



## ASX ANNOUNCEMENT

24 August 2017

### 3P Learning Limited Announces FY2017 Full Year Results

3P Learning Limited (ASX: 3PL) announces its results for the 2017 full year. Group Revenue increased 6% over the prior year to \$52.5 million, with Underlying Core EBITDA increasing 20% to \$16 million and Underlying Net Profit After Tax up 19% to \$6.3 million. Statutory Net Loss After Tax of \$7.3 million included non-cash write-downs of \$12 million after tax, to address the carrying value of several technology assets and restructuring costs of \$1.6 million after tax.

Key Financial Information A\$M (unless stated)	FY2017*	FY2016**	Variation %
Revenue	52.5	49.3	6%
Underlying Core EBITDA	16.0	13.3	20%
Underlying Net Profit After Tax	6.3	5.3	19%
Statutory Net Profit After Tax	(7.3)	3.7	(297%)
Underlying Earnings Per Share (cents)	(5.11)	2.66	(292%)
Net Debt	6.2	7.2	(14%)

\*FY2017 Underlying Core EBITDA and Underlying NPAT includes \$0.7 million of share of profits of associates. Reported Net Profit After Tax includes one-off non cash write down of \$12.0 million (after tax) and restructuring costs of \$1.6 million (after tax).

\*\*FY2016 Underlying Core EBITDA and Underlying NPAT includes \$0.5 million of share of profits of associates. Reported Net Profit After Tax includes restructuring costs of \$1.6 million (after tax).

3P Learning CEO, Rebekah O'Flaherty said, "Over 12 months ago we set 3 strategic priorities aimed to create a solid foundation for 3P Learning to profitably scale its business globally. We are well on track in terms of executing against those priorities and already see the benefits of that work in our full year results. We have delivered revenue and EBITDA growth in all regions. We have delivered improvements in retention, cost of acquisition and ARPU and improved our net debt position."

"We expect this foundation building to be complete by the end of Q3FY18 so that we can optimise sales in the latter part of FY18 and accelerate growth in FY19. We will accelerate growth by focusing on 4 growth levers. First, we will expand our product line with the introduction of our own literacy brand focusing on phonics and writing as well as upsell products in Mathletics. Second, we will better target and expand customer segments. Third, we will expand geographically, largely using 3<sup>rd</sup> party variable cost partners and finally we will improve retention through digitisation and data analytics," O'Flaherty said.

### FY18 Outlook

3P Learning CFO, Jonathan Kenny said, "the strong progress we have made during FY17 implementing a global operating model and digitisation will continue to improve our operating performance into FY18. With improved customer retention and increased ARPU, along with operating cost control, we expect to see continued revenue growth ahead of cost growth."

## **FY17 Full Year Results Presentation - Conference Call and Webcast**

Chief Executive Officer Rebekah O'Flaherty and Chief Financial Officer Jonathan Kenny will host a webcast and teleconference today at 10.30am AEST.

A webcast will be available at <http://edge.media-server.com/m/go/3p-learning-fy17-results>

Pre-registration for the teleconference is available at <http://www.3plearning.com/investors/>

Alternatively, the teleconference can be accessed as follows:

### **Conference ID: 448797**

Australian callers: 1800 908 299 or +61 2 9007 8048

US/Canada - 1855 624 0077

UK - 0800 051 1453

Singapore - 800 101 2702

Hong Kong - 800 968 273

New Zealand - 0800 452 795

Japan - 0066 3386 8000

**Rebekah O'Flaherty**

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**ENDS**

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