



# Keypath Education

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Pac Partners EdTech Sector Conference  
28 June 2021



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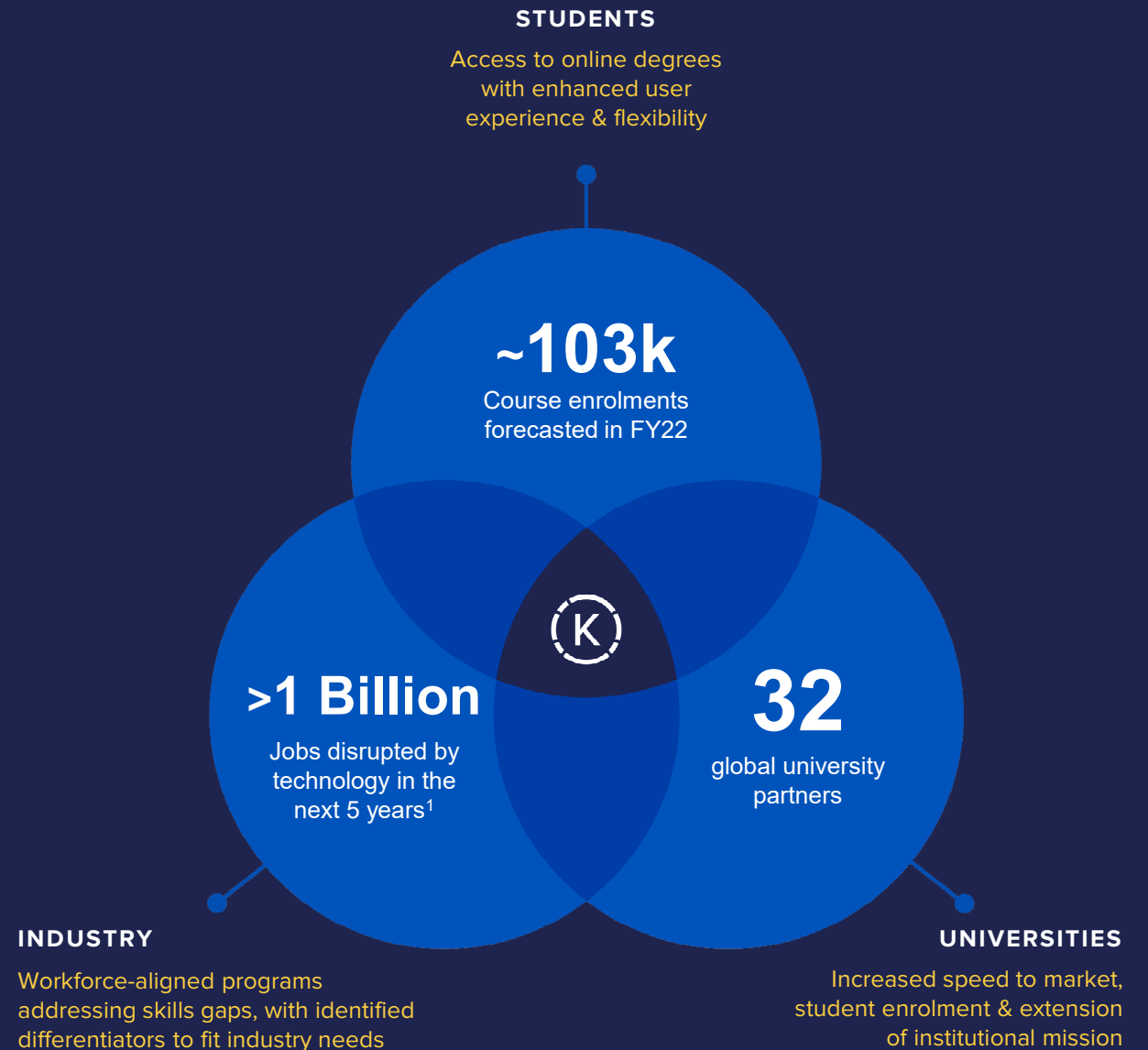
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# Keypath Education

