

**ASX ANNOUNCEMENT**

22 August 2019

**3P LEARNING ANNOUNCES FY2019 FULL YEAR RESULTS**
**Delivered on 3 year plan, 'green shoots' showing and now poised for growth**

3P Learning Limited (ASX: 3PL) announces its results for the full financial year ended 30 June 2019. Group Revenue was \$54.4 million, down \$1 million on the previous corresponding period, Underlying Core EBITDA declined \$1.3 million to \$17.7 million and statutory NPAT was \$5.9 million.

Key Financial Information A\$M (unless stated)	FY2019	FY2018*	Variation %
Revenue	54.4	55.4	down 2%
Underlying Core EBITDA	17.7	19.0	down 7%
Underlying Core NPAT	5.9	7.1	down 17%
NPAT	5.9	(18.7)	up 132%
Earnings Per Share (cents)	4.2	(13.4)	up 131%
Cash	25.8	23.0	up 12%

\* FY2018 Underlying Core EBITDA and Underlying Core NPAT excludes \$0.6 million of share of profits of associates. Statutory Net Profit After Tax includes loss on disposal of investments of \$25.3 million after tax and non-recurring tax charge of \$0.5 million relating to a change in US corporate tax rates.

Revenue growth from licence sales was modest as expected, at 1.2%. Overall group revenue was impacted by a \$1.2 million decrease in non-trading income and with increased spend on sales and marketing resources in the Americas, underlying core EBITDA declined \$1.3 million. School numbers were up 6% driven mainly by growth in the Americas, where licences were up 10%. First year customer retention improved in all regions, as recent product content and platform improvements are resonating with both teachers and students. Globally licences declined 10% due to market conditions in EMEA and disappointing APAC retention performance. The full year benefit of the sales and marketing investments in the Americas will be seen in FY20. All regions are showing increasing sales momentum.

**Delivered on 3 year plan**

3P Learning CEO, Rebekah O'Flaherty, said, "FY2019 marks the end of the 3 year strategic plan we set in 2017 which had an unwavering focus on 3 strategic priorities: strengthen the product portfolio, create a scalable sales and marketing model and globalise the operating model. We have executed upon these strategic priorities and now have the foundation for 3P Learning to accelerate growth. Importantly we start FY2020 with a strong balance sheet, \$25.8 million in cash and no debt which will augur well for this next phase of growth."

## 'Green shoots' showing and 3P Learning now poised for growth

"To achieve our growth ambitions, we will execute against 4 strategic priorities:

- leverage our expanded product portfolio and customer base
- accelerate profitable sales growth in the Americas
- improved customer retention; and
- continue to build a growth focussed, high performance culture.

We enter FY2020 with an expanded maths, literacy and science portfolio through which we will see both our installed base and revenue per customer grow."

"In the all important Americas region we have reset our sales and marketing model, expanded our product offering and better adapted our product to suit the market and those efforts coupled with an experienced Americas sales team positions us to continue the strong sales growth we delivered in the latter part of FY2019."

### FY2020 Outlook

3P Learning CFO Simon Yeandle said "In FY2020 we expect the Americas to deliver significant revenue growth in excess of costs. The current sales momentum, along with cross-sell opportunities in all new schools and all products, will contribute to accelerated growth. Despite a disappointing renewal season in APAC in FY2019, we have restructured our sales leadership and operations and, together with a major focus on retention processes, we are aiming to build licence numbers back to at least June 2018 levels. EMEA remains a challenging market with difficult trading conditions in the UK, however, with new sales leadership, more products and a reinvigorated focus on Africa and the Middle East we are optimistic that we can restore revenue to FY18 levels in this region."

"As a group, recent improvements in our sales and marketing technology, leadership and product portfolio lead us to be increasingly confident of achieving accelerated annual licence revenue growth."

No dividend has been declared.

## FY2019 Full Year Results Presentation – Conference Call and Webcast

Chief Executive Officer, Rebekah O’Flaherty and Chief Financial Officer, Simon Yeandle will host a webcast and teleconference today at 10.30 am AEST.

The webcast will be available at <https://edge.media-server.com/mmc/go/3p-learning-fyr19/>

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

Alternatively, the teleconference can be accessed as follows:

### Conference ID: 10001198

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

## Investor Day – Strategy and Product Showcase

Shareholders and investors are invited to attend a strategy and product showcase to be held at the Company’s North Sydney office on Friday morning, 20th September 2019 commencing at 10.00am AEST. A light lunch will be available at the conclusion of the presentation.

Shareholders and investors who would like to attend are requested to RSVP to: [investors@3plearning.com](mailto:investors@3plearning.com)

**ENDS**

### Contact

Rebekah O’Flaherty, Chief Executive Officer  
[rebekah.oflaherty@3plearning.com](mailto:rebekah.oflaherty@3plearning.com)

Simon Yeandle, Chief Financial Officer  
[simon.yeandle@3plearning.com](mailto:simon.yeandle@3plearning.com)