8 percent to SEK 1,605 million (1,386), of which the acquisition contributed 10.9 percent and organic growth 6.0 percent. Exchange rate had a negative impact of 1.2%.

Adjusted operating profit increased to SEK 108 million (76), the margin was 6.7 percent (5.5). The increase in profit was partly due to acquisitions, which contributed SEK 8 million. Lower electricity costs, approximately SEK 10 million, and retroactive payments in Germany to compensate for inflation, approximately SEK 10 million, also contributed positively. Sickness absence and the need for temporary workers remain high and in line with previous year.

Items affecting comparability were SEK -11 million (-) and relate to integration and transaction costs for the acquisition of Touhula. Operating profit (EBIT) increased to SEK 97 million (75) and the operating margin was 6.0 percent (5.4).

Outcome for the first nine months

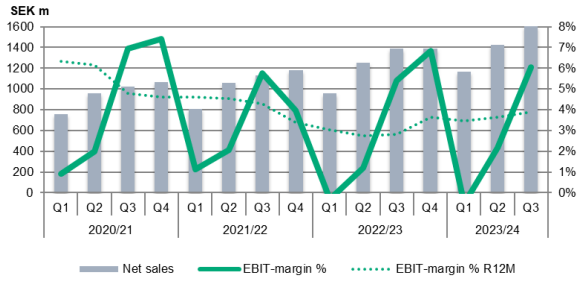
The average number of children in the first nine months increased by 11.3 percent to 27 460 (24 663). Net sales increased by 16.7 percent and amounted to SEK 4,197 million (3,595). Acquisitions accounted for 8.7 percent of the growth and organic growth 8.6 percent. Currency effect was -0.5 percent.

Adjusted operating profit for the first nine months amounted to SEK 139 million (98) and the operating margin was 3.3 percent (2.7). The improvement in profit and margin was partly attributable to the acquisitions of Touhula, FAWZ and Winford, approximately SEK 15 million. Lower electricity costs, approximately SEK 15 million, and retroactive compensation in Germany, approximately SEK 10 million, also contributed positively. The relatively high-cost situation during the autumn as a result of inflation, mainly index-adjusted rents of SEK 15 million, and higher pension expenses in Norway of SEK 5 million had a negative effect. In Norway, higher costs were offset by increased school vouchers in 2023, which partly compensated for cost increases in previous years.

Items affecting comparability amounted to SEK -18 million (-11) and relate to integration and transaction costs for acquisitions. Operating profit (EBIT) increased to SEK 122 million (87), corresponding to an operating margin of 2.9 percent (2.4).

Operational changes

In total, 127 units have been added since 1 July. The acquisitions of Touhula in Finland (March 2024) and Winford College (August 2023) in the Netherlands have added 113 preschools and 10 compulsory and upper secondary schools respectively. 11 new preschools have been opened in Germany and in Sweden five preschools have closed, one more will close in the fourth quarter. In Germany, the adult education business MediaDesign Academy was acquired in the first quarter. The plan to open 15 new preschools in Germany in 2023/24 has been revised to 13 as two of the units will open in the first quarter of 2024/25.



Financial overview[1]

	Third quarter			Nine months			Rolling 12m	Full year
SEK M	**2023/24**	2022/23	Change	**2023/24**	2022/23	Change	Apr 23 - Mar 24	2022/23
Net sales	1,605	1,386	15.8%	4,197	3,595	16.7%	5,585	4,983
Operating profit (EBIT)	97	75	29.3%	122	87	40.2%	217	182
EBIT margin, %	6.0%	5.4%	0.6 p.p.	2.9%	2.4%	0.5 p.p.	3.9%	3.7%
Items affecting comparability	-11	-	n.a.	-18	-11	n.a.	-18	-11
Adjusted operating profit (adj. EBIT)	108	76	42.1%	139	98	41.8%	235	194
Adjusted EBIT margin, %	6.7%	5.5%	1.2 p.p.	3.3%	2.7%	0.6 p.p.	4.2%	3.9%
Number of children and students	29,938	26,446	13.2%	27,460	24,663	11.3%	27,261	25,163
Number of units	444	317	40.1%	367	311	18.0%	n.m.	312

The segments report property leasing in accordance with previous accounting practice (IAS 17). This entails that property lease payments are recognised as rent and not as finance lease. [1] Additional financial information per segment is presented on pages 30-32.

Compulsory School

- The number of students increased by 2.2 percent to 29 344 (28 715) in the third quarter.
- Sales increased by 8.3 percent to SEK 1 092 million (1 008).
- Adjusted operating profit (EBIT) increased to SEK 78 million (69).

AcadeMedia's Compulsory School segment runs compulsory schools and integrated preschools in many municipalities in Sweden under the brands Innovitaskolorna, Montessori Mondial, Noblaskolorna, Pops Academy, Snitz, and Vittra. Operations are based entirely on the school voucher system. The segment had 118 units during the quarter, of which 38 were integrated preschools.

Outcome for the third quarter

The average number of students increased by 2.2% compared to the previous year and amounted to 29 344 (28 715). Growth was attributable to acquisitions, existing units expanding their capacity, and growth in existing units. Adjusted for units under closure, the number of students increased by 3.1%.

Net sales increased by 8.3 percent to SEK 1,092 million (1,008), which, in addition to the increase in number of students, was also due to the annual school voucher adjustment of 5.5 percent (5.2).

Adjusted operating profit was higher than last year, SEK 78 million (69), with a margin of 7.1 percent (6.8). More students increased capacity utilisation to 93.3% (92.9%). Acquisition and expansions made a positive contribution of just over SEK 5 million and energy costs fell by around SEK 5 million. The annual school voucher increase compensates for cost increases such as index-adjusted rents and salary revision.

Items affecting comparability were SEK 0 million (-6). Operating profit (EBIT) was higher than last year and amounted to SEK 78 million (63), corresponding to an operating margin of 7.1 percent (6.3).

Outcome for the first nine months

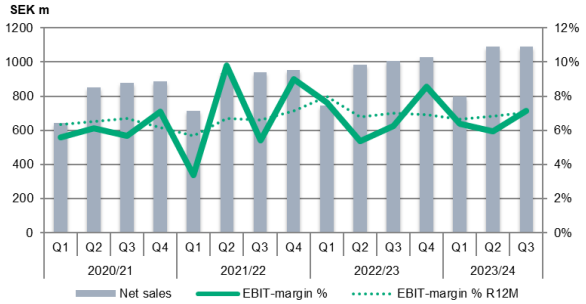
The average number of children and students increased by 2.1% to 29 142 (28 550). Net sales increased by 8.8 percent to SEK 2,982 million (2,740).

Adjusted operating profit was higher than last year, SEK 194 million (183), with a margin of 6.5 percent (6.7). Acquisition and expansion units contributed positively approximately SEK 20 million and lower energy costs approximately SEK 10 million. The relatively high-cost levels in the autumn because of inflation, mainly index-adjusted rents and salary revisions totalling SEK 30 million, had a negative impact.

Items affecting comparability, SEK 1 million (-10), relate to insurance compensation from the fire at a compulsory school in January 2023. Further approximately SEK 2 million of insurance compensation is expected. Operating profit (EBIT) was SEK 195 million (172) and the operating margin was 6.5 percent (6.3).

Operational changes

During the first quarter, two compulsory schools were acquired in Gothenburg with a total of 624 students. In addition, two units have been merged into one. The decision to close one compulsory school has been taken in the third quarter and the operation will be fully closed by summer 2025.



Financial overview[1]

	Third quarter			Nine months			Rolling 12m	Full year
MSEK	**2023/24**	2022/23	Change	**2023/24**	2022/23	Change	Apr 23 - Mar 24	2022/23
Net sales	1,092	1,008	8.3%	2,982	2,740	8.8%	4,011	3,769
Operating profit (EBIT)	78	63	23.8%	195	172	13.4%	282	260
EBIT margin, %	7.1%	6.3%	0.8 p.p.	6.5%	6.3%	0.2 p.p.	7.0%	6.9%
Items affecting comparability	-	-6	n.a.	1	-10	n.a.	1	-10
Adjusted operating profit (adj. EBIT)	78	69	13.0%	194	183	6.0%	282	271
Adjusted EBIT margin, %	7.1%	6.8%	0.3 p.p.	6.5%	6.7%	-0.2 p.p.	7.0%	7.2%
Number of children and students	29,344	28,715	2.2%	29,142	28,550	2.1%	29,084	28,641
Number of units	118	117	0.9%	118	116	1.7%	n.m.	117

The segments report property leasing in accordance with previous accounting practice (IAS 17). This entails that property lease payments are recognised as rent and not as finance lease.

[1] Additional financial information per segment is presented on pages 30-32.

Upper Secondary School

- The number of students increased by 2.8 percent in the third quarter to 45,139 (43,915).
- Sales increased 6.4 percent to SEK 1,473 million (1 385).
- Adjusted operating profit increased to SEK 121 million (116).

AcadeMedia's Upper Secondary School Segment provides upper secondary education throughout Sweden under 16 different brands, offering both academic and vocational programmes. The schools operate entirely based on the school voucher system. The segment had 149 units in the quarter.

Outcome for the third quarter

The number of students increased by 2.7 percent compared to the same period last year and amounted to 45,139 (43,915). Expansion through new starts and campus investments has increased student capacity by around four thousand places in recent years. These have started to fill up and are expected to continue to fill up in the coming years.

Net sales increased by 6.4 percent to SEK 1,473 million (1,385) as a result of the increase in student numbers and the annual school voucher revision of 3.8 percent (3.9). Retroactive adjustment of school vouchers has affected the quarter positively, SEK 5 million.

Adjusted operating profit increased to SEK 121 million (116), with a margin of 8.2 percent (8.4). The increase in number of students and the review of the unit portfolio initiated last year increased capacity utilisation to 85.6% (83.9%), which has had a positive effect on earnings. The margin continued to be affected by the higher cost situation due to inflation, as the school voucher adjustment does not fully compensate for this. Index-adjusted rents increased by 6.5 percent in January, a year-on-year increase of just over SEK 10 million, which had a negative impact on the margin. The September salary revision and higher temporary staff costs had a negative impact of around SEK 15 million. Electricity costs decreased by approximately SEK 5 million.

Operating profit (EBIT) increased and amounted to SEK 121 million (116), corresponding to an operating margin of 8.2 percent (8.4).

Outcome for the first nine months

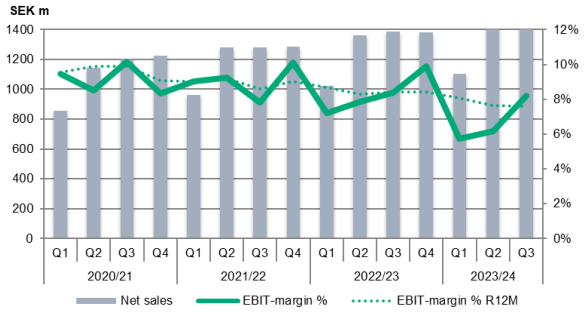
The number of students increased by 2.7 percent to 45,553 (44,345) and net sales increased by 6.5 percent to SEK 4,016 million (3,770). Growth was attributable to new openings, expansion, and higher school vouchers per student.