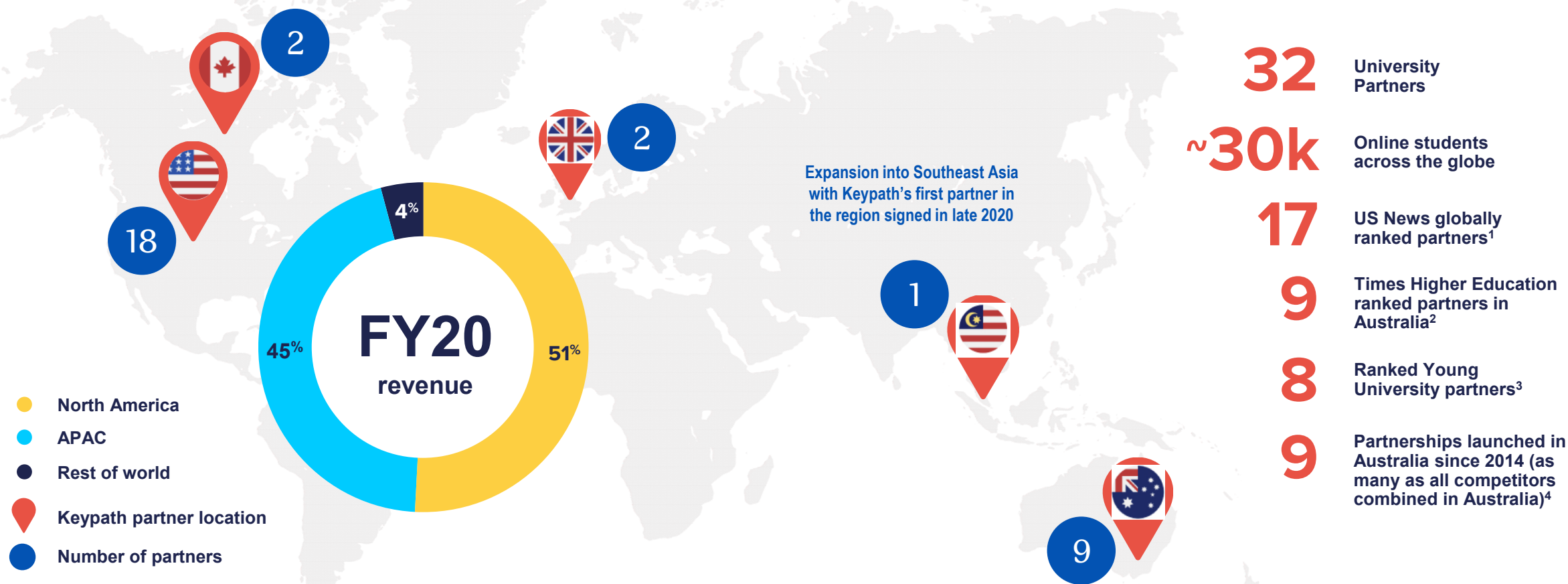
We are a leading education technology company that partners with universities globally, to delivery market-led, technology-enabled online higher education programs.



(1) World Economic Forum, Future of Jobs Report 2020

# Global footprint with Australian nexus

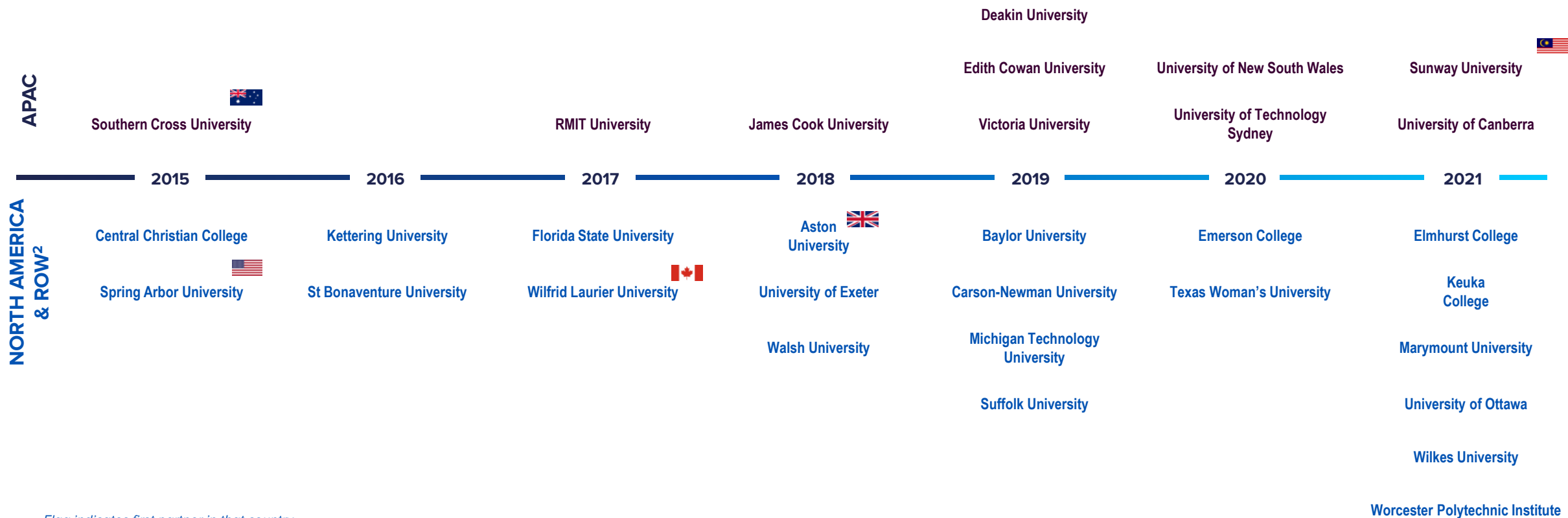
Keypath is a leading global EdTech provider and partners with a diverse set of globally ranked universities



