

Press release, 11 May 2018

## **IES acquiring English School of Asturias**

Via newly incorporated joint venture International Education Partnership, S.L. ("IEP"), Internationella Engelska Skolan i Sverige Holdings II AB ("Internationella Engelska Skolan" or "IES") is acquiring 99.43% of the shares of English School of Asturias. IEP is 50% owned by IES and 50% owned by IES's collaborative partner in Spain, the Monzonis family.

The enterprise value, EV, is EUR 16.0 m: The purchase consideration, which is being temporarily financed through a loan from IES, amounts to EUR 13.5 m, including school buildings valued at just over EUR 9 m. Asturias' adjusted EBITDA for the financial year 2017/18 is estimated at EUR 1.2 m.

English School of Asturias is a fee-paying private school, and IES's second acquisition in Spain, after its purchase of 50% of the shares of Grupo Educativo Elians in fall 2016. Operations are largely based on the same principles as IES in Sweden, with a focus on English, high academic expectations and an orderly classroom environment. Education is in accordance with the British Curriculum, with teaching mainly in English. The school currently has 690 students aged 3 to 18, most of whom are from Spain. Operations are located in central Asturia, in Pravia de Abajo, a convenient distance from the cities of Oviedo, Gijon and Avilés. The teaching staff totals 79, and there is a total of 89 employees.

"When IES took its first step into the Spanish market in fall 2016, its ambition was to lay a foundation for further expansion. Since then, we have enhanced our quality systems, appointed a strong management and improved financial controls. Accordingly, the acquisition of English School of Asturias is a natural step in IES's expansion in Spain," commented Annette Brodin Rampe, IES's CEO.

In tandem with the acquisition, IEP also took over 100% of the shares of two of Grupo Educativo Elians's three school companies in Spain, located in Castellon and La Nucia. The third school, located in Valencia, continues to be owned directly by IES (50%) and the Monzonis family (50%).

### **For more information, please contact:**

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*This information is mandatory for Internationella Engelska Skolan i Sverige Holdings II AB (publ) to publish pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the above contact, on 11 May 2018 at 8:00 a.m. CET.*

## About Internationella Engelska Skolan

Internationella Engelska Skolan, IES, is one of the leading free school operators in Sweden with some 24,000 students in 34 schools at the beginning of the academic year 2017/18. IES operates schools for students from preschool until the third year of upper secondary school. Its main focus is grades 4-9, what is often called "middle school." Within the compulsory school system in Sweden, IES is the leading independent operator, with nine of the ten largest free schools. IES's results on the national tests in grade 9 are far above average in Sweden.

Internationella Engelska Skolan was founded in 1993 and is in its 25<sup>th</sup> year of operation. Throughout this period, its schools have been defined by the three core convictions of its founder, Mrs. Barbara Bergström:

- A safe and orderly environment, where teachers can teach and students learn.
- To command the English language—the key to the world.
- High academic expectations and targets.

Up to half of the teaching in IES schools is in English, by native English speaking teachers. Over 700 teachers with qualified foreign teaching degrees are currently teaching in IES schools. They are mainly recruited from Canada, USA, UK and South Africa.

IES's student base is in high growth. Over the past ten years, total operating income has increased organically by an average of 19% per year. In the most recent financial year 2016/17, which concluded on 30 June 2017, total operating income was SEK 2,043.3 m, an increase of some 13% year on year. As of 31 December 2017, there were approximately 161,000 applications in the waiting list to secure a place for the current and forthcoming years.

Internationella Engelska Skolan has been listed on Nasdaq Stockholm Mid Cap, with the ticker ENG, since the end of September 2016. The largest (indirect) shareholders of IES are TA Associates of the US, which has close affiliations to leading universities and foundations in the US, and IES's founder Barbara Bergström. Other major shareholders as of the end of March 2018 include investment company Öresund, Swedbank Robur fonder, the Third Swedish National Pension Fund, SEB fonder and AMF Försäkring & Fonder (owned jointly by LO, The Swedish Trade Union Confederation and the Confederation of Swedish Enterprise).