



Janison.

JAN.ASX

# FY22 AGM and 1Q23 Business Update.

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1Q23 Business Unit Detail

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**FY22 Recap.**



# Janison has two complementary business units.

## Solutions

B2B enterprise platform licensing & services

Clients

Recent wins –  
past 6 months



FINANCIAL  
SERVICES  
INSTITUTE  
of Australasia



Sydney Catholic Schools



Cambridge  
Assessment



BOX HILL  
INSTITUTE



Australian Children's  
Education & Care  
Quality Authority

NAPLAN

NATIONAL ASSESSMENT PROGRAM  
Literacy and Numeracy



CHARTERED ACCOUNTANTS  
AUSTRALIA + NEW ZEALAND



Transport  
Roads & Maritime  
Services



Education



IPP Countries

Assessment platform technology  
for high stakes, high volume  
exams

Exam Services

Learning Platform  
(LMS)

Learning Content  
Development

## Assessments

B2B school & teacher products, B2C parent products

Brands

New product Q4  
FY22

RiSE+



NSP Schools



K-12 Assessments, progression  
tests, benchmarking,  
competitions, scholarships

K-12 educational assessment  
content development

Assessment services  
(Item writing, marking)



'Janison Solutions' is the combination of the former enterprise business units; Assessment, Learning and JEM (Janison Exam Management) now all combined into one B2B business unit.

'Janison Assessments' is the combination of the three acquisitions made since June 2020: ICAS (UNSW Global), QATs and AAS.



# FY22 Results Recap.

## Group revenue +20% vs. FY21

- Solutions: new customer wins and expansion
- Assessments: ICAS growth, acquisitions + organic
- PISA for Schools: new NSP schools and IPP countries

## Gross profit margin 64%, +9 ppts on FY21

- 29-percentage point increase since FY19 (35% to 64%)
- Improved revenue mix, pricing, scale benefits and efficiency contributing to continued GP margin growth

## Streamlined operating model implemented

- \$6m cost out
- \$1.4m positive operating cash flow

## New platform ('RiSE+') launched June

- Designed for parents of school-age children
- Leverages Janison's library of existing assessment items





# 1Q23 Business Update.





# 1Q23 delivers a strong start to the financial year.

\$m	Q1 FY23	Q1 FY22	+/- % vs PCP
Revenue	12.8	6.6	+95%
Gross Profit	7.8	3.9	+100%
Gross Margin	60%	59%	+2 pts
Opex	5.6	5.1	+9.8%
EBITDA	2.1	(1.2)	n.m.

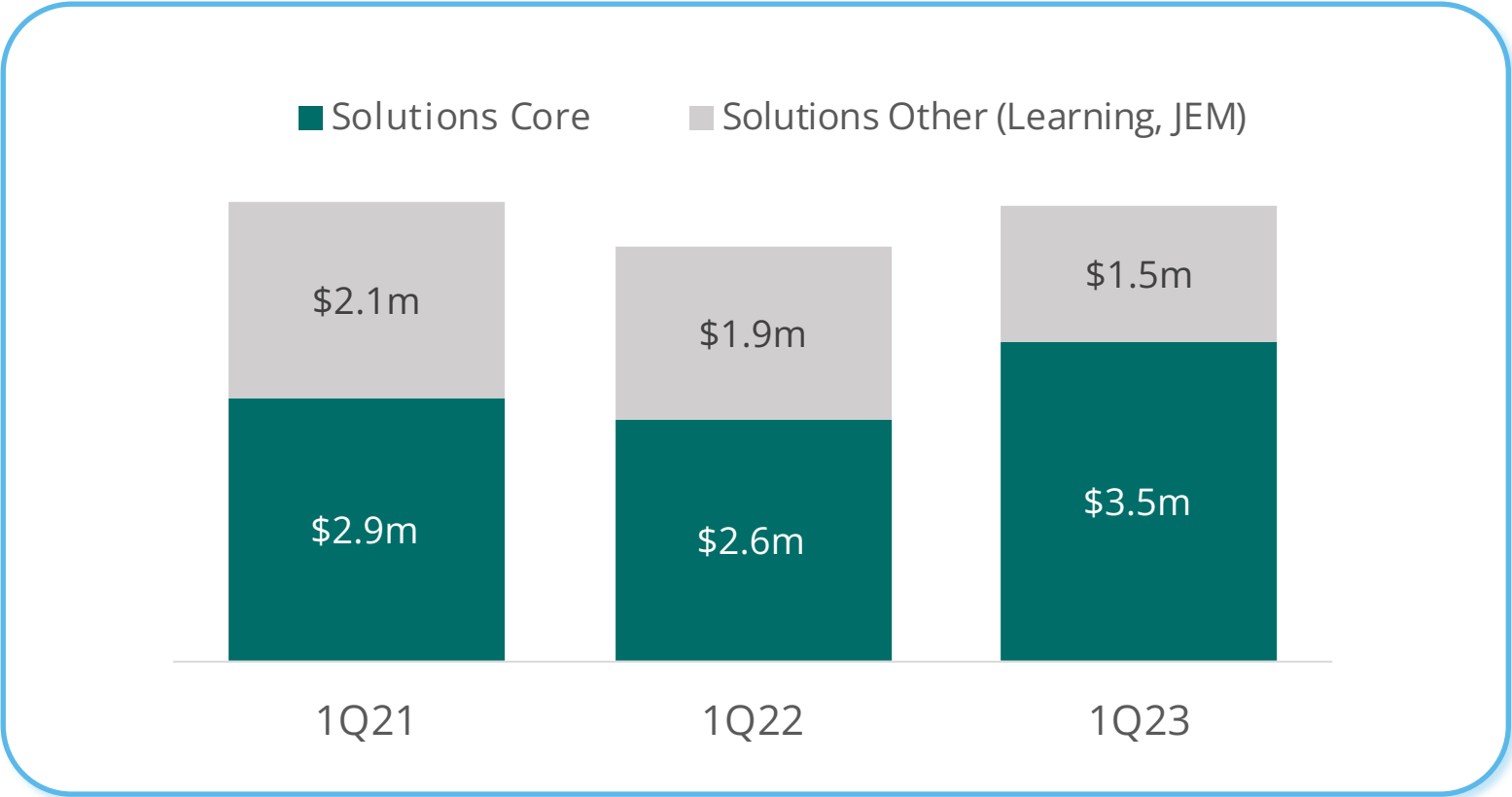
- Revenue growth driven by double-digit growth in core Solutions and Assessments businesses plus impact of acquisitions and ICAS timing<sup>1</sup>
- Gross margin driven by impact of ICAS timing
- Targeted investments to fuel growth (with disciplined approach to costs)
- Profitable quarter with \$2.1m EBITDA