Adjusted operating profit was SEK 272 million (297), corresponding to a margin of 6.8 percent (7.9). More students improved capacity utilisation, but earnings and margins were negatively impacted by a higher cost base driven by inflation that is not fully offset by the increase in school voucher.

There were no items affecting comparability in the period. Operating profit (EBIT) amounted to SEK 272 million (297), the operating margin was 6.8 percent (7.9).

Operational changes

In the autumn of 2023, a new upper secondary school opened in Karlstad, admitting approximately 50 students. The number of units was also affected by the closure of one unit and the merger of five units into two at the beginning of the financial year.



Financial overview[1]

	Third quarter			Nine months			Rolling 12 m	Full year
MSEK	**2023/24**	2022/23	Change	**2023/24**	2022/23	Change	Apr 23 - Mar 24	2022/23
Net sales	1,473	1,385	6.4%	4,016	3,770	6.5%	5,400	5,154
Operating profit (EBIT)	121	116	4.3%	272	297	-8.4%	410	434
EBIT margin, %	8.2%	8.4%	-0.2 p.p.	6.8%	7.9%	-1.1 p.p.	7.6%	8.4%
Items affecting comparability	-	-	n.a.	-	-	n.a.	-23	-23
Adjusted operating profit (adj. EBIT)	121	116	4.3%	272	297	-8.4%	432	457
Adjusted EBIT margin, %	8.2%	8.4%	-0.2 p.p.	6.8%	7.9%	-1.1 p.p.	8.0%	8.9%
Number of children and students	45,139	43,915	2.8%	45,553	44,345	2.7%	45,018	44,112
Number of units	149	152	-2.0%	149	152	-2.0%	n.m.	152

The segments report property leasing in accordance with previous accounting practice (IAS 17). This entails that property lease payments are recognised as rent and not as finance lease.

[1] Additional financial information per segment is presented on pages 30-32.

Adult Education

- Sales increased by 6.7 percent to SEK 443 million (415).
- Operating profit (EBIT) amounted to SEK 43 million (33).

AcadeMedia's Adult Education Segment is Sweden's largest provider of adult education with a presence in about 150 locations in the country. The segment works in three main customer groups: Higher Vocational Education (42 percent of sales in the quarter), Municipal Adult Education (41) and Labour Market Services (8).

Outcome for the third quarter

Net sales increased by 6.7 percent and amounted to SEK 443 million (415). The increase was mainly related to Higher Vocational Education but also to Berghs School of Communication, which was acquired in October. Acquisitions accounted for 4.7% of turnover growth.

The number of participants in the **Higher Vocational Education** business continued to grow and net sales increased by 7 percent compared to last year.

Volumes in **Municipal Adult Education** had somewhat higher volumes than last year, net sales increased by 3 percent. Earlier capacity adjustments to reflect lower demand had a positive impact on the profitability.

Volumes in the Swedish Public Employment Service's **Labour Market Services** business are slightly higher than last year but remain at low levels.

Operating profit (EBIT) increased and amounted to SEK 43 million (33), the margin increased to 9.7 percent (8.0). The higher earnings were mainly attributable to the municipal adult education business, where implemented transition programme have had an effect, but also to increased volumes in higher vocational education.

Outcome for the first nine months

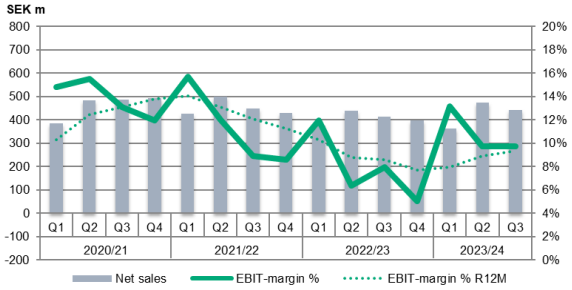
Net sales increased by 4.1 percent to SEK 1,281 million (1,230). Adjusted profit was SEK 137 million (105), corresponding to a margin of 10.7 percent (8.5).

The improvement in performance was mainly attributable to higher volumes in higher vocational education and the restructuring of municipal adult education. Operating profit increased to SEK 137 million (105) and the operating margin was 10.7 percent (8.5).

Seasonally, many training programmes end in the fourth quarter. The assessment is that the EBIT margin for the segment for the full year will be in the lower range of 9 to 11 percent. The development of the economy affects the need for adult education.

Operational changes and market developments

The Swedish economy remains in a recession, with bankruptcies and unemployment on the rise. The Swedish National Institute of Economic Research forecasts that the recession will bottom out in 2024 and that unemployment will fall in early 2025.



Financial overview[1]

	Third quarter			Nine months			Rolling 12 m	Full year
SEK m	**2023/24**	2022/23	Change	**2023/24**	2022/23	Change	Apr 23 - Mar 24	2022/23
Net sales	443	415	6.7%	1,281	1,230	4.1%	1,678	1,628
Operating profit (EBIT)	43	33	30.3%	137	105	30.5%	158	126
EBIT margin, %	9.7%	8.0%	1.7 p.p.	10.7%	8.5%	2.2 p.p.	9.4%	7.7%
Items affecting comparability	-	-	n.a.	-	-	n.a.	-	-
Adjusted operating profit (adj. EBIT)	43	33	30.3%	137	105	30.5%	158	126
Adjusted EBIT margin, %	9.7%	8.0%	1.7 p.p.	10.7%	8.5%	2.2 p.p.	9.4%	7.7%

The segments report property leasing in accordance with previous accounting practice (IAS 17). This entails that property lease payments are recognised as rent and not as finance lease.

[1] Additional financial information per segment is presented on pages 30-32.

Quality

AcadeMedia's vision is to lead the development of education for the future. One of our goals in achieving this is to be a leader in learning, where the main indicator is '100% – everyone should achieve their educational objectives'. We can only accomplish this by providing the highest quality education in the areas in which the Group operates. To attain our goal, AcadeMedia maintains strong focus on systematic quality enhancing work. We have a group-wide quality management model, and our size enables us to pursue development initiatives and find ways for the structured exchange of experiences on a large scale. We are constantly developing as a learning organisation.

"All of AcadeMedia's operations are part of a clear structure with a common framework and a culture with a focus on continuous improvement that makes us stronger together. We must deliver high-quality teaching and good goal fulfilment both based on core tasks and business tasks." AcadeMedia's Roadmap

AcadeMedia's quality report for the 2022/23 financial year was published during the second quarter. It contains the Group's overall results for all types of school, as well as information on future quality initiatives and prioritised development areas. The quality report is available on AcadeMedia's website.

Survey results from carers and students

In the third quarter, the results of surveys of parents and students in compulsory and upper secondary schools are compiled. For adult education participants, the surveys are conducted at other times during the year.

In Sweden, the annual survey is carried out in all preschools, compulsory, and upper secondary schools within the Group. The survey aims to monitor satisfaction, teaching, and the learning environment in the organisation.

For this year's surveys of parents and students, a major overhaul of the questions for all school types was undertaken. In addition, the response scale was changed to a five-point scale, which is much more widely used in schools than AcadeMedia's previous ten-point scale. The revision of the questionnaires aims to reflect both the new national quality system and the desire to be able to compare the results with those of other organisations to a greater extent. Nevertheless, there are still a number of difficulties in making equivalent comparisons, as surveys are carried out in different ways and at different times of the year in schools throughout Sweden.

The most comparable comparison is the annual surveys of the Swedish Schools Inspectorate, but not all schools and principals participate every year. In the 2023 school survey, around 60 of AcadeMedia's total of 78 compulsory schools participated, and only around 60 of AcadeMedia's total of 149 upper secondary schools. Therefore, in the Swedish Schools Inspectorate's most recent survey, it was only possible to draw general conclusions for compulsory education. The overall results show that AcadeMedia's participating compulsory schools are on a par with or above the national average in 7 out of 11 areas for students in grade 5, and 8 out of 11 areas for students in grade 8. It is worth noting that the differences are small, between 0-3 tenths per area.

The school survey is also addressed to teachers, and AcadeMedia teachers show greater satisfaction in almost all areas, and the differences are greater than in the student survey. New statistics from the Swedish Schools Inspectorate's school survey for the year 2024 are expected in May.

Preschool

This year's survey results in Sweden show a continued high proportion of carers who can recommend their child's preschool. 83% indicate one of the highest response options to the new, stronger recommendation question, and 91% (93%) say their child is happy at the preschool. In addition, 86 (88) percent of parents/guardians say they are satisfied with the educational activities at their child's preschool. The average score on the satisfaction question is at the same level as last year, while it has decreased from 4.5 to 4.4 for the question on educational activities.

Surveys have also been carried out in the German preschools in the third quarter, but unfortunately this year's response rates did not reach sufficient levels to establish a reliable result.

As regards Norwegian preschools, the national parent survey shows that AcadeMedia preschools are in line with the national average on the overall question of satisfaction with the child's preschool (4.4 compared to 4.5).

Compulsory school

In compulsory schools, 70 percent of guardians give one of the highest answers to the new, stronger recommendation question, while the corresponding proportion among students is 52 percent. At the same time, 73 (79) percent of parents and 60 (70) percent of students are satisfied with the teaching. In this context, it should be noted that historical comparisons of proportions are not entirely accurate, as the change in the response scale appears to have had a significant impact on respondents' response patterns. For this reason, the mean scores of the questions should also be considered in this year's survey and these have only decreased by a tenth (from 4.1 to 4.0 among carers and from 3.9 to 3.7 among students).

When it comes to well-being, 78 (84) percent of parents and 70 (75) percent of compulsory school students indicate one of the highest response options. The average score is 4.1 (4.2) among carers and 3.9 (4.1) among students.

Upper secondary school

Among upper secondary school students, 52% give one of the highest responses to the new, stronger recommendation question and 65% (74%) of students are satisfied with the teaching. Again, it should be noted that historical comparisons of proportions are not entirely accurate, as the change in the response scale appears to have had a significant impact on respondents' response patterns. Thus, the average should also be considered, and the average score for upper secondary students' satisfaction with teaching has only decreased from 4.0 to 3.8.

When it comes to well-being, 75 (80) percent of upper secondary school students indicate one of the highest response options and the average score is 4.1 (4.2).

It should be noted that there is considerable variation between activities in the upper secondary school segment.

Adult education

AcadeMedia Adult Education conducts its own participant surveys at other times during the year and the results for the autumn term 2023 show that participant satisfaction remains high. The percentage of respondents answering one of the highest options to the satisfaction question is now 87.5 (86.4) percent. The same rising trend is noted when it comes to the propensity to recommend the programme to others, with the percentage standing at 88.9 (87.4) percent.

In addition to the results of the participant surveys, the grading results for the different areas of AcadeMedia's adult education activities for 2023 were also compiled in the third quarter. Among these, it can be mentioned that the proportion of students in basic adult education who achieved a pass grade is 85.1 (85.4) percent. The corresponding proportion in upper secondary adult education is 81.4 (82.7) percent. The national averages for 2023 have not yet been published by the National Agency for Education.