Note: Revenue split based FY20 revenue, North America comprises the US and Canada, Rest of World comprises the United Kingdom and APAC revenue historically comprises Australia, however Keypath signed its first Malaysian partner in late 2020 and is expected to launch its first program in 2H CY 2021. (1) 2021 Global University Rankings published by U.S. News & World Report L.P. in October 2020; (2) The Times Higher Education University Rankings 2021 from Times Higher Education World University Rankings published by THE World Universities Insights Limited in June 2020; (3) The Times Higher Education Young University Rankings 2020 from Times Higher Education World University Rankings published by THE World Universities Insights Limited in June 2020; (4) HoloniQ Education Market Intelligence Platform

# Global customer base of leading universities

Keypath has grown its network of globally ranked universities and is a market leader in Australia, where it has partnered with as many universities since 2014 as its competitors combined<sup>1</sup>



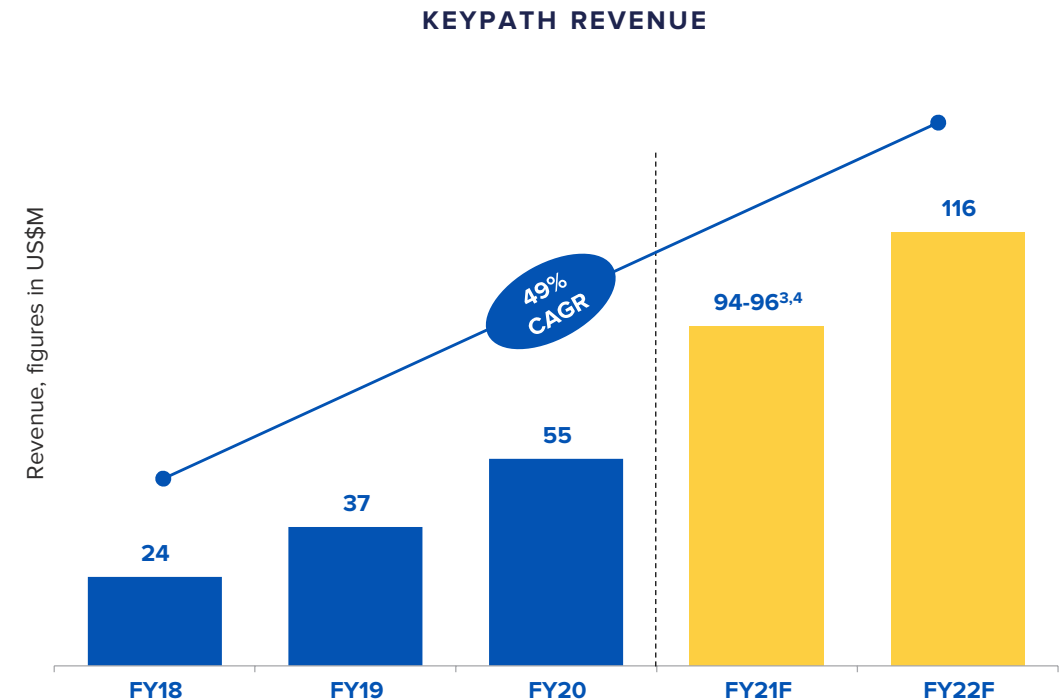
Flag indicates first partner in that country.