# Revenue growth within each business unit continued in 1Q23.

## Solutions

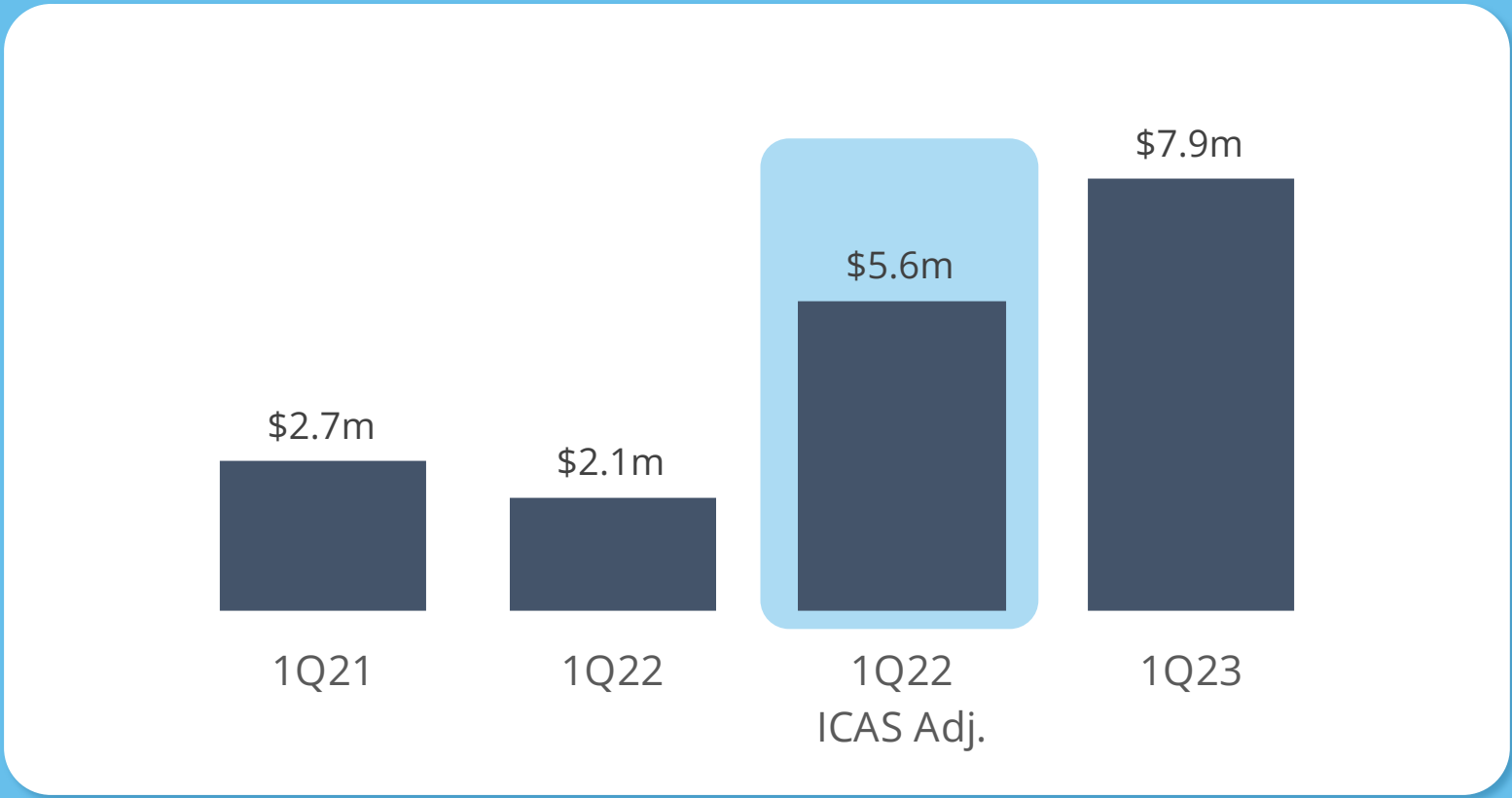
B2B enterprise platform licensing & services



Qtr ending 30 Sep (\$m)	1Q21	1Q22	1Q23	1Q23 YoY Growth	
Solutions Core Revenue	\$2.9m	\$2.6m	\$3.5m	+32%	+\$0.9m
Solutions Other Revenue	\$2.1m	\$1.9m	\$1.5m	(22)%	\$(0.4)m
Total Solutions Revenue	\$5.0m	\$4.5m	\$5.0m	+10%	+\$0.5m

## Assessments

B2B school & teacher products, B2C parent products



Qtr ending 30 Sep (\$m)	1Q21	1Q22	1Q23	1Q23 YoY Growth	
Assessments Revenue	\$2.7m	\$2.1m	\$7.9m	+281%	+\$5.8m
ICAS timing-adjusted Revenue <sup>1</sup>	\$2.7m	\$5.6m	\$7.9m	+39%	+\$2.2m

<sup>1</sup> In FY22 the ICAS competition was delayed due to widespread school closures across NSW and Victoria in response to the Covid outbreak. The ICAS competition sitting window and revenue recognition were pushed out to Q2 FY22. This year, the ICAS competition ran as per the usual timing in Q1. Comparative figures for the same quarter last year have been adjusted to include the revenue recognised for ICAS in Q2 FY22.