The proportion of students who completed the programme with a degree in higher vocational education is 64 (65) percent. The national average has not yet been published by the Swedish Higher Vocational Education Authority.

Employees

Every year, an employee survey is conducted for all employees* in AcadeMedia's Swedish operations. The aim is to identify the organisation's strengths and clarify areas for improvement. The survey has a consistently high response rate over time, and this year 9,500 employees (80%) responded to the survey.

For the 2024 survey, several major changes were made - the questions were revised and shortened, a number of questions were reworded, and the response scale was changed from a ten-point to a five-point scale. The aim of the changes was, among other things, to improve comparability with other operators.

The survey results show that 94 percent of AcadeMedia employees see their work as important and meaningful (93). Employees also continue to be highly satisfied with their managers, and both Leadership Indices have stable and high results - People Management 79 (79) and Business Management 78 (79). Furthermore, 81 (81) percent of employees feel that their line manager is available to the extent needed, and 78 (79) percent feel that their line manager ensures that they work together to improve the quality of the organisation. 75 (78) percent of employees say they would recommend their workplace to others. When it comes to AcadeMedia's managers, 89 (89) percent of them can recommend their workplace to others. Furthermore, 88 (88) percent of managers are satisfied with their workplace and 87 (88) percent consider themselves to be in a good position to exercise their leadership.

One area of development identified is to look at how knowledge sharing can be improved. On the question "In my workplace, we share knowledge with each other", the result has decreased by eight percentage points (86). The results also show that sustainability issues do not permeate the organisation to a sufficient extent - barely 6 out of 10 feel that there is a clear sustainability perspective in the workplace (68).

*Employees who have been employed for at least three months at the start of the survey are invited to respond. The survey does not cover hourly workers or consultants.

The average number of full-time employees in the quarter was 15,561 (14,702) which represents an increase of 5.8 percent. The proportion of women in the Swedish operation was 67.1 percent (66.8) in the quarter. Employee turnover in Sweden, measured as the proportion of individuals who resigned, was 13.9 percent aggregated over the nine-month July – March period, compared with 17.4 percent aggregated over the corresponding period in the previous year. Absence due to illness for AcadeMedia employees in Sweden (aggregated average short-term absence <90 days) was 4.7 percent (4.6) during first nine months.

Parent Company

Revenue during the first nine months amounted to SEK 19 million (15). Operating profit (EBIT) amounted to SEK -10 million (-9) and profit after tax was SEK -14 million (-3). The Parent Company's assets essentially consist of participations in Group companies and intercompany receivables. Operations are financed by equity, bank loans and intra group loans. Equity in the Parent Company as of 31 March 2024 was SEK 1,771 million (2,232). The Parent Company's interest-bearing external liabilities as of 31 March 2024 was SEK 1,176 million (512).

Ownership and share information

AcadeMedia AB (publ) is a public limited company listed on Nasdaq Stockholm since 2016. As of 31 March 2024, share capital was SEK 106,976,977 and the number of shares amounted to a total of 101,697,599 shares distributed among 101,491,694 ordinary shares and 205,905 Class C shares, where the C-shares are held by AcadeMedia AB. The quota value is SEK 1.05 per share. Mellby Gård AB is the largest shareholder in AcadeMedia with 24,36 percent of the capital as of 31 March 2024.

The convertible program for employees in the AcadeMedia group expired in September 2023. The number of shares and votes in AcadeMedia AB has increased because of the conversion of convertibles. In total, the number of shares and votes has increased by 84 ordinary shares and equal many voices. The convertible program was introduced at the Annual General Meeting on 22 November 2018.

The number of shares and votes in AcadeMedia AB has during March 2024 decreased through redemption of ordinary shares relating to the voluntary redemption program, adopted at the Annual General Meeting on 30 November 2023. In total, the number of shares and votes has decreased by 4,095,867 ordinary shares and as many votes.

Significant events after the end of the reporting period

No significant events after the end of the reporting period.

Changes in Group Management

Petter Sylvan has been appointed new CFO and member of the Group Management at AcadeMedia. Petter Sylvan comes most recently from the role of CFO at Avonova. Prior to that he was at Profoto where he worked for 17 years, 15 of them as CFO. As CFO, he took Profoto to the stock exchange in 2021. Petter Sylvan holds an MSc in Automation Engineering from Chalmers University of Technology in Gothenburg, and an Executive MBA from Stockholm School of Economics. Petter Sylvan took up his duties as CFO on 4 March 2024.

Richard Sjöberg has been appointed new Director of Communications and member of the Group Management at AcadeMedia. Richard Sjöberg has extensive experience of running and managing communications work in both the private and public sectors. He comes most recently from Quattroporte, which he co-founded in 2005. Richard has also held senior communication management roles at several international companies. Richard Sjöberg has a degree from Berghs School of Communication. Richard Sjöberg took up his duties on 15 April 2024.

During the period 22 January to 18 March, AcadeMedia's CEO Marcus Strömberg was temporarily absent from the company. This was to undergo a long-planned operation. Katarina Wilson, Deputy CEO of AcadeMedia, was appointed acting CEO during the absence of Marcus Strömberg.

Other

Risks and uncertainties

AcadeMedia categorises risks as operating, external, and financial and they are described in detail in AcadeMedia AB's 2022/23 Annual Report. Operating risks include variations in demand and number of students and participants, risk relating to the supply of qualified employees and payroll expenses, risk relating to quality deficiencies, contractual compliance within adult education, AcadeMedia's reputation and brand, permits, and liability and property risk. With declining demand in a specific unit, fixed expenses and thus rental costs are a risk.

External risks include risks relating to school voucher funding and the general economy, political risk, changes in laws or regulations as well as the dependence on national authorities in the education sector. A common factor for various political proposals is that the processes are usually long, and proposals must be in a legally enforceable format and must ultimately be approved by the respective national parliament. In addition, there are financial risks such as credit and currency risks.

In both Sweden and Norway several investigations are ongoing. These comprise, among other, the so-called Inquiry into Profit in Schools (U 2022:08) and the issued additional directives (Dir 2023:109), the inquiry Equivalent Grades and Qualification Points (U2023:02), and development of new funding model Norway. An overview of these can be found in AcadeMedia's Annual and Sustainability Report 2022/23 on page 48.

The increased inflation and rising interest rates can lead to a recession, which in turn will increase the demand for adult education. Higher electricity prices, CPI-indexed rents and meal costs affect AcadeMedia's cost mass, but over time, higher costs are reflected in increased school fees.

Seasonal variations

AcadeMedia’s four segments show different seasonal variations. The three school segments show recurring seasonal variations, in which the first half of the year, July to December, typically reports weaker sales and earnings. This is mainly due to school holidays, annual leave, and the annual salary review. The second half, January to June, is stronger, as sales typically rise because of the annual school voucher funding reviews and higher numbers of children and students. The Adult Education segment shows more irregular seasonal variations and major contractual changes or changes in public initiatives can have a large effect. The seasonal variations are described in more detail in AcadeMedia AB’s annual report for 2022/23.

Outlook

AcadeMedia does not publish any forecasts.

Calendar

3 May 2024	Interim report, third quarter
19 July 2024	Preliminary result for the fiscal year 2023/24
28 August 2024	Year-end report 2023/24
24 October 2024	Interim report, first quarter
24 October 2024	Annual report 2023/24

For further information, please visit https://corporate.academedia.se

Stockholm 3 May 2024

Marcus Strömberg
Chief Executive Officer

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This information is information that AcadeMedia AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08:00 CEST on 3 May 2024.

Report of Review (Translation of Swedish Original)

Review report of the Interim Financial Statements (Interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act.

Introduction
We have reviewed this report for the period July 1, 2023, to March 31, 2024, for AcadeMedia AB. The board of directors and the managing director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review
We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, May 3, 2024

PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant
Auditor in charge

Consolidated income statement

MSEK	Need	Third quarter 2023/24	Third quarter 2022/23	Nine months 2023/24	Nine months 2022/23	Rolling 12 m Apr 23-Mar 24	Full year 2022/23
Net Sales	3	**4,613**	**4,195**	**12,476**	**11,340**	**16,675**	**15,539**
Cost of services		-384	-367	-1,138	-1,074	-1,500	-1,435
Other external expenses		-432	-422	-1,230	-1,131	-1,668	-1,569
Personnel expenses		-2,809	-2,532	-7,553	-6,819	-10,030	-9,296
Depreciation/amortization		-556	-507	-1,580	-1,429	-2,075	-1,924
Items affecting comparability [1)]		-11	-6	-17	-22	-40	-45
TOTAL OPERATING EXPENSES		**-4,192**	**-3,834**	**-11,518**	**-10,475**	-15,312	**-14,269**
OPERATING INCOME (EBIT)		**422**	**361**	**958**	**865**	**1,362**	**1,270**
Financial income	6	24	2	33	14	52	33
Financial expenses	6	-173	-146	-505	-399	-650	-543
Net financial items		**-149**	**-144**	**-472**	**-385**	**-598**	**-511**
INCOME BEFORE TAX		**272**	**217**	**486**	**480**	**765**	**759**
Tax	7	-58	-47	-103	-108	-177	-181
PROFIT FOR THE PERIOD		**215**	**170**	**383**	**372**	**588**	**578**
Profit for the period attributable to:							
Owners of the parent company		215	170	383	372	588	578
Basic earnings per share (SEK)		2.05	1.61	3.64	3.53	5.58	5.47
Diluted earnings per share (SEK)		2.05	1.60	3.64	3.52	5.59	5.47
Earnings per share based on number of shares outstanding (SEK)		2.11	1.61	3.78	3.53	5.72	5.47

[1] Items affecting comparability are specified on pages 4 and 5, and key figure definitions on pages 35-36.
See note 2 for information on the impact of the adoption of IFRS 16 on the financial statements.