Note: Year indicates fiscal year during which Keypath first entered into a partnership agreement with each active university partner; Keypath entered into a partnership agreement with Pepperdine University in April 2021.; (1) HolonIQ Education Market Intelligence Platform, accessed 1 March 2021; (2) Rest of World comprises the United Kingdom

# Keypath financial snapshot

Keypath has a track record of growth, underpinned by its scalable business model

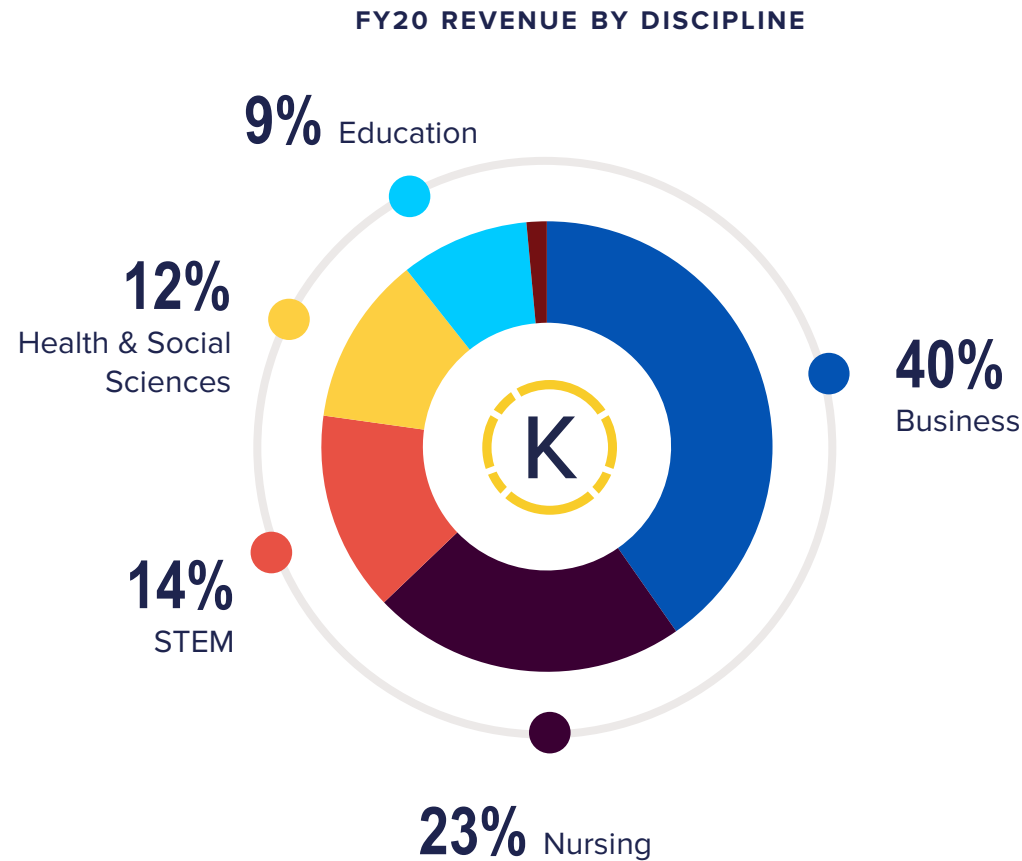
- 1 Average weighted contract length of 8.8 years, with **91% of FY20 revenue from contracts expiring in 2024 and beyond**<sup>1</sup>
- 2 **Strong revenue from existing vintages**<sup>2</sup> – FY20 and prior vintages comprise 90% and 70% of FY21F and FY22F revenue, respectively
- 3 **Revenue growth from prior vintages** – 141% between FY18 and FY20 for FY18 vintage and 246% FY19-FY20 growth for FY19 vintage
- 4 **Recent momentum sets the stage for upcoming growth** – HY21 revenue increased 70% from HY20 revenue



(1) Weighted by FY20 revenue; (2) Vintage year or vintage cohort refers to the fiscal year when first student intake occurred for any given program. For example, if a program commences on 1 July 2018, it will be classified as an FY19 vintage. Fiscal years is from 1 July to 30 June; (3) FY21 revenue includes the recognition (in accordance with Keypath's accounting policies) of approximately US\$2.6m as revenue representing a mutually agreed fee to be paid to Keypath for transition services to assist a partner to take its programs in-house (for the partner). Keypath will continue to earn its share of tuition fees through to FY24 from these programs for existing students at the date of transition, at which point Keypath's management of the programs will end; (4) Updated FY21 revenue guidance provided on 15 June 2021

# Growing, diversified program portfolio

Track record of growing its increasingly diversified portfolio of programs, which are carefully aligned to in-demand disciplines to drive student demand



# Clear Industry Tailwinds...

Both the future of work and education are experiencing unprecedented change



## Accelerating skills imbalance

More than **one billion jobs** are expected to be disrupted by technology in the next 5 years, requiring modern, scalable education solutions<sup>1</sup>



## University operating model

Significant lead time & investment in new program launch causing higher education providers to revisit approach, turning to OPMs for assistance