# Solutions

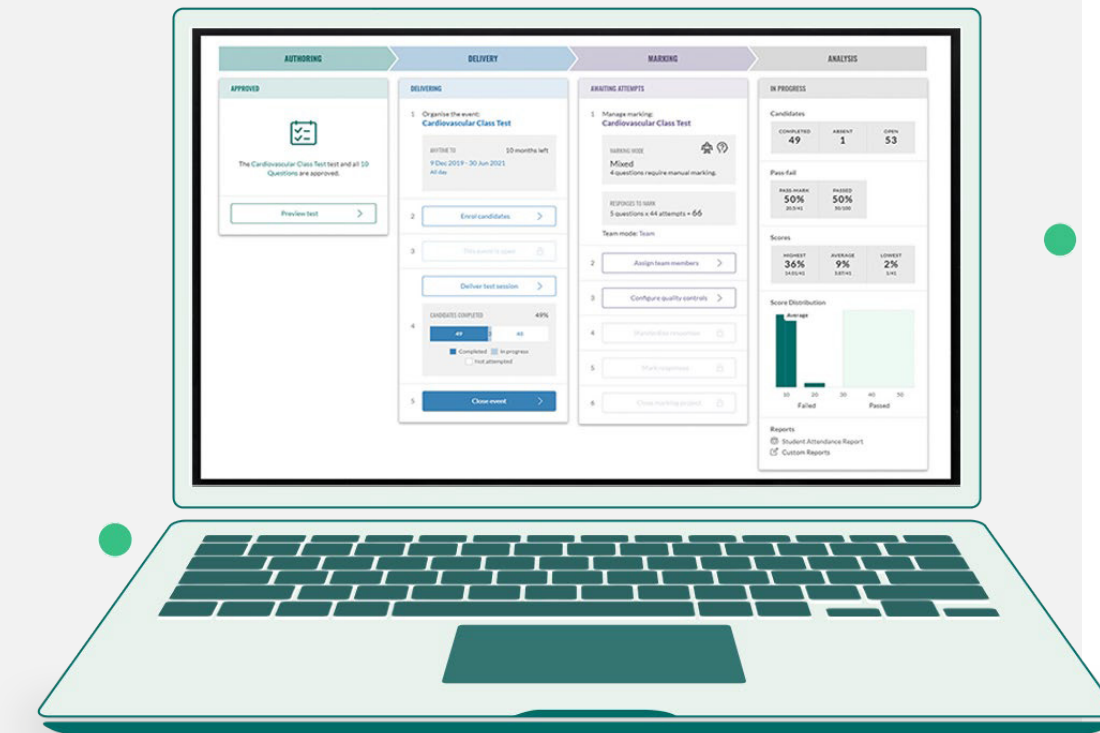
## +32% core revenue growth, new client wins solidify FY23.

New platform client wins in 1Q23, TCV >\$3m:

FINSIA – Financial Services Institute

Sydney Catholic Schools – religious education assessments

New umbrella master services agreement signed with Cambridge University Press & Assessment (“CUP&A”), in addition to the Cambridge BoxHill deal signed in Q4 FY22



Signed



Signed



FINANCIAL  
SERVICES  
INSTITUTE  
of Australasia

Signed

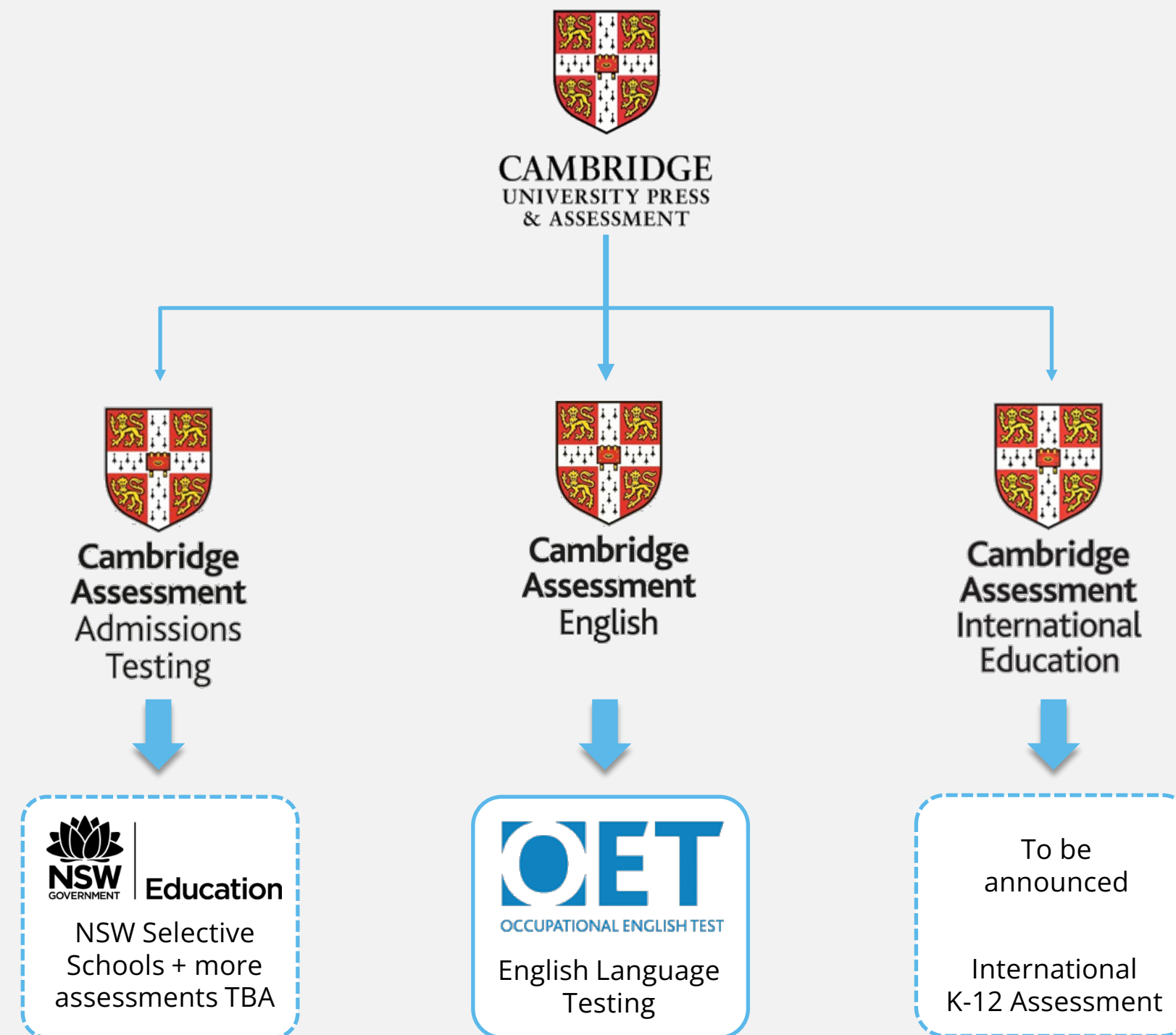


Sydney Catholic Schools



# Solutions

## Master agreement secured with Cambridge University Press & Assessment for forthcoming tests.



- Partnership initiated with NSW DoE and CUP&A in 2020 demonstrated joint capability.
- Secured global Occupational English language test with Cambridge BoxHill Institute
- Proven success with global reach the catalyst for CUP&A expanding its relationship with Janison, leading to a global MSA signed in 1Q23
- Future assessment opportunities in CUP&A's International Education and Admissions Testing divisions.