Consolidated statement of comprehensive income

MSEK	Note	Third quarter 2023/24	Third quarter 2022/23	Nine months 2023/24	Nine months 2022/23	Rolling 12 m Apr 23-Mar 24	Full year 2022/23
PROFIT FOR THE PERIOD		**215**	**170**	**383**	**372**	**588**	**578**
Other comprehensive income							
Items that will not be reclassified to profit/loss							
Actuarial gains and losses		-12	-3	-40	-39	-32	-31
Deferred tax relating to actuarial gains and losses		3	1	9	9	7	7
		-9	**-2**	**-31**	**-30**	**-25**	**-24**
Items that may be reclassified to profit/loss							
Translation differences		5	-36	-20	-11	-4	5
Other comprehensive income for the period		**-4**	**-38**	**-52**	**-42**	**-29**	**-19**
COMPREHENSIVE INCOME FOR THE PERIOD		**211**	**131**	**332**	**331**	**560**	**559**
Comprehensive income for the period attributable to:							
Owners of the parent company		211	131	332	331	560	559

Consolidated statement of financial position in summary

MSEK	Note	31 March 2024	31 March 2023	30 June 2023
ASSETS				
Intangible non-current assets	5	7,622	6,670	6,695
Buildings	9	1,092	1,148	1,170
Right-of-use assets	10	10,826	9,368	9,119
Other property, plant, and equipment		1,071	1,034	1,035
Other non-current assets		169	96	92
Total non-current assets		**20,780**	**18,315**	**18,111**
Current receivables		1,132	901	840
Cash and cash equivalents[1]		1,243	872	967
Total current assets		**2,374**	**1,773**	**1,807**
TOTAL ASSETS		**23,154**	**20,088**	**19,918**
EQUITY AND LIABILITIES				
Total equity		**6,031**	**5,905**	**6,134**
Non-current liabilities to credit institutions		1,716	1,462	1,424
Long-term lease liabilities		9,712	8,410	8,203
Provisions and other non-current liabilities		281	197	180
Total non-current liabilities		**11,709**	**10,068**	**9,807**
Current interest-bearing liabilities		746	346	167
Short-term lease liabilities		1,664	1,306	1,309
Other current liabilities		3,004	2,462	2,501
Total current liabilities		**5,414**	**4,114**	**3,977**
TOTAL EQUITY AND LIABILITIES		**23,154**	**20,088**	**19,918**

[1] Cash includes Cash restricted for payroll tax withholdings with SEK 30 million (SEK 35 million per 31 March 2023 and SEK 36 million per 30 June 2023).

Summary of consolidated statement of changes in equity

Equity attributable to the owners of the Parent Company

MSEK	Jul - Mar 2023/24	Jul - Mar 2022/23	Jul-Jun 2022/23
Opening balance	**6,134**	**5,758**	**5,758**
Profit for the period	383	372	578
Other comprehensive income for the period	-34	-42	-19
Consolidated statement of comprehensive income	**350**	**330**	**559**
Dividends paid	-185	-185	-185
Share redemption programme	-268	-	-
Other transactions with owners[1]	0	2	2
Closing balance	**6,031**	**5,905**	**6,134**

[1] Transactions with owners during the past nine months amounts to SEK +0.1 million and included proceeds for issued warrants of SEK -0.2 million, new issue connected to the convertible program SEK +0.0 million and share-matching program SEK +0.3 million. Transactions with owners during the previous year amounted to SEK +1.8 million and include proceeds for issued warrants of SEK +1.9 million in the third quarter, a new share issue connected to the convertible program SEK +0.0 million, share matching program SEK +0.1 million, and payment for repurchase of issued warrants of SEK -0.1 million in the second quarter.

Consolidated cash flow statement

	Third quarter		Nine months		Full year
MSEK	**2023/24**	2022/23	**2023/24**	2022/23	2022/23
Operating profit (EBIT)	422	361	958	865	1,270
Depreciation/amortization	556	507	1,580	1,429	1,924
Adjustment for other non-cash items	-11	-23	-34	-46	-57
Tax paid	-93	-97	-229	-244	-276
Cash flow from operating activities before changes in working capital	**872**	**749**	**2,275**	**2,004**	**2,860**
Cash flow from changes in working capital	-188	-35	-16	-46	35
Cash flow from operating activities	**685**	**714**	**2,259**	**1,958**	**2,895**
Acquisition of subsidiaries	-325	-13	-560	-169	-169
Investments in buildings	-4	-22	-18	-35	-41
Leasehold improvements	-22	-30	-88	-75	-109
Investments in equipment	-19	-24	-108	-136	-167
Investments in intangible non-current assets	-1	-2	-6	-4	-7
Divestment of fixed assets	-	-	-	12	12
Investments in non-current financial assets	0	-0	-7	-0	-0
Cash flow from investing activities	**-372**	**-91**	**-787**	**-407**	**-481**
Interest received (+) and paid (-)	-23	-16	-55	-37	-54
Interest paid, lease liabilities	-145	-125	-411	-353	-477
Dividends to shareholders	-	-	-185	-185	-185
New issue/share redemption	-268	-	-268	-	-
Issue of warrants	-	2	-	2	2
Increase (+)/decrease (-) of interest-bearing liabilities	593	-5	902	-110	-373
Repayment of lease liabilities	-345	-412	-1,165	-1,127	-1,504
Cash flow from financing activities	**-188**	**-556**	**-1,181**	**-1,811**	**-2,590**
CASH FLOW FOR THE PERIOD	**125**	**67**	**290**	**-260**	**-177**
Cash and cash equivalents at beginning of period	1,108	818	967	1,137	1,137
Exchange-rate differences in cash and cash equivalents	9	-13	-14	-5	7
Cash and cash equivalents at end of period	**1,243**	**872**	**1,243**	**872**	**967**

Please see note 2 for information on how application of IFRS 16 impact the financial reports.

Notes and accounting policies

The interim report includes pages 1 to 36 and pages 1 to 16 form an integrated part of this financial report.

NOTE 1: ACCOUNTING POLICIES

This Interim Report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting, as well as applicable stipulations in the Annual Accounts Act. The Interim report for the Parent Company is prepared in accordance with chapter 9 Interim report in the Annual Accounts Act.

The accounting policies and basis of calculation applied are the same as those described in AcadeMedia's 2022/23 Annual Report, which was prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

New and amended accounting standards applied from 1 July 2023

New and amended standards and interpretations applicable from 1 July 2023 have not had any significant effect on the financial reports.

NOTE 2: FINANCIAL REPORTS DISCLOSING THE IMPACT FROM IMPLEMENTATION OF IFRS 16

Below, the effects on the financial reports from implementation of IFRS 16 Leasing are disclosed.

Consolidated income statement

	Third quarter 23/24			First nine months 23/24			Full year 22/23		
SEK m		Effect of IFRS 16	Excl. IFRS 16		Effect of IFRS 16	Excl. IFRS 16		Effect of IFRS 16	Excl. IFRS 16
Net Sales	**4,613**	**-**	**4,613**	**12,476**	**-**	**12,476**	**15,539**	**-**	**15,539**
Cost of services	-384	-	-384	-1,138	-	-1,138	-1,435	-	-1,435
Other external expenses	-432	529	-961	-1,230	1,492	-2,722	-1,569	1,816	-3,385
Personnel expenses	-2,809	-	-2,809	-7,553	-	-7,553	-9,296	-	-9,296
Depreciation/amortization	-556	-423	-132	-1,580	-1,199	-381	-1,924	-1,467	-458
Items affecting comparability	-11	-	-11	-17	-	-17	-45	-	-45
TOTAL OPERATING EXPENSES	**-4,192**	106	**-4,298**	**-11,518**	293	**-11,811**	**-14,269**	350	**-14,619**
OPERATING INCOME	**422**	**106**	**316**	**958**	**293**	**665**	**1,270**	**350**	**920**
Financial income	24	-	24	33	-	33	33	-	33
Financial expenses	-173	-141	-32	-505	-400	-105	-543	-469	-74
Net financial items	**-149**	**-141**	**-8**	**-472**	**-400**	**-72**	**-511**	**-469**	**-42**
INCOME BEFORE TAX	**272**	**-35**	**307**	**486**	**-107**	**593**	**759**	**-119**	**878**
Tax	-58	9	-67	-103	28	-131	-181	22	-203
PROFIT FOR THE PERIOD	**215**	**-26**	**241**	**383**	**-79**	**463**	**578**	**-97**	**675**
Other comprehensive income for the period	**-4**	**-**	**-4**	**-52**	**-**	**-52**	**-19**	**-**	**-19**
COMPREHENSIVE INCOME FOR THE PERIOD	**211**	**-26**	**237**	**332**	**-79**	**411**	**559**	**-97**	**656**
Earnings per share basic (SEK)	2.05	-0.25	2.30	3.64	-0.75	4.39	5.47	-0.92	6.39
Earnings per share diluted (SEK)	2.05	-0.25	2.30	3.64	-0.75	4.39	5.47	-0.92	6.39
Earnings per share based on number of shares outstanding (SEK)	2.11	-0.26	2.37	3.78	-0.78	4.56	5.47	-0.92	6.39

Consolidated statement of financial position in summary

MSEK	31 Mar 2024	Effect of IFRS 16	Excl. IFRS 16	31 Mar 2023	Effect of IFRS 16	Excl. IFRS 16
ASSETS						
Intangible non-current assets	7,622	-	7,622	6,670	-	6,670
Buildings	1,092	-	1,092	1,148	-	1,148
Right-of-use assets	10,826	10,572	253	9,368	9,142	226
Other property, plant, and equipment	1,071	-	1,071	1,034	-	1,034
Other non-current assets	169	38	131	96	29	66
Total non-current assets	**20,780**	**10,610**	**10,170**	**18,315**	**9,171**	**9,144**
Current receivables	1,132	-323	1,455	901	-299	1,200
Cash and cash equivalents	1,243	-	1,243	872	-	872
Total current assets	**2,374**	**-323**	**2,698**	**1,773**	**-299**	**2,072**
TOTAL ASSETS	**23,154**	**10,287**	**12,867**	**20,088**	**8,872**	**11,216**
EQUITY AND LIABILITIES						
Total equity	**6,031**	**-477**	**6,507**	**5,905**	**-371**	**6,276**
Non-current liabilities to credit institutions	1,716	-	1,716	1,462	-	1,462
Long-term lease liabilities	9,712	9,595	117	8,410	8,302	108
Provisions and other non-current liabilities	281	-137	419	197	-117	313
Total non-current liabilities	**11,709**	**9,457**	**2,252**	**10,068**	**8,185**	**1,883**
Current interest-bearing liabilities	746	-	746	346	-	346
Short-term lease liabilities	1,664	1,522	142	1,306	1,185	121
Other current liabilities	3,004	-216	3,220	2,462	-127	2,589
Total current liabilities	**5,414**	**1,306**	**4,108**	**4,114**	**1,058**	**3,057**
TOTAL EQUITY AND LIABILITIES	**23,154**	**10,287**	**12,867**	**20,088**	**8,872**	**11,216**

Consolidated cash flow statement

MSEK	Third quarter 23/24	Effect of IFRS 16	Excl. IFRS 16	First nine months 23/24	Effect of IFRS 16	Excl. IFRS 16
Operating profit/loss (EBIT)	422	106	316	958	293	665
Depreciation/amortization	556	423	132	1,580	1,199	381
Adjustment for other non-cash items	-11	-	-11	-34	-	-34
Tax paid	-93	-	-93	-229	-	-229
Cash flow from operating activities before changes in working capital	**872**	**529**	**343**	**2,275**	**1,492**	**783**
Cash flow from changes in working capital	-188	-87	-101	-16	-50	34
Cash flow from operating activities	**685**	**443**	**242**	**2,259**	**1,442**	**817**
Cash flow from investing activities	**-372**	**-**	**-372**	**-787**	**-**	**-787**
Cash flow from financing activities	**-188**	**-443**	**255**	**-1,181**	**-1,442**	**261**
CASH FLOW FOR THE PERIOD	**125**	**0**	**125**	**290**	**0**	**290**

NOTE 3: REVENUE

	Third quarter		Nine months		Full year
MSEK	**2023/24**	2022/23	**2023/24**	2022/23	**2022/23**
Education-related income	4,481	4,051	12,016	10,902	14,950
State subsidies	60	64	225	199	272
Products	21	24	70	78	101
Other income	51	56	166	161	216
Net Sales	**4,613**	**4,195**	**12,476**	**11,340**	**15,539**

Education-related income consists of school vouchers and participant fees. Tuition fees are recognised as revenue and allocated in line with the degree of completion over the period during which the education is provided, including time for planning and grading of student learning. Revenue for preschool operations is recognised based on the same fundamental principles. Revenue for services sold is recognised upon delivery to students. Revenue in the adult education operation is based on the same fundamental principles, but also considers the empirical estimate of the number of participants not completing the programme started, as well as estimates of compensation received based on the number of participants completing the programme.