## Acceptance of online learning

Accelerating shift to digital learning underscored by large addressable market – online education represents just **2% of the total higher education market**<sup>2</sup>



## Lack of partner expertise in digital

Higher education providers can lack digital expertise – driving the need for seasoned partners to assist with program development, marketing & recruitment



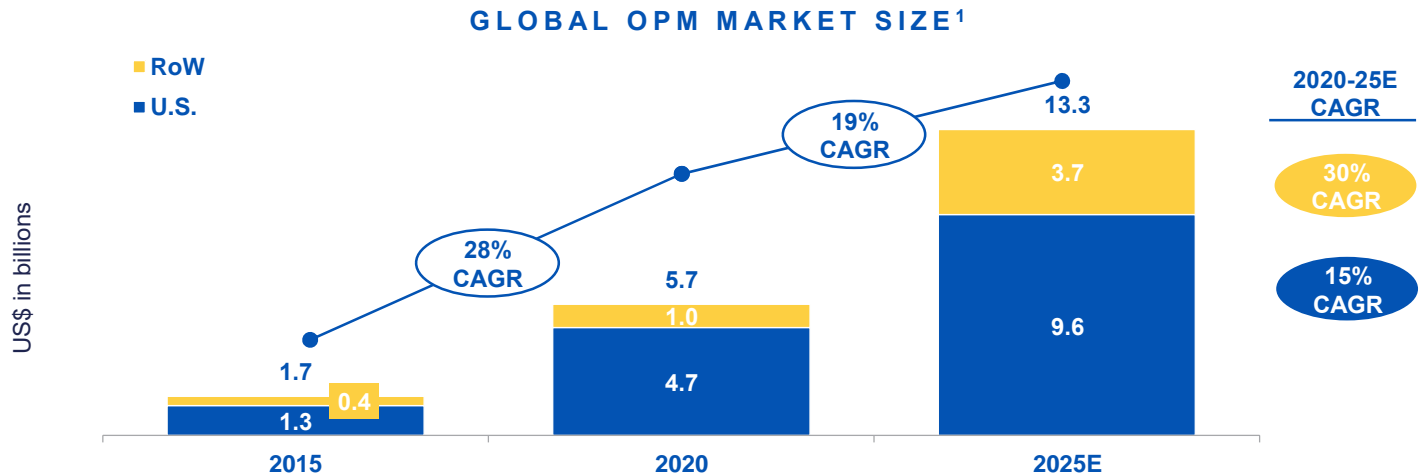
## Limited campus & faculty capacity

Universities will need to adopt scalable learning models to absorb the **additional 180M students** entering higher education over the next decade<sup>3</sup>



# ... Underscored by Favourable Industry Trends

## Large and growing market underscored by favourable industry trends



WITH A 2020-2025E CAGR OF 30%, GROWTH IN THE ROW OPM MARKET IS EXPECTED TO SIGNIFICANTLY OUTPACE THAT OF THE US OPM MARKET

### COMPETITIVE LANDSCAPE

Wide global footprint with a market leading position in Australia. Keypath has partnered with as many universities since 2014 as all of its competitors combined in Australia<sup>3</sup>



Key competitors with large customer base and / or global footprint

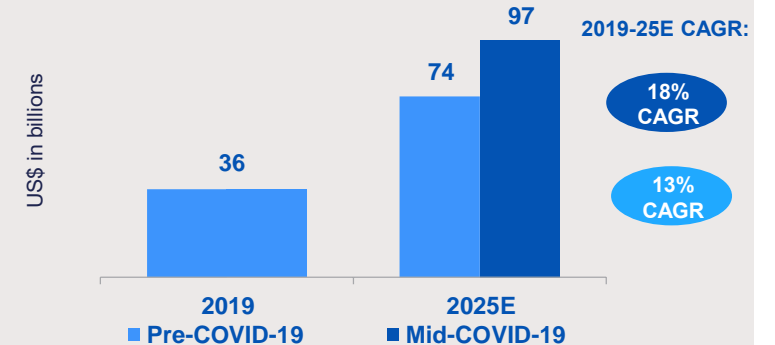


### OPM MARKET DYNAMICS



Growth in the online degree market is expected to be influenced by COVID-19 as government restrictions impact the adoption of the online education model and universities look to online programs as a viable way to expand revenues

#### ONLINE HIGHER EDUCATION MARKET ESTIMATES, PRE-COVID-19 AND MID COVID-19<sup>2</sup>



Forced exposure of many students to online learning brought about by COVID-19 has accelerated the consideration of online learning as a feasible alternative to on-campus learning, which may drive a longer-term integration of digital technologies and transition to greater adoption of online education in the future