# PISA for Schools

## Contract negotiations active and readying for growth.



### NSP Update

+100% growth on PCP with approximately 500 schools signed on to sit PISA for Schools under the National Service Provider (NSP) program

NSP agreements in UK and USA extended for 2 years – beyond the existing 2024 global OECD master agreement

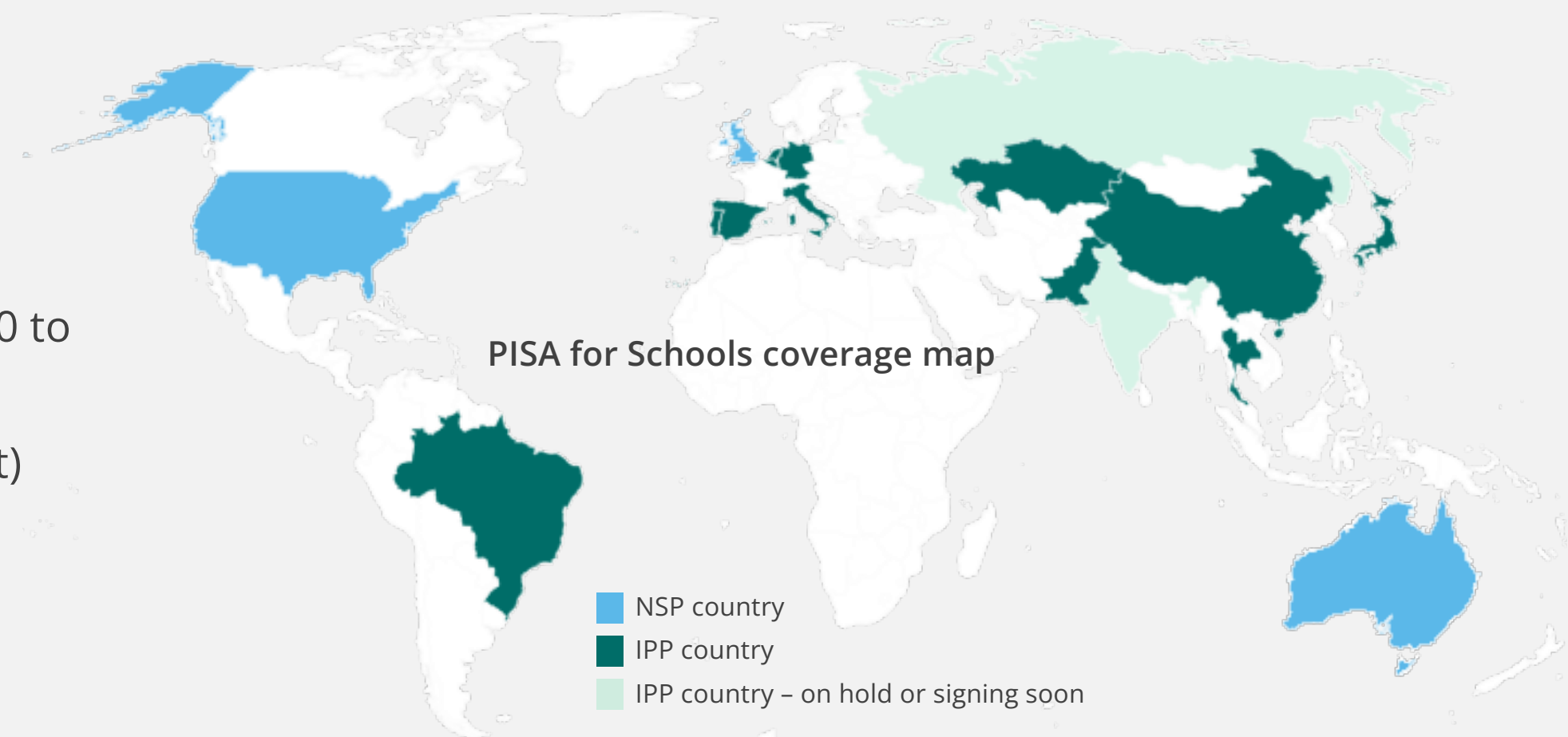
3 new dedicated specialist sales resources recruited in-country within the UK and USA

### IPP Update

Now sold into 11 countries (15 including European Schools)

Existing IPP growth: Kazakhstan renewed and grown from 200 to 1,000 schools, Brazil grown to 650 schools, major events with Ministry of Education in Spain (Sep), Portugal (Oct), Brazil (Oct) and growth forecast.

New IPP: 3 new IPP countries at contract stage for signing.





# Assessments

## +14% ICAS revenue growth, and more.



ICAS delivered \$6.1m of revenue in 1Q23. Adjusting for FY22 timing<sup>1</sup>, ICAS grew +\$0.8m higher than last year through price improvement while volumes remained stable. Further international ICAS sitting windows remaining between Q2 and Q4 FY23.

Since acquisition of QATs and AAS (acquired Q2 FY22):

- \$1.6m in revenue in Q1 FY23

- Organic growth with 22 new AAS schools added, +10% growth

- Integration complete

- Cost savings synergies achieved

Janison Assessments currently in discussion with elite Higher Ed institution including a co-branded 2023 ICAS competition and national deployment of REACH.

Item development contract with ACARA (Australian Curriculum, Assessment and Reporting Authority) to develop NAPLAN test questions in multiple subjects renewed and expanded for 2 years

RiSE+ parent insights platform launched, albeit early stage. \$124k new, high-margin ARR in Q1.



