

3P Learning Limited

Macquarie Australia Conference
3 May 2018

3P Learning Purpose, Focus and Differentiation

Our Purpose

To inspire a love of learning

Our Focus

K-12 instruction and practice
in maths and literacy



Our Differentiation



Loved by teachers

"We LOVE Mathletics. When students see the iPads they get "super"—excited – they know it means "MATHLETICS TIME". It has improved their reading, problem solving skills and to this point in the year their understanding of patterning, fractions, and probability."

– Ms. Delorme, Class 3B, Ellwood Memoria

Supporting family engagement

"My son initially did not understand algebra, but by viewing the Mathletics video tutorials and by completing the Mathletics Year 7 algebra workbook, these enabled him to have that 'light bulb moment' where he understood the logic. He is now top of his class for all areas of algebra and he is also in the top group for maths."

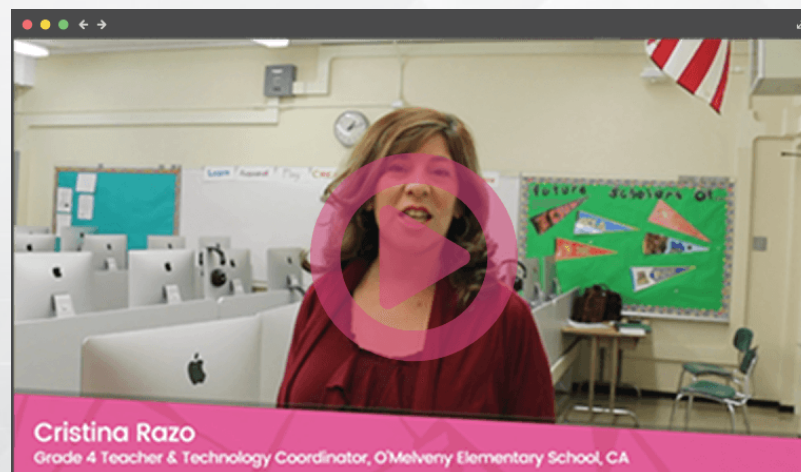
– Amanda Connor, parent

Captivating for learners

"I like using Mathletics, my favorite part is Live Mathletics because I like playing against my classroom friends."

– Elliott K (Yr 6), Brisbane Australia

Blended Learning



Teacher testimonial available for viewing at: www.3plearning.com/investors/update-may2018/

3 Year Strategic Priorities

- We have completed year 1 of our 3 year strategic plan. We have completed the globalisation of our operating model and delivered significant opex savings to support investment in growth and improve operational effectiveness.
- In FY18 we will continue to strengthen the product portfolio around maths and literacy and complete the implementation of our scalable digitised sales, service and marketing model, positioning us for growth.
- Growth will be driven by customer, product and geographic expansion as well as improved retention.

2017 Strengthen Product Portfolio, Develop Scalable Sales, Marketing and Globalise Operating Model

Prioritising Product Development and Innovation, developing Scalable Sales and Marketing Model, Implementing a Global Operating Model

2018 Position 3P for Profitable Growth

Complete implementation of an automated digital sales, service and marketing platform.

2019 Accelerate Growth

Leveraging a scalable platform, accelerate growth through product, customer and geographic expansion as well as improved retention.

Culture and Talent

Underpinned by a high performance and “great place to work” culture

Progress against our Strategic Priorities

Video available at:

<http://www.3plearning.com/investors/update-may2018/>

3PL is executing multiple paths to continued sustainable growth

Existing Customers

Continued retention and upsell of existing customers

- Strong track record of cross / upselling product
- Customer success efforts and a more digitised onboarding and nurture process driving improved retention rates
- Continued investment in the core product with pricing aligned to increased product value and innovation coupled with a history of successfully implementing price increases with no churn impacts

New Business

Redefine go-to-customer model and investment in sales force CRM, marketing cloud and B2C and B2B e commerce

- Enhanced sales resource deployment to more efficiently drive new business wins
- B2C product portfolio supported by investment in digital channels
- REDIWRITER launch and strengthening of K-2 and secondary in Mathletics as well as complementary 3rd party products
- SaaS product logic and economics underpinning roadmap

Additional Growth

Global expansion

- Expand into USA leveraging our strong position in NYC and panel positions where we have strong market share
- Spanish Mathletics for Latin America using established 3rd party distributors
- Leverage our channel development efforts with 3rd party distribution in APAC
- Leverage our scalable digital publishing platform into other disciplines or white label

Result Highlights 31 Dec 2017 (FY18H1)

GROUP FY18 vs FY17 ; Half on Half; Currency impact

A\$M	FY16	FY17	Growth	FY18 H1	FY17 H1	Growth
Revenue	49.3	52.5	6%	28.3	25.1	13%
APAC	30.8	31.8	3%	17.8	15.7	13%
EMEA	12.6	13.0	3%	6.5	6.0	8%
Americas	5.9	7.7	31%	4.0	3.4	18%
Mathletics	36.9	39.3	7%	20.6	18.9	9%
Reading Eggs	6.8	7.5	10%	5.9	4.4	34%
Spellodrome	2.1	2.1	0%	1.0	1.1	(9%)
Into Science	0.8	0.8	0%	0.3	0.4	(25%)
Other	2.7	2.8	4%	0.5	0.3	67%
Expenses	(36.5)	(37.2)	(2%)	(18.3)	(16.8)	9%
Underlying EBITDA*	12.8	15.3	20%	10.0	8.3	20%
Share of Associate's Profit **	0.5	0.7	40%	0.3	0.2	50%
Underlying Core EBITDA*	13.3	16.0	20%	10.3	8.5	21%
EBITDA margin (%)	27%	30%		36%	34%	

- ▶ Group Revenue grew by 13%. APAC 13%, EMEA 8% and Americas 18% (EMEA grew 9% and Americas 23% on a constant currency basis)
- ▶ Underlying Core EBITDA grew by 21%, with all regions expanding EBITDA, reflecting our continued action to reduce cost and the benefits of developing a more scalable and efficient global operating model
- ▶ Licence growth impacted by our focus on more profitable bundling especially in Americas. All regions saw ARPU improvements
- ▶ FTE remained flat over the reporting period. (FTE 258).
- ▶ Net Debt \$16.5M. No term debt expected at end of FY18.
- ▶ Underlying NPAT up 26% year on year

* FY18 H1 includes \$0.3M of Share based payments expenses which is equity settled. (FY17 H1 \$0.2M)

** Share of associate profit is Learnosity contribution based on 40.00% share of NPAT.

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