State subsidies include State subsidies for the primary school initiative, smaller classes, skills development and before and after school care initiatives. State subsidies are recognised at fair value in the case that there is reasonable certainty that they will be received and that AcadeMedia will meet the conditions attached to the grant. Subsidies received to cover costs are recognised as an expense reduction for the relevant expense item, for example teacher salary premiums, head teacher premiums and other salary subsidies.

Products comprise products and services for the education market.

Other income refers to income not directly related to education.

NOTE 4: RELATED-PARTY TRANSACTIONS

Related party transactions are described in the Annual Report 2022/23. Transactions with related parties are conducted on an arm's length basis. During the first nine months of the year there were no significant related party transactions, except for the share redemption programme described earlier in this report.

NOTE 5: ACQUISITIONS

Acquiring company	**Acquired company**	**Acquisition date**	**Segment**
AcadeMedia Education GmbH	Mediadesign Akademie fur Aus- und Weiterbildung gGmbH	03-Jul-23	Preschool & int
AcadeMedia Nederland BV	Winford College BV	01-Aug-23	Preschool & int
AcadeMedia Grundskolor Holding AB	Vindseglet AB	01-Sep-23	Compulsory
AcadeMedia Vuxenutbildning Holding AB	Berghs School of Communication AB	02-Oct-23	Adult Education
ACM 2001 AB	VKPA-varhaiskasvatus Oy (Touhula)	01-mar-24	Preschool & int

The purchase price allocations are preliminary one year from the acquisition date.

The acquisitions above, excluding Touhula, represent a combined value of less than 5 percent of the Group. Therefore, Touhula is presented separately and the other acquisitions together in the tables below. The acquisitions relate to 100 percent of the shares and votes in the acquired companies.

The purchase consideration was in the form of cash.

Details of the net assets and goodwill acquired are given below. Goodwill attributed to company value exceeding net assets is not tax deductible whereas goodwill attributed to assets in asset-based acquisitions is tax deductible. No part of this years' additional goodwill is tax deductible.

In the acquisition analysis for Changemaker Education AB (acquired in August 2022) an adjustment for additional purchase price was made in the first quarter, which resulted in an increase of goodwill of SEK 3 million. Furthermore, in the second quarter the acquisition analysis for Fawz gGmbh (acquired in November 2022) was completed, the adjustment in comparison with the preliminary analysis is mainly related to the final valuation of properties, which gave rise to an increase in goodwill. In total, goodwill increased from 0 to SEK 31 million. The adjustments are shown in the table below in the adjustment column.

Acquisition effects on acquisitions made (SEK million)	**Adjustment**	**Touhula**	**Acquisitions**	**Total**
Purchase consideration including transaction expenses and interest compensation	-4	529	437	962
Purchase consideration excluding transaction expenses and including interest compensation	-4	517	395	908
Fair value of acquired net assets excluding goodwill	38	-94	-73	-129
Total goodwill	**34**	**423**	**322**	**779**

Fair values acquired (SEK m)	**Adjustment**	**Touhula**	**Acquisitions**	**Total**
Intangible non-current assets	0	133	67	200
Property, plant, and equipment	-45	37	22	14
Right-of-use assets	0	1,089	193	1,282
Financial non-current assets	0	55	1	56
Current assets	2	96	89	188
Cash and cash equivalents	0	23	117	140
Interest bearing liabilities	0	0	0	0
Interest bearing liabilities – IFRS 16	0	-1,089	-193	-1,282
Non-interest-bearing liabilities	11	-214	-202	-405
Current tax liability	0	0	0	0
Deferred tax liability	-6	-36	-21	-64
Net assets acquired	**-38**	**94**	**73**	**129**

Goodwill has arisen through acquisitions and is motivated partly by synergies with existing operations, for example in recruitment, staff development and service organisation, which are made more efficient as a result of the acquisitions, and partly by acquired resources that are not valued as staff, as well as by the future development of income.

Purchase consideration not settled in cash at the balance sheet date mainly relates to contingent consideration, see table below. The conditions associated with the earn-out are related to the fulfilment of performance targets.

Impact of acquisitions on the Group's cash and cash equivalents (SEK million)	**Adjustment**	**Touhula**	**Acquisitions**	**Total**
Purchase consideration excluding transaction expenses and including interest	-4	517	395	908
Less purchase consideration that has not been settled in cash as of period end	6	-168	-46	-208
Cash and cash equivalents at time of acquisition	0	-23	-117	-140
Impact on the Group's cash and cash equivalents	**2**	**325**	**232**	**560**

Contribution of acquisitions to consolidated profit (SEK million)	**Touhula**	**Acquisitions**	**Total**
Net sales	109	212	321
Adjusted operating profit (adj. EBIT)	6	23	29
Operating profit (EBIT)	-6	16	11

If the entities were included in consolidated results from 1 July 2023 the contribution would have been (SEK million)	**Touhula**	**Acquisitions**	**Total**
Net sales	838	257	1,095
Adjusted operating profit (adj. EBIT)	-17	30	14
Operating profit (EBIT)	-28	24	-4

NOTE 6: FINANCIAL INCOME AND EXPENSES

SEK m	Third quarter 2023/24	Third quarter 2022/23	Nine months 2023/24	Nine months 2022/23	Rolling 12 months | Apr 23 - Mar 24	Full year 2022/23
Financial income						
Interest income	5	2	15	5	18	9
Exchange rate gains	19	-	19	9	34	24
Interest income and similar items	**24**	**2**	**33**	**14**	**52**	**33**
Financial expenses						
Interest expense excl. lease liability	-25	-17	-64	-38	-82	-56
Borrowing costs [1]	-0	-0	-1	-1	-1	-1
Interest expense on the lease liability	-145	-125	-411	-353	-535	-477
Exchange rate losses	-	-2	-24	-2	-24	-2
Other	-3	-1	-6	-4	-9	-7
Interest expense and similar items	**-173**	**-146**	**-505**	**-399**	**-650**	**-543**
Interest expense on the lease liability properties	*-141*	*-123*	*-400*	*-347*	*-523*	*-469*

[1] *Acquisition costs for loans are expensed over the term of the loan.*

The financial expenses are somewhat higher than previous year, following increased property-related leasing liabilities as the operations grow and higher interest rates.

NOTE 7: TAXES

The tax expense for the first nine months amounted to SEK 103 (108) million, corresponding to an effective tax rate of 21.2 percent (22.4).

NOTE 8: FINANCIAL INSTRUMENTS

AcadeMedia's financial instruments consist of accounts receivable, other receivables, accrued income, cash and cash equivalents, accounts payable, accrued expenses, interest-bearing liabilities, and deferred consideration. Since loans to credit institutions are at variable interest, which essentially are deemed to correspond to current market interest rates, the carrying amount excluding loan expenses is considered to correspond to fair value. Other financial assets and liabilities have short terms. It is therefore deemed that the fair values of all the financial instruments are approximately equal to their carrying amounts.

NOTE 9: BUILDINGS

As of 31 March 2024, AcadeMedia owns 41 preschool properties in Norway, which are financed with long-term loans from the Norwegian State Housing Bank and short-term construction loans. Through the acquisition of FAWZ, AcadeMedia owns 3 major properties in Germany. Through the acquisition of Touhula, AcadeMedia owns 2 buildings in Finland. The buildings in the three countries total 51 400 square metres.

NOTE 10: RENTAL COMMITMENTS

In addition to the leasing contracts reported in the balance sheet, AcadeMedia has entered leasing contracts which have not yet commenced. The total commitment for these contracts as per 31 March 2024 amounts to SEK 1 644 million (1 706 as per 30 June 2023).

On 1 January 2024, most of AcadeMedia’s existing rental agreements are revised. In Sweden, this is done mainly based on index, which was 6.5 percent, corresponding to an increase in right-of-use assets and liabilities of around SEK 430 million.

Parent company – financial reports

Parent company income statement in summary

	Third quarter		Nine months		Full year
MSEK	**2023/24**	2022/23	**2023/24**	2022/23	2022/23
Net turnover	**5**	**5**	**19**	**15**	**16**
Operating expenses	**-8**	**-9**	**-29**	**-24**	**-31**
OPERATING RESULT	**-3**	**-3**	**-10**	**-9**	**-16**
Interest income and similar income items	61	35	166	73	116
Interest expense and similar income statement items	-64	-36	-174	-68	-112
Net financial income	**-3**	**-1**	**-7**	**5**	**4**
Appropriations	-	-	-	-	15
PROFIT BEFORE TAX	**-5**	**-4**	**-17**	**-4**	**3**
Taxes	1	1	4	1	-1
RESULT FOR THE PERIOD	**-4**	**-3**	**-14**	**-3**	**3**

Parent company other comprehensive income

	Third quarter		Nine months		Full year
SEK m	**2023/24**	2022/23	**2023/24**	2022/23	2022/23
Profit for the period	**-4**	**-3**	**-14**	**-3**	**3**
Other comprehensive income for the period	**-**	-	**-**	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	**-4**	**-3**	**-14**	**-3**	**3**

Parent company balance sheet in summary

SEK m	31 March 2024	31 March 2023	30 June 2023
ASSETS			
Participations in Group companies	3,261	3,261	3,261
Total non-current assets	**3,262**	**3,261**	**3,261**
Current receivables	5,047	4,117	4,204
Cash and cash equivalents	723	379	427
Total current assets	**5,770**	**4,496**	**4,632**
TOTAL ASSETS	**9,032**	**7,757**	**7,893**
EQUITY AND LIABILITIES			
Restricted equity	107	106	106
Non-restricted equity	1,664	2,126	2,132
Total equity	**1,771**	**2,232**	**2,237**
Non-current liabilities	572	307	114
Current liabilities	**6,688**	**5,218**	**5,542**
TOTAL EQUITY AND LIABILITIES	**9,032**	**7,757**	**7,893**

Parent company statement of changes in equity

SEK m	Jul - Mar 2023/24	Jul - Mar 2022/23	Jul-Jun 2022/23
Opening balance	**2,237**	**2,418**	**2,418**
Profit for the period	-14	-3	3
Other comprehensive income for the period	-	-	-
Total profit for the period	**-14**	**-3**	**3**
Dividend	-185	-185	-185
Share redemption programme	-268	0	0
Other transactions with owners[1]	0	2	2
Closing balance	**1,771**	**2,232**	**2,237**

[1] Transactions with owners the last nine months amounts to SEK +0.1 million and included proceeds for issued warrants of SEK -0.2 million, new issue connected to the convertible program SEK +0.0 million and share-matching program SEK +0.3 million. Transactions with owners in the previous year amounted to SEK +1,8 million and include proceeds for issued warrants of SEK +1.9 million in the third quarter, a new share issue connected to the convertible program SEK +0,0 million, share-matching program SEK +0.1 million and payment for the repurchase of issued warrants of SEK -0,1 million in the second quarter.