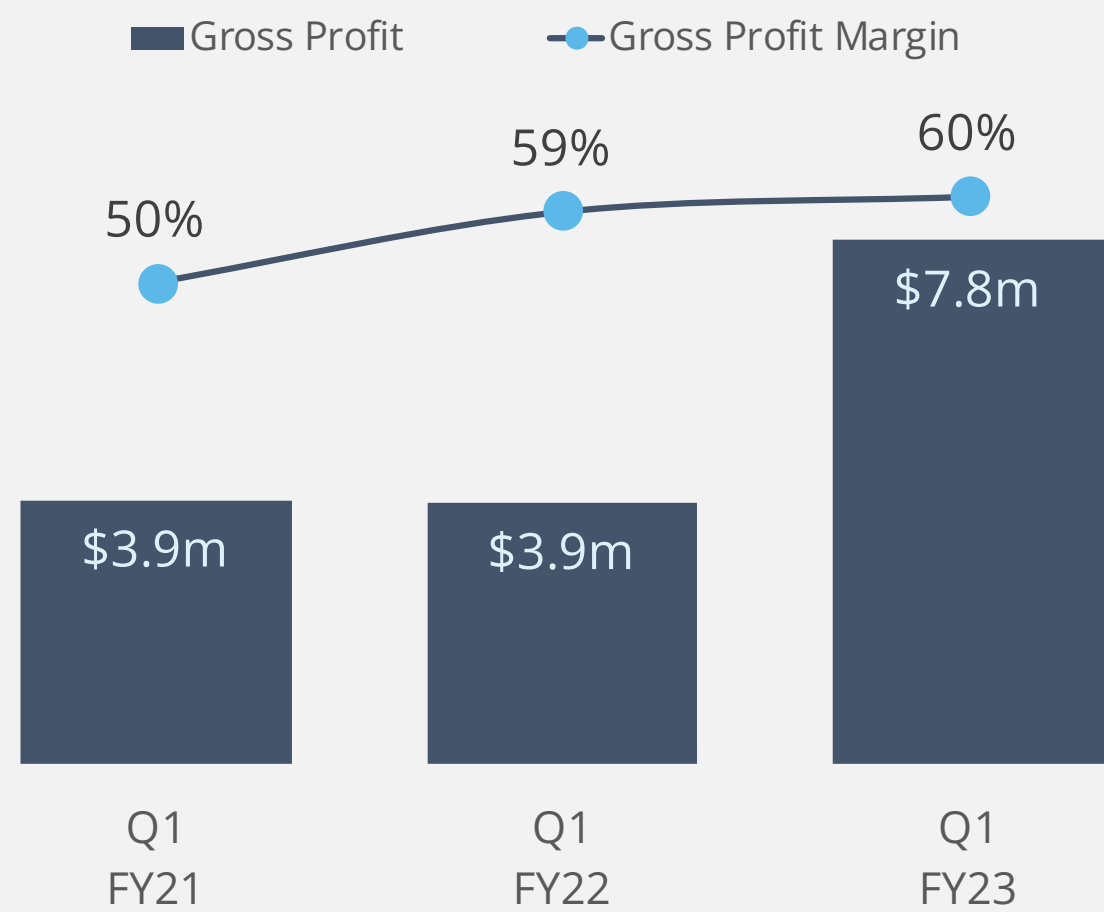
# Gross margin improves, organic Opex held flat.

Gross margin continued to climb as the business scales its Assessment products, increased Solutions clients (on standard platform) and PISA for School countries.

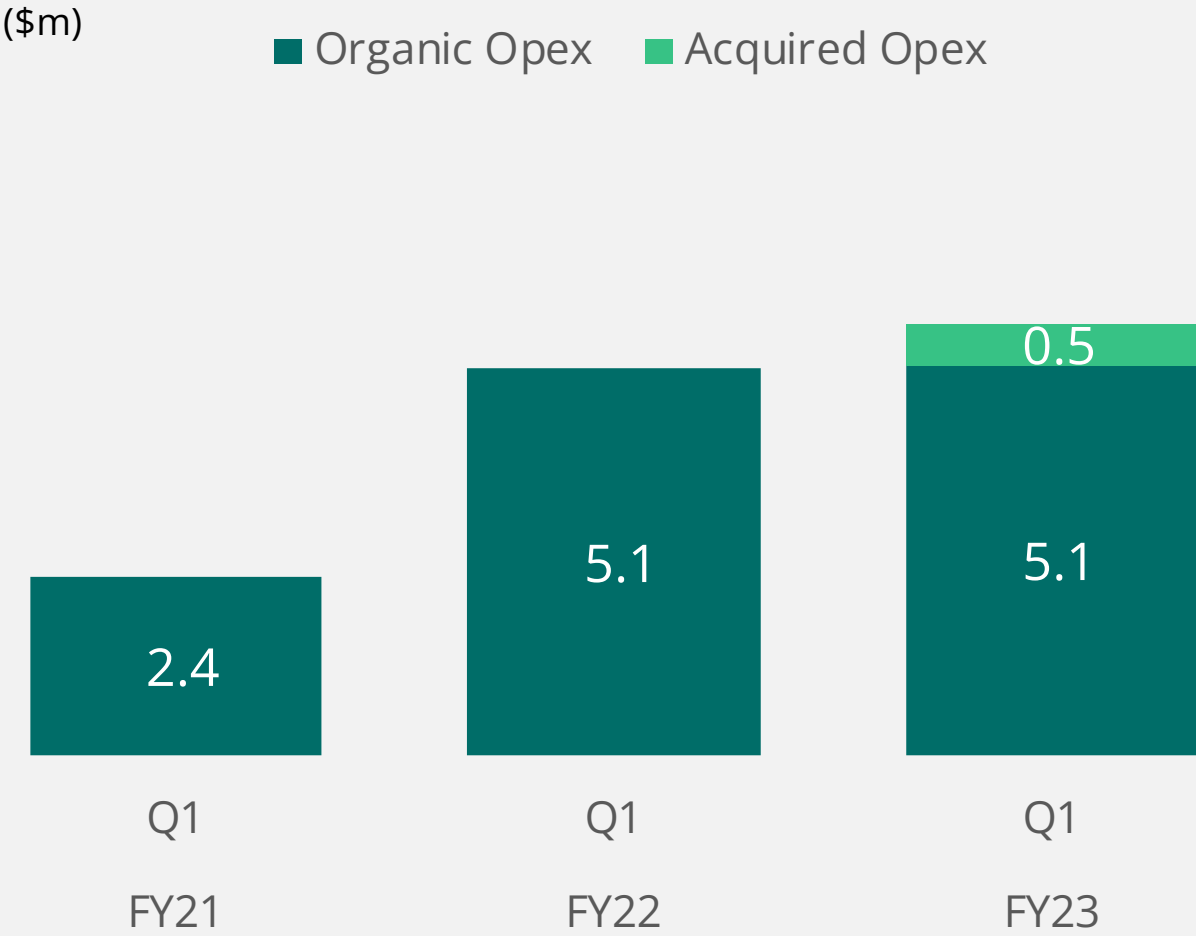
In 4Q22 cost base restructured achieving goal of maintaining flat Opex spend in FY23 vs. FY22.

Organic Opex in 1Q23 was flat to PCP despite continuing to invest in key markets and products.