Multi-year review

SEK million, unless otherwise stated	Third quarter		Nine months		Full year				
	23/24	22/23	**23/24**	22/23	**22/23**	21/22	20/21	19/20	18/19[1]
PROFIT/LOSS ITEMS									
Net sales	4,613	4,195	12,476	11,340	15,539	14,339	13,340	12,271	11,715
Items affecting comparability	-11	-6	-17	-22	-45	-64	-7	36	1
EBITDA	977	868	2,538	2,295	3,194	2,980	2,754	2,486	931
Depreciation/amortization	-556	-507	-1,580	-1,429	-1,924	-1,755	-1,580	-1,513	-296
Operating profit/loss (EBIT)	422	361	958	865	1,270	1,224	1,174	973	635
Net financial items	-149	-144	-472	-385	-511	-441	-402	-417	-69
Profit/loss for the period before tax	272	217	486	480	759	784	772	556	566
Profit/loss for the period after tax	215	170	383	372	578	605	599	431	431
BALANCE SHEET ITEMS									
Non-current assets	20,780	18,315	20,780	18,315	18,111	17,024	15,773	15,262	8,218
Current receivables and inventories	1,132	901	1,132	901	840	704	662	710	976
Cash and cash equivalents	1,243	872	1,243	872	967	1,137	966	528	527
Non-current interest-bearing liabilities	1,722	1,488	1,722	1,488	1,430	747	1,850	1,914	2,205
Long-term lease liabilities	9,712	8,410	9,712	8,410	8,203	7,464	6,495	6,346	-
Non-current non-interest-bearing liabilities	276	171	276	171	175	187	162	207	305
Current interest-bearing liabilities	746	346	746	346	167	1,207	195	270	592
Short-term lease liabilities	1,664	1,306	1,664	1,306	1,309	1,180	1,077	1,010	-
Current non-interest-bearing liabilities	3,004	2,462	3,004	2,462	2,501	2,323	2,319	1,965	2,030
Equity	6,031	5,905	6,031	5,905	6,134	5,758	5,305	4,790	4,589
Total assets	23,154	20,088	23,154	20,088	19,918	18,864	17,401	16,500	9,720
Capital employed	9,234	8,340	9,234	8,340	8,322	8,181	7,705	7,232	7,386
Net debt including IFRS 16	12,601	10,678	12,601	10,678	10,142	9,460	8,650	9,011	2,266
Net debt, excluding IFRS 16	1,484	1,191	1,484	1,191	825	987	1,222	1,797	2,266
Property adjusted net debt	793	469	793	469	97	237	526	1,138	1,533
KEY RATIOS									
Net sales, SEK m	4,613	4,195	12,476	11,340	15,539	14,339	13,340	12,271	11,715
Organic growth incl. Bolt-on acquisitions, %	6.8%	7.5%	7.4%	5.5%	6.0%	5.2%	8.1%	5.4%	4.4%
Acquired growth, larger acquisitions, %	3.6%	2.8%	2.8%	1.9%	1.9%	1.6%	1.6%	-	3.2%
Change in currency, %	-0.4%	0.0%	-0.2%	0.7%	0.5%	0.8%	-1.1%	-0.7%	0.8%
Operating margin (EBIT), %	9.1%	8.6%	7.7%	7.6%	8.2%	8.5%	8.8%	7.9%	5.4%
Adjusted EBIT, SEK m	327	277	682	631	964	1,001	939	728	634
Adjusted EBIT margin, %	7.1%	6.6%	5.5%	5.6%	6.2%	7.0%	7.0%	5.9%	5.4%
Adjusted EBITDA, SEK m	459	398	1,063	977	1,422	1,398	1,295	1,066	930
Adjusted EBITDA margin, %	10.0%	9.5%	8.5%	8.6%	9.2%	9.7%	9.7%	8.7%	7.9%
Return on capital employed, %, (12 months)	11.8%	11.1%	11.8%	11.1%	11.8%	12.6%	12.6%	10.0%	8.7%
Return on equity, % (12 months)	10.9%	10.3%	10.9%	10.3%	10.7%	12.0%	13.3%	11.6%	9.7%
Equity/assets ratio, %, incl IFRS 16	26.0%	29.4%	26.0%	29.4%	30.8%	30.5%	30.5%	29.0%	-
Equity/assets ratio, %, excl IFRS 16	50.6%	56.0%	50.6%	56.0%	57.9%	55.3%	53.3%	51.4%	47.2%
Interest coverage ratio, times	11.4	17.7	11.4	17.7	15.6	31.6	27.9	15.9	12.5
Net debt/Adjusted EBITDA (12 m) incl IFRS 16	3.6	3.4	3.6	3.4	3.1	3.1	3.1	3.7	-
Net debt/Adjusted EBITDA (12 m)	1.0	0.9	1.0	0.9	0.6	0.7	0.9	1.7	2.4
Debt ratio, incl IFRS 16	57.5%	55.6%	57.5%	55.6%	53.5%	10.1%	13.0%	19.9%	-
Debt ratio, excl. IFRS 16	12.8%	11.5%	12.8%	11.5%	8.0%	53.4%	52.6%	56.4%	-
Free cash flow	200	168	610	385	792	922	1,117	805	356
Cash flow from investing activities	-372	-91	-787	-407	-481	-536	-437	-375	-559
Number of full-time employees	15,561	14,702	15,058	14,398	14,459	13,829	13,360	12,686	12,405

[1] Relates to financial statements with application of accounting policies for financial years earlier than 1 July 2019. This entails accounting with application of leases under IAS 17, i.e., effects from leases of real estate are recognised as rent and not as finance leases.
Key performance indicator definitions, see pages 35-36.

Quarterly data, Group

Quarterly data	2023/24			2022/23				2021/22		
SEK million, unless otherwise stated	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	4,613	4,433	3,430	4,199	4,195	4,041	3,104	3,851	3,802	3,774	2,911
EBITDA	**977**	**831**	**729**	**899**	**868**	**740**	**687**	**787**	**760**	**778**	**655**
Depreciation/amortization	*-80*	*-79*	*-77*	*-68*	*-74*	*-73*	*-67*	*-62*	*-59*	*-58*	*-58*
Depreciation/amortization, acquisitions	*-7*	*-6*	*-6*	*-6*	*-6*	*-6*	*-6*	*-5*	*-4*	*-5*	*-4*
Depreciation/amortization, right-of-use assets	*-468*	*-441*	*-414*	*-421*	*-427*	*-395*	*-376*	*-383*	*-384*	*-373*	*-359*
Depreciation/amortization	-556	-526	-498	-495	-507	-474	-448	-450	-447	-436	-421
Items affecting comparability	-11	0	-6	-23	-6	-21	6	-14	-27	7	-30
Operating income (EBIT)	**422**	**305**	**232**	**404**	**361**	**266**	**239**	**337**	**313**	**342**	**233**
Total financial items	-149	-168	-155	-126	-144	-122	-120	-114	-113	-108	-106
Income before taxes	**272**	**137**	**77**	**279**	**217**	**144**	**119**	**223**	**200**	**234**	**127**
Tax for the current period	-58	-31	-14	-74	-47	-35	-25	-59	-44	-48	-27
Profit/loss for the period	**215**	**106**	**62**	**205**	**170**	**109**	**94**	**164**	**155**	**186**	**100**
Number of children/students, schools	104,421	101,292	100,752	98,988	99,076	97,767	95,834	93,308	93,092	92,363	91,431
Number of full-time employees	15,561	14,973	14,641	14,642	14,702	14,510	13,982	14,022	13,904	13,847	13,543
Number of education units	711	595	595	586	586	580	571	559	556	552	545
Key ratios											
Operating margin (EBIT), %	9.1%	6.9%	6.8%	9.6%	8.6%	6.6%	7.7%	8.8%	8.2%	9.1%	8.0%
Adjusted EBIT	327	204	151	333	277	203	151	279	264	263	194
Adjusted EBIT, %	7.1%	4.6%	4.4%	7.9%	6.6%	5.0%	4.9%	7.2%	6.9%	7.0%	6.7%
Adjusted EBITA	334	210	158	339	283	208	157	284	269	268	198
Adjusted EBITA, %	7.2%	4.7%	4.6%	8.1%	6.7%	5.1%	5.1%	7.4%	7.1%	7.1%	6.8%
Adjusted EBITDA	459	334	269	445	398	323	256	382	367	365	284
Adjusted EBITDA, %	10.0%	7.5%	7.8%	10.6%	9.5%	8.0%	8.2%	9.9%	9.7%	9.7%	9.8%
Net margin, %	4.7%	2.4%	1.8%	4.9%	4.1%	2.7%	3.0%	4.3%	4.1%	4.9%	3.4%
Return on equity, % (12 months) [1]	10.9%	10.3%	10.2%	10.7%	10.3%	10.4%	11.6%	12.0%	12.6%	13.9%	13.1%
Return on capital employed, % (12 Months) [1]	11.8%	11.6%	11.3%	11.8%	11.1%	11.1%	11.8%	12.6%	12.7%	13.2%	12.8%
Equity/assets ratio, %[1]	50.6%	54.7%	54.5%	57.9%	56.0%	54.8%	54.3%	55.3%	54.4%	53.0%	53.5%
Net debt/Adjusted EBITDA (12 months) [1]	1.0	0.7	0.9	0.6	0.9	1.0	1.0	0.7	0.9	0.9	1.1
Interest coverage ratio[1]	11.4	11.9	13.5	15.6	17.7	21.8	26.4	31.6	32.3	33.0	31.0
Other											
Free cash flow	200	537	-127	406	168	282	-64	397	19	606	-99
Cash flow from operating activities	242	606	-32	474	223	354	24	517	59	675	-26
Cash flow from investing activities	-372	-154	-261	-74	-91	-146	-170	-217	-93	-120	-106

[1] *Net debt/EBITDA and interest coverage ratio are important key performance indicators in AcadeMedia's business which from 1 July 2019 are calculated adjusted for the effect of IFRS 16 Leases to reflect a comparable measure to key performance indicators from previous periods.*

Quarterly data, segment

SEK million, unless otherwise stated	2023/24			2022/23			
Preschool and international (SE, NO, TY, NL, FI)	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	29,938	26,452	25,989	26,663	26,446	24,842	22,702
Net sales	1,605	1,427	1,165	1,388	1,386	1,252	956
of which Sweden	372	364	282	386	376	363	274
of which Norway preschool	626	584	455	605	619	553	417
of which Finland preschool	109	-	-	,	,	,	,
of which Germany	415	395	358	355	349	293	231
of which Netherlands	62	60	45	19	18	15	8
of which Sandviks	21	24	24	23	24	28	27
EBITDA	131	66	27	118	105	46	24
EBITDA margin, %	8.2%	4.6%	2.3%	8.5%	7.6%	3.7%	2.5%
Depreciation/amortization	-30	-31	-30	-20	-27	-28	-24
Acquisition-related amortisation	-4	-3	-3	-3	-3	-3	-3
Amortisation of right-of-use assets	-1	-1	-0	-1	-1	-1	-1
EBITA	100	34	-3	98	78	17	-0
EBITA margin, %	6.2%	2.4%	-0.3%	7.1%	5.6%	1.4%	-
Operating profit/loss (EBIT)	97	31	-6	95	75	15	-3
EBIT margin, %	6.0%	2.2%	-0.5%	6.8%	5.4%	1.2%	-0.3%
Items affecting comparability	-11	0	-6	-0	-0	-11	-
Adjusted operating profit/loss (EBIT)	108	31	0	95	76	26	-3
Adjusted EBIT margin, %	6.7%	2.2%	-	6.8%	5.5%	2.1%	-0.3%
Number of preschool units	444	328	328	317	317	312	303

SEK million, unless otherwise stated	2023/24			2022/23			
Compulsory School	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	29,344	29,257	28,825	28,911	28,715	28,520	28,416
Net sales	1,092	1,091	799	1,029	1,008	986	746
EBITDA	102	89	74	111	87	76	78
EBITDA margin, %	9.3%	8.2%	9.3%	10.8%	8.6%	7.7%	10.5%
Depreciation/amortization	-17	-17	-16	-16	-16	-16	-15
Acquisition-related amortisation	-0	-0	-0	-0	-0	-0	-0
Amortisation of right-of-use assets	-7	-7	-6	-7	-8	-8	-6
EBITA	78	66	51	88	63	53	57
EBITA margin, %	7.1%	6.0%	6.4%	8.6%	6.3%	5.4%	7.6%
Operating profit/loss (EBIT)	78	65	51	88	63	53	57
EBIT margin, %	7.1%	6.0%	6.4%	8.6%	6.3%	5.4%	7.6%
Items affecting comparability	-0	-0	1	-0	-6	-10	6
Adjusted operating profit/loss (EBIT)	78	65	51	88	69	63	51
Adjusted EBIT margin, %	7.1%	6.0%	6.4%	8.6%	6.8%	6.4%	6.8%
Number of education units	118	118	118	117	117	116	116

SEK million, unless otherwise stated	2023/24			2022/23			
Upper secondary school (Sweden)	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	45,139	45,583	45,938	43,413	43,915	44,405	44,716
Net sales	1,473	1,441	1,102	1,383	1,385	1,361	1,025
EBITDA	187	154	119	195	176	166	124
EBITDA margin, %	12.7%	10.7%	10.8%	14.1%	12.7%	12.2%	12.1%
Depreciation/amortization	-28	-27	-27	-27	-26	-25	-24
Acquisition-related amortisation	-1	-1	-1	-1	-1	-1	-1
Amortisation of right-of-use assets	-37	-37	-28	-30	-32	-32	-25
EBITA	122	90	64	138	117	108	75
EBITA margin, %	8.3%	6.2%	5.8%	10.0%	8.4%	7.9%	7.3%
Operating profit/loss (EBIT)	121	89	63	137	116	107	74
EBIT margin, %	8.2%	6.2%	5.7%	9.9%	8.4%	7.9%	7.2%
Items affecting comparability	-0	-0	0	-23	-	-	-
Adjusted operating profit/loss (EBIT)	121	89	63	160	116	107	74
Adjusted EBIT margin, %	8.2%	6.2%	5.7%	11.6%	8.4%	7.9%	7.2%
Number of education units	149	149	149	152	152	152	152

SEK million, unless otherwise stated	2023/24			2022/23			
Adult Education	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	443	473	365	397	415	438	377
EBITDA	50	52	54	26	39	33	49
EBITDA margin, %	11.3%	11.0%	14.8%	6.5%	9.4%	7.5%	13.0%
Depreciation/amortization	-4	-4	-4	-4	-4	-4	-2
Acquisition-related amortisation	-2	-2	-2	-2	-2	-2	-2
Amortisation of right-of-use assets	-0	-0	-0	-0	-0	-0	-1
EBITA	45	48	50	22	35	29	46
EBITA margin, %	10.2%	10.1%	13.7%	5.5%	8.4%	6.6%	12.2%
Operating profit/loss (EBIT)	43	46	48	20	33	28	45
EBIT margin, %	9.7%	9.7%	13.2%	5.0%	8.0%	6.4%	11.9%
Items affecting comparability	-0	0	-0	0	-0	0	-0
Adjusted operating profit/loss (EBIT)	43	46	48	20	33	28	45
Adjusted EBIT margin, %	9.7%	9.7%	13.2%	5.0%	8.0%	6.4%	11.9%

SEK million, unless otherwise stated	2023/24			2022/23			
Group OH and adjustments	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net turnover	0	0	0	0	1	4	0
EBITDA	507	470	456	449	460	419	410
Depreciation and amortisation	-424	-397	-380	-384	-387	-355	-344
EBITA	83	73	76	64	73	64	66
Operating profit (EBIT)	83	73	76	64	73	64	66
Items affecting comparability	-	-	-	-	-	-	-
Adjusted operating profit (EBIT)	-23	-28	-10	-30	-16	-20	-16

SEK million, unless otherwise stated	2023/24			2022/23			
Group	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Number of children/students (average)	104,421	101,292	100,752	98,988	99,076	97,767	95,834
Net sales	4,613	4,433	3,430	4,199	4,195	4,041	3,104
EBITDA	977	831	729	899	868	740	687
EBITDA margin, %	21.2%	18.7%	21.3%	21.4%	20.7%	18.3%	22.1%
Depreciation/amortization	-80	-79	-77	-68	-74	-73	-67
Acquisition-related amortisation	-7	-6	-6	-6	-6	-6	-6
Amortisation of right-of-use assets	-468	-441	-414	-421	-427	-395	-376
EBITA	429	311	238	410	367	272	244
EBITA margin, %	9.3%	7.0%	6.9%	9.8%	8.7%	6.7%	7.9%
Operating profit/loss (EBIT)	422	305	232	404	361	266	239
EBIT margin, %	9.1%	6.9%	6.8%	9.6%	8.6%	6.6%	7.7%
Items affecting comparability	-11	0	-6	-23	-6	-21	6
Effect of IFRS 16 on operating profit	106	101	86	94	90	84	82
Adjusted operating profit/loss (EBIT)	327	204	151	333	277	203	151
Adjusted EBIT margin, %	7.1%	4.6%	4.4%	7.9%	6.6%	5.0%	4.9%
Net financial items	-149	-168	-155	-126	-144	-122	-120
Profit/loss after financial items	**272**	**137**	**77**	**279**	**217**	**144**	**119**
Tax	-58	-31	-14	-74	-47	-35	-25
Profit/loss for the period	**215**	**106**	**62**	**205**	**170**	**109**	**94**
Number of full-time employees (period)	15.561	14,973	14,641	14,642	14,702	14,510	13,982
Number of units	711	595	595	586	586	580	571

Reconciliation of alternative key performance indicators

The table below presents the data from which the alternative performance indicators used in the report are calculated. See definitions for more information.

SEK million, unless otherwise stated	Third quarter		Nine months		Full year			
	2023/24	2022/23	**2023/24**	2022/23	**2022/23**	2021/22	2020/21	2019/20
Adjusted operating profit								
Operating profit	422	361	958	865	1,270	1,224	1,174	973
- Items affecting comparability	-11	-6	-17	-22	-45	-64	-7	36
- IFRS 16 impact	106	90	293	256	350	288	243	209
= Adjusted operating profit	**327**	**277**	**682**	**631**	**964**	**1,001**	**939**	**728**
Adjusted EBIT margin								
Adjusted operating profit	327	277	682	631	964	1,001	939	728
Divided by /Net sales	4,613	4,195	12,476	11,340	15,539	14,339	13,340	12,271
= Adjusted EBIT margin	**7.1%**	**6.6%**	**5.5%**	**5.6%**	**6.2%**	**7.0%**	**7.0%**	**5.9%**
Adjusted EBITDA								
Adjusted operating profit	327	277	682	631	964	1,001	939	728
- Depreciation excluding depreciation relating to property rental agreements	-132	-121	-381	-346	-458	-398	-357	-338
= Adjusted EBITDA	**459**	**398**	**1,063**	**977**	**1,422**	**1,398**	**1,295**	**1,066**
Net debt								
Non-current interest-bearing liabilities	11,433	9,898	11,433	9,898	9,633	8,211	8,344	8,260
+ Current interest-bearing liabilities	2,410	1,652	2,410	1,652	1,476	2,386	1,272	1,279
- Interest-bearing receivables	-	-	-	-	-	-	-	-
- Cash and cash equivalents	1,243	872	1,243	872	967	1,137	966	528
= Net debt including IFRS 16	**12,601**	**10,678**	**12,601**	**10,678**	**10,142**	**9,460**	**8,650**	**9,011**
- IFRS 16 Non-current and current lease liabilities	11,117	9,487	11,117	9,487	9,317	8,474	7,428	7,214
= Net debt excluding IFRS 16	**1,484**	**1,191**	**1,484**	**1,191**	**825**	**987**	**1,222**	**1,797**
Property-adjusted net debt								
Net debt (as described above)	1,484	1,191	1,484	1,191	825	987	1,222	1,797
- non-current property loans	662	693	662	693	698	722	671	597
- current property loans	30	29	30	29	30	28	25	62
= Property adjusted net debt excluding IFRS 16	**793**	**469**	**793**	**469**	**97**	**237**	**526**	**1,138**
Return on capital employed %, 12 months								
Adjusted EBIT	1,015	910	1,015	910	964	1,001	939	728
+ Interest income	18	6	18	6	9	1	0	0
divided by								
Average equity	5,968	5,776	5,968	5,776	5,946	5,531	5,047	4,690
+ average non-current interest-bearing liabilities	10,666	9,244	10,666	9,244	8,922	8,277	8,302	5,232
+ average current interest-bearing liabilities	2,031	1,594	2,031	1,594	1,931	1,829	1,276	935
- IFRS 16 average equity	-424	-324	-424	-324	-349	-256	-165	-59
- IFRS 16 average non-current and current lease liabilities	10,302	8,666	10,302	8,666	8,896	7,951	7,321	3,607
= Return on capital employed excluding IFRS 16, %	**11.8%**	**11.1%**	**11.8%**	**11.1%**	**11.8%**	**12.6%**	**12.6%**	**10.0%**
Return on equity %, 12 months								
Profit/loss after tax	588	536	588	536	578	605	599	431
- IFRS 16 profit/loss after tax	-106	-94	-106	-94	-97	-88	-95	-117
divided by								
Average equity	5,968	5,776	5,968	5,776	5,946	5,531	5,047	4,690
- IFRS 16 average equity	-424	-324	-424	-324	-349	-256	-165	-59
= Return on equity, % 12 months	**10.9%**	**10.3%**	**10.9%**	**10.3%**	**10.7%**	**12.0%**	**13.3%**	**11.6%**
Debt ratio, incl IFRS 16								
Net debt incl IFRS 16	12,601	10,678	12,601	10,678	10,142	9,460	8,650	9,011
divided by								
Total assets	23,164	20,088	23,164	20,088	19,918	18,864	17,401	16,500
-cash and cash equivalents	1,243	872	1,243	872	967	1,137	966	528
=Debt ratio incl IFRS 16	**57.5%**	**55.6%**	**57.5%**	**55.6%**	**53.5%**	**53.4%**	**52.6%**	**56.4%**
Debt ratio, excl IFRS 16								
Net debt excl IFRS 16	1,484	1,191	1,484	1,191	825	987	1,222	1,797
divided by								
Total assets	12,877	11,216	12,877	11,216	11,289	10,951	10,353	9,551
-cash and cash equivalents	1,243	872	1,243	872	967	1,137	966	528
=Debt ratio excl IFRS 16	**12.8%**	**11.5%**	**12.8%**	**11.5%**	**8.0%**	**10.1%**	**13.0%**	**19.9%**