Gross Margin



Opex





# Focused investments driving growth in FY23 and beyond.

Management continue to make targeted, disciplined investments to lay the foundation for future growth.

Anchored on Cambridge University Press & Assessments contract, Janison is proceeding with planned targeted investments in the UK and EMEA (marketing, pre-sales and event delivery support) to deliver for existing customers and accelerate growth in Solutions and PISA for Schools:

- Group Executive for PISA for Schools relocated to the UK
- Specialist sales resources added to key markets - UK and USA
- Enhanced capability to support EMEA region

Investment continues in RiSE+ customer acquisition through marketing and new content to support FY23 events



A wide-angle landscape photograph showing a two-lane asphalt road that curves through a valley. The hills are covered in dense green vegetation and scattered rocks. The sun is low on the horizon to the left, creating a strong golden glow and lens flare across the scene. The sky is a pale, clear blue.

**Outlook.**





# FY23 outlook.

We anticipate increased government funding in education to shore up the impact of COVID learning loss in the system and to close the gap in skills across all industries as countries struggle with reduced capacity and access to a skilled global workforce.

All will require assessment data to validate the education investment and verify the credentials of the students.

Management are pleased with the growth in 1Q23 and, for the full year FY23, believe the business will:

- Deliver continued revenue growth plan
- Maintain flat underlying opex base for the full year vs. FY22
- Deliver positive free cash flow

Management has confidence in achieving +20% CAGR in revenue for the next 3-5 years with gross profit margins of 70-75%, working towards the stated horizon target.



Q&A.







# **Appendix.** 1Q23 Business Unit Detail

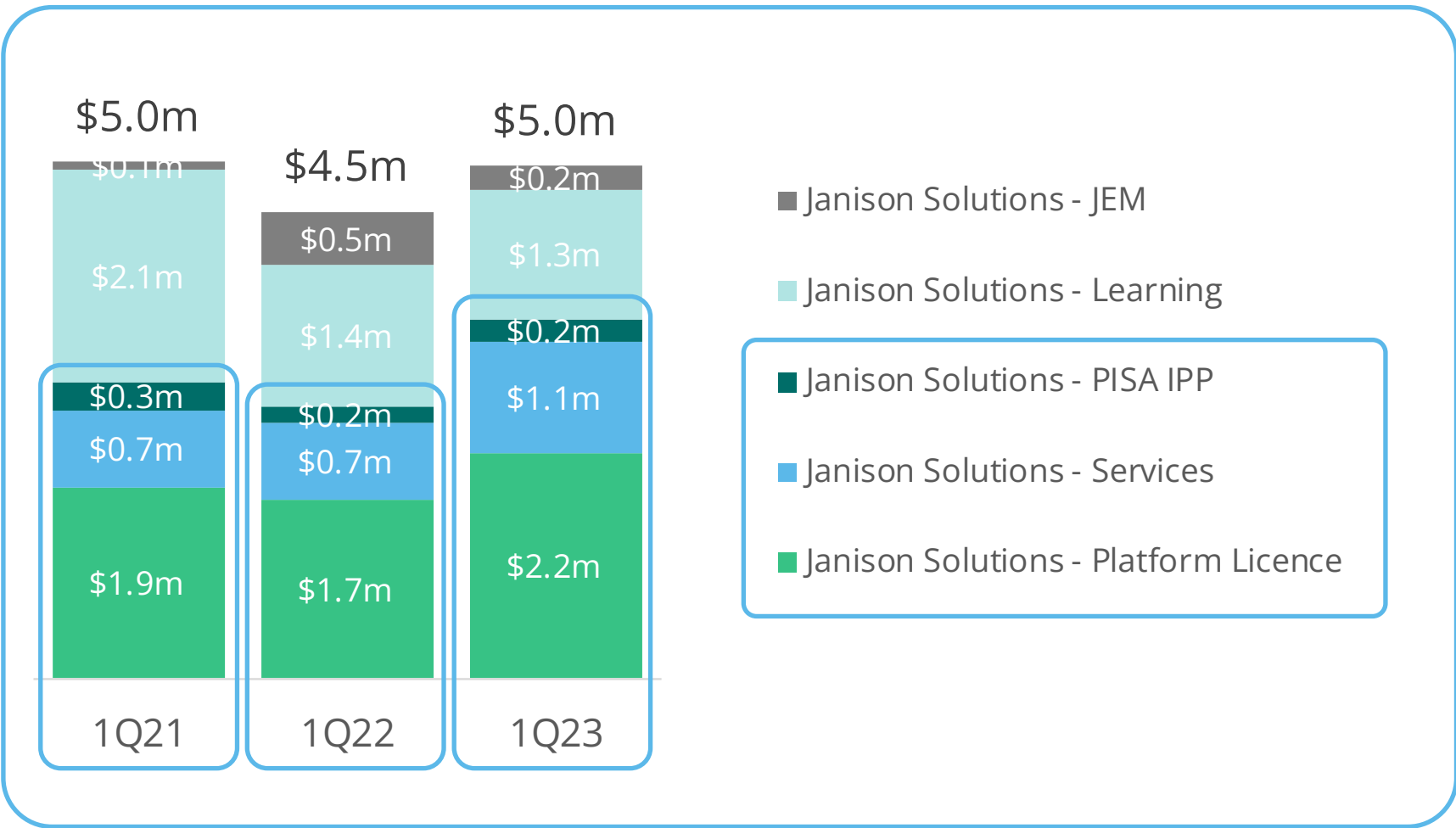




# Solutions – 1Q23

## Core growing faster than business unit average.

### Solutions



+32% growth in core Solutions (B2B Enterprise) revenue

+10% revenue growth in Solutions (Janison’s B2B business unit) vs. same period last year (PCP).

+32% growth in core components (Platform Licensing & Services, and PISA IPP).

(22)% decline in remaining components (in-person exam management ‘JEM’ and Learning).

Growth in core components driven by the addition of new clients: ACECQA (Australian Children’s Education and Care Quality Authority) for childcare worker assessments, and through the expansion of existing clients: NSW Department of Education.