	2023/24			2022/23				2021/22			
SEK million, unless otherwise stated	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Interest coverage ratio											
Adjusted operating profit EBIT (12 months)	1,015	966	965	964	910	898	958	1,001	1,003	1,018	980
+ Interest income (12 months)	18	16	11	9	6	3	1	1	0	0	0
+ Other financial income (12 months)	34	15	21	24	9	9	3	0	-0	3	3
divided by											
Interest expense (12 months)	-616	-588	-561	-533	-501	-470	-449	-432	-421	-409	-402
- Interest expense (12 months) IFRS 16[1]	-523	-504	-487	-469	-448	-428	-412	-401	-390	-378	-370
= Interest coverage ratio (excl. IFRS 16)	**11.4**	**11.9**	**13.5**	**15.6**	**17.7**	**21.8**	**26.4**	**31.6**	**32.3**	**33.0**	**31.0**

[1] Amounts relate to adjustments and reclassifications made to reverse the adjustments associated with implementation of the accounting standard, IFRS 16 Leases, to reflect an accounting practice applied in previous accounting periods (IAS 17).

Definitions of key performance indicators

Implementation of IFRS16 has a major impact on AcadeMedia in that all leases must be capitalised as lease assets and liabilities, respectively. Several important key performance indicators have the same definition as previously and are not affected by IFRS 16. AcadeMedia uses prospective application from 1 July 2019, which means that the previous year's accounts have not been restated.

KPIs	Definition	Purpose[1]
Number of children/students	Average number of children/students enrolled during the specified period. Adult education participants are not included in the Group's total figures for number of children/students.	The number of children/students is the most important driver for revenue.
Number of education units	Refers to the number of preschools, compulsory schools and/or upper secondary schools operating in the period. Integrated units where preschools and compulsory schools are combined are counted as two units as they each hold their own permit.	The number of education units indicates how the Company grows over time through new establishments and acquisitions minus discontinued units.
Number of full-time employees	Average number of full-time employees during the period, full-time equivalent (FTE).	The number of employees is the main cost driver for the Company.
Return on equity[2]	Profit/loss for the most recent 12-month period according to IAS 17 i.e., excluding the effects of the implementation of IFRS16, divided by average equity applying IAS 17 (opening balance + closing balance)/2.	Return on equity is a profitability measure used to set profit (loss) in relation to shareholders' paid-in and earned capital.
Return on capital employed[2]	Adjusted operating profit/loss (EBIT) for the most recent 12-month period plus interest income, divided by average capital.	Adjusted return on capital employed is used to set adjusted operating profit/loss in relation to total tied up capital regardless of type of financing.
EBITDA	Operating profit/loss before depreciation/amortisation and impairment of non-current assets and right-of-use assets. This KPI is only used for monitoring the segments which accounts for leasing of properties in accordance with IAS 17.	EBITDA is used to measure profit (loss) from operating activities, regardless of depreciation/amortisation.
EBITDA margin	EBITDA as a percentage of net sales.	EBITDA margin is used to set EBITDA in relation to sales.
Equity excl. IFRS16[2]	Equity according to IAS 17 i.e., excluding the effects of the implementation of IFRS16.	Equity excluding IFRS16 is used to be able to calculate return on equity consistently.
Net financial items	Financial income less financial expenses.	The measure Net financial items is used to illustrate the outcome of the Company's financial activities.
Free cash flow[2]	Cash flow from operating activities and changes in working capital inclusive of property lease payments less investments in operating activities. Investments in operating relate to all investments in property, plant and equipment and intangible assets except buildings and acquisitions.	This measure shows how much cash flow the business generates after the necessary investments have been made. This cash flow can be used for purposes such as expansion, amortisation, or dividends.
Acquired growth	Increase of net sales due to larger acquisitions during the last 12 months.	Indicates growth generated from acquisitions in contrast to organic growth and currency effects.
Adjusted EBITDA[2]	Operating profit/loss according to the previous standard IAS 17 i.e., excluding the effects of IFRS16 and before amortisation/depreciation of intangible assets and property, plant, and equipment, and excluding items affecting comparability.	Adjusted EBITDA is used to measure underlying profit from operating activities, excluding depreciation/amortisation and items affecting comparability.
Adjusted EBITDA margin[2]	Adjusted EBITDA as a percentage of net sales.	Adjusted EBIT margin sets underlying operating profit excluding amortisation in relation to sales.
Adjusted net debt[2]	Net debt (see below) less real estate-related	Adjusted net debt shows the portion of loans that finance the business, while property loans are linked to a building asset that can be separated off and sold.
Adjusted EBIT[2]	Operating profit/loss (EBIT) according to the previous standard IAS 17 i.e., excluding the effects of the implementation of IFRS 16, adjusted for items affecting comparability. The difference is the effects from the leasing of properties, i.e. the profit measure has been charged with rental costs.	Adjusted EBIT is used to get a better picture of the underlying operating profit.
Adjusted EBIT margin[2]	Adjusted EBIT as a percentage of net sales.	Adjusted EBIT margin sets underlying operating profit in relation to sales.
Items affecting comparability	Items affecting comparability are income and cost of an irregular nature such as larger (>SEK 5 million) retroactive income related to prior financial years, to property-related items such as capital gains, major property damage not covered by insurance, advisory costs relating to larger acquisitions or fundraising, major integration costs resulting from acquisitions or reorganisations according to plan, as well as costs arising from strategic decisions and major restructuring that result in closing units.	Items affecting comparability are used to illustrate the profit/loss items that are not included in ongoing operating activities, to obtain a clearer picture of the underlying profit trend.
Net debt[2]	Interest-bearing debt excluding property-related lease liabilities net of cash and cash equivalents and interest-bearing receivables.	Net debt is used to illustrate the size of the debt less current cash and cash equivalents (which in theory could be used to repay loans).
Net debt/ Adjusted EBITDA[2]	Net debt (closing balance for the period) divided by adjusted EBITDA for the past 12 months. .	Net debt/EBITDA is a theoretical measure of how many years it would take, with current earnings (EBITDA), to pay off the Company's liabilities.
Net debt/ Adjusted EBITDA (incl. IFRS 16)	Net debt (closing balance for the period) divided by adjusted EBITDA for the past 12 months, including the effect of IFRS 16	Net debt/EBITDA is a theoretical measure of how many years it would take, with current earnings (EBITDA), to pay off the Company's liabilities, including leased liabilities

Organic growth incl. smaller bolt-on acquisitions	Increase of net sales excluding larger acquisitions and changes in currency.	The Company's growth target is to increase net sales including smaller bolt-on acquisitions by 5-7 percent per year. The purpose of the key performance indicator is thus to follow up on this target.
Employee turnover	The average number of employees who left the company during the year, in relation to the average number of employees. (Number of permanent and probationary employees who quit) / (Average number of permanent and probationary employees) Calculated on an aggregated basis over the reporting period.	Employee turnover is used to measure the proportion of employees who leave the company and who must be replaced every year.
Earnings per share	Profit/loss for the period in SEK, divided by the average number of shares outstanding, basic/diluted calculated according to IAS 33. The key performance indicator is affected by IFRS16 because net profit is affected by elimination of rent and the addition of amortisation and interest expense related to right-of-use assets.	Earnings per share is used to clarify the amount of profit for the period to which each share is entitled.
Interest coverage ratio[2]	Adjusted EBIT for the past 12 months plus financial income, in relation to interest expense excluding interest expense attributable to property-related leasing liabilities.	Interest coverage ratio is used to measure the Company's ability to pay interest costs.
Operating margin (EBIT margin)	Operating profit/loss as a percentage of net sales.	The operating margin shows the percentage of sales remaining after operating expenses, which can be allocated to other purposes.
Operating profit/loss (EBIT)	Operating profit/loss before net financial items and tax. .	Operating profit/loss (EBIT) is used to measure operating profit before financing and tax.
Absence due to illness	Short-term and long-term absence due to illness recalculated to full-time divided by the number of full-time employees (FTE). Calculated as an average over the reporting period.	Absence due to illness is used to measure employee absence and provide indications as to employee health.
Debt ratio (including IFRS 16)	Net debt in percent of total assets less cash and cash equivalents. Including effects of IFRS 16	Debt ratio including IFRS 16 shows what proportion of the company's total assets (excluding cash and cash equivalents) is financed with borrowed capital and lease liabilities. The measure shows the company's financial position with consideration of leasing commitments.
Debt ratio (excluding IFRS 16)	Net debt in percent of total assets less cash and cash equivalents. Excluding effects of IFRS 16.	Debt ratio excluding IFRS 16 shows what proportion of the company's total assets (excluding cash and cash equivalents) is financed with borrowed capital. The measure shows the company's financial position.
Equity/assets ratio[2]	Equity according to IAS 17 i.e. excluding the effects of the implementation of IFRS16 in percent of total assets excluding property-related right of use assets.	The equity/assets ratio shows the proportion of the company's total assets financed by shareholders' equity. A high equity/assets ratio is a measure of financial strength.
Capital employed excl. IFRS16[2]	Total assets, less non-interest-bearing current liabilities, provisions, and deferred tax liabilities adjusted for property-related lease liabilities. Or: Equity plus interest-bearing liabilities but excluding property-related lease liabilities.	Capital employed indicates how much capital is needed to run the business regardless of type of financing (borrowed or equity). By excluding the IFRS16 effect, continuity can be achieved in the return figure.

[1] **According to ESMA guidelines on performance measures, each performance measure must be motivated.**

[2] The key indicator was calculated applying IAS 17 i.e., excluding effects from implementing IFRS 16, as the implementation had a significant impact on assets and liabilities as well as items in the income statement. By excluding the IFRS 16 effects continuity is achieved.

General

All amounts in tables are in SEK million unless otherwise stated. All figures in parentheses () are comparative figures for the same period in the previous year, unless otherwise stated. Totals of amounts in whole figures do not always match reported totals due to rounding. The reported total amounts are correct.