# Assessments – 1Q23

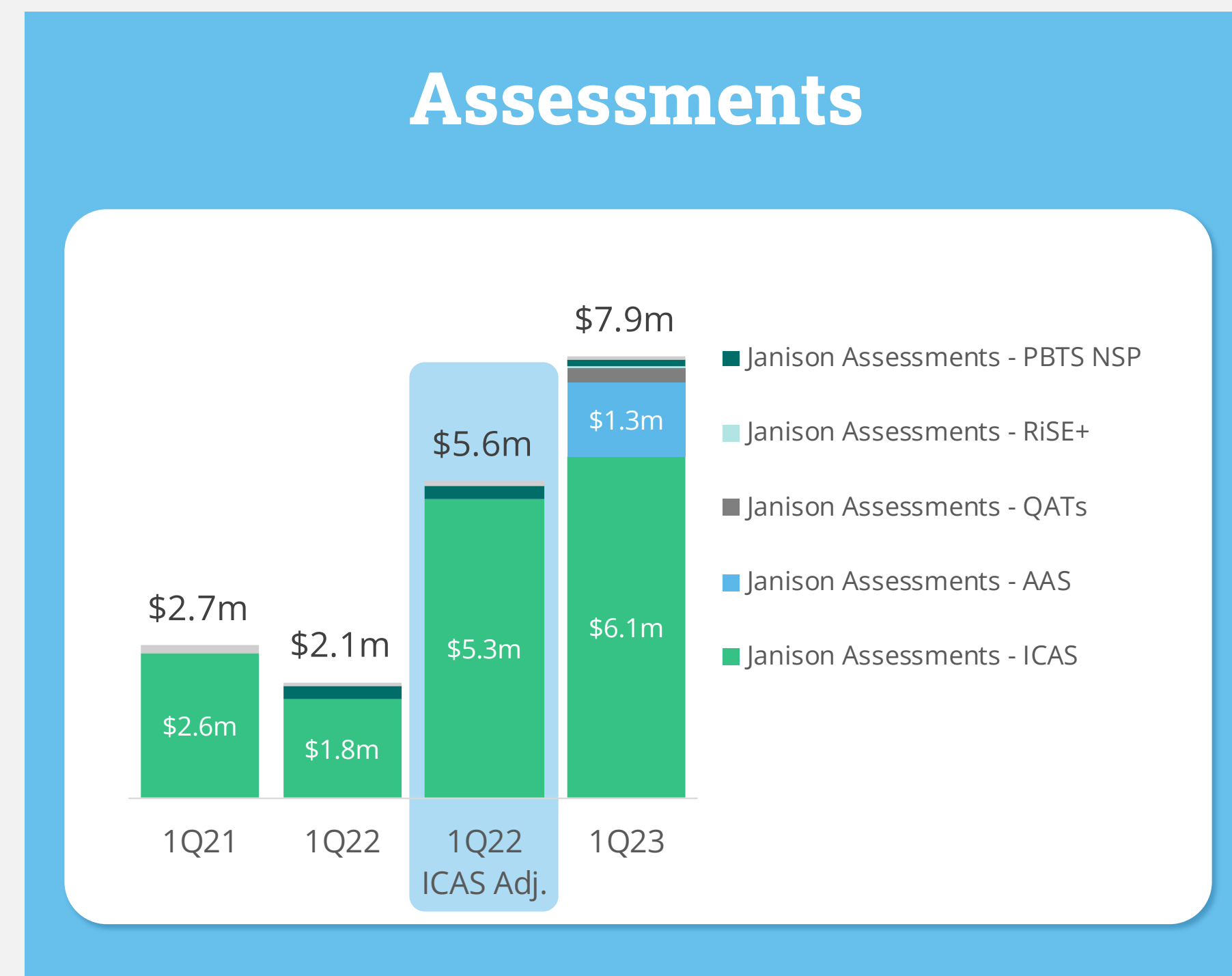
## +14% ICAS growth, acquisitions growing under Janison ownership.

### Assessments (K-12 Products)

ICAS (now in its 40<sup>th</sup> year), delivered \$6.1m of revenue in 1Q23. Adjusting for COVID-based timing<sup>1</sup>, ICAS is +\$0.8m or +14% higher than last year.

\$1.6m of revenue generated from acquisitions (QATs and AAS –acquired Q2 FY22) in 1Q23. Since acquisition:

- Organic revenue growth of 22 new AAS schools, +10% customer growth
- Integration complete
- Cost savings synergies achieved





A scenic landscape featuring a winding asphalt road that curves through lush green hills. The scene is captured during the "golden hour" of sunset, with warm, golden light illuminating the hillsides and creating a soft glow. The road has yellow lane markings and a guardrail on one side. In the distance, more hills and a small building are visible under a clear sky. The overall mood is peaceful and majestic.

# **Appendix.** FY22 Full Year Business Update

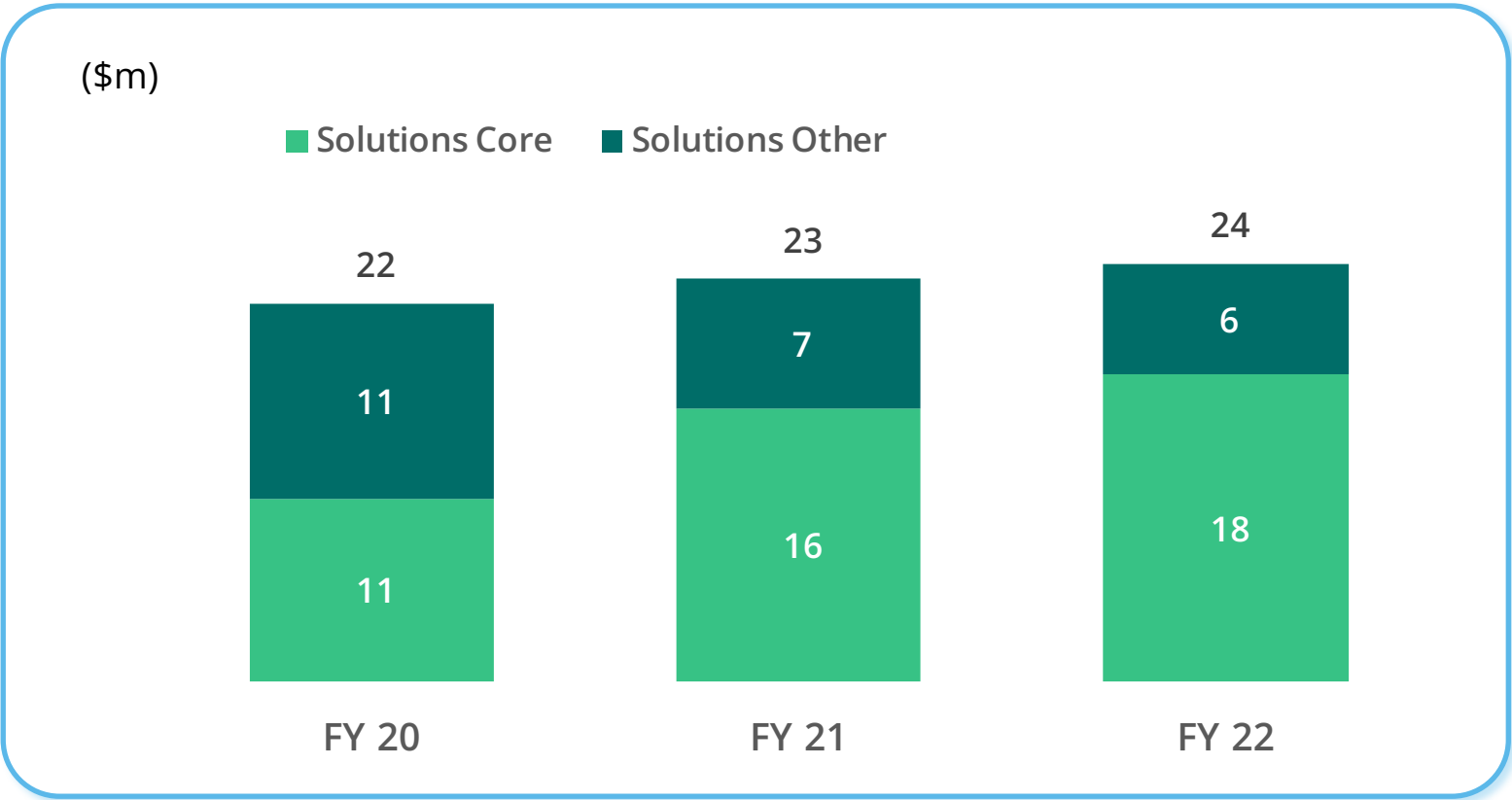




# FY22 revenue growth.

## Solutions

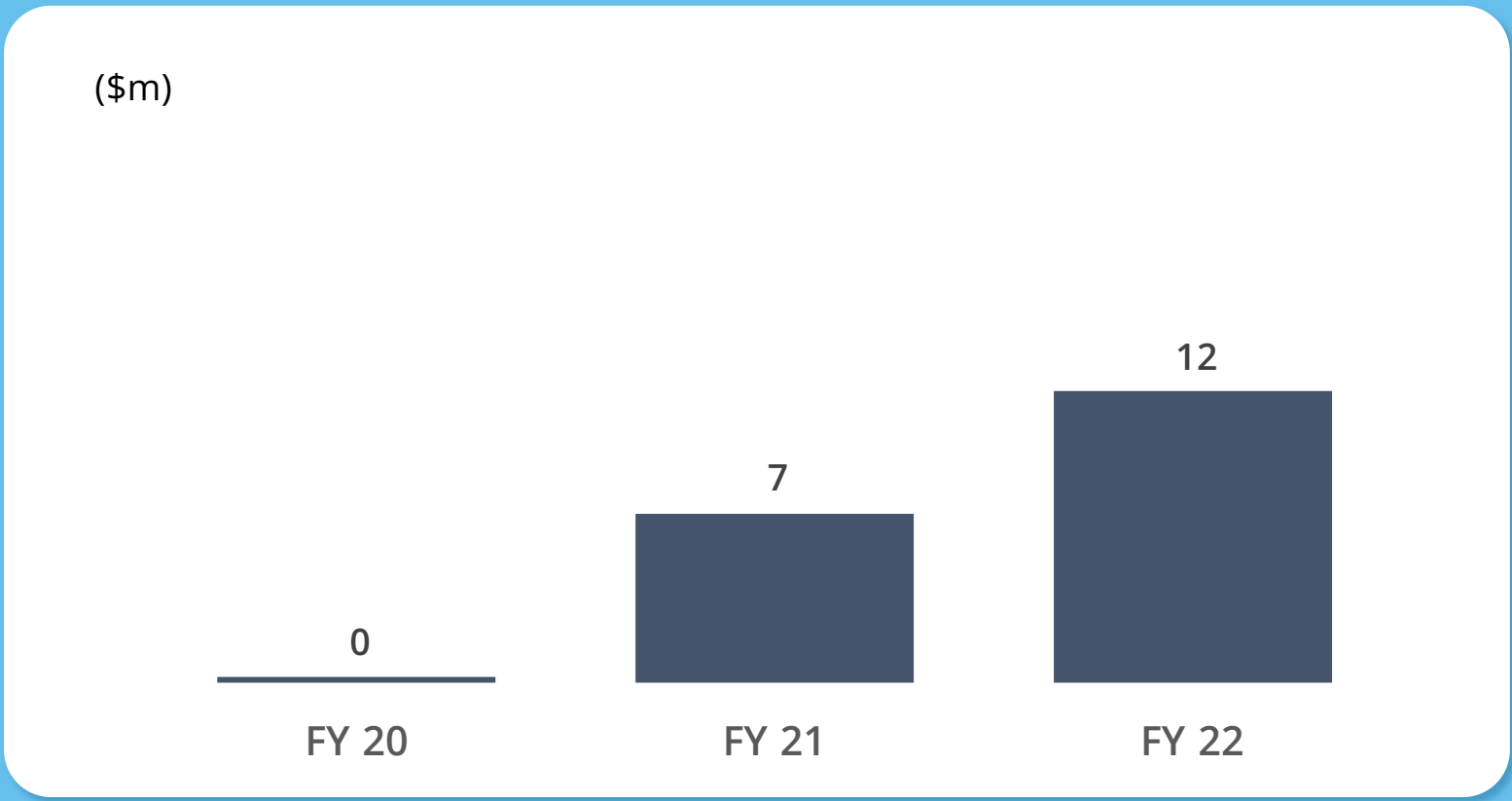
B2B enterprise platform licensing & services



As at 30 June (\$m)	FY21	FY22	FY22 Growth	
Solutions Core Revenue	\$15.7m	\$17.6m	+12%	+\$1.9m
Solutions Other Revenue	\$7.4m	\$6.4m	(13)%	\$(1.0)m
Total Solutions Revenue	\$23.0m	\$23.9m	+4%	+\$0.9m

## Assessments

B2B school & teacher products, B2C parent products



As at 30 June (\$m)	FY21	FY22	FY22 Growth	
Total Assessments Revenue	\$7.2m	\$12.4m	+72%	+\$5.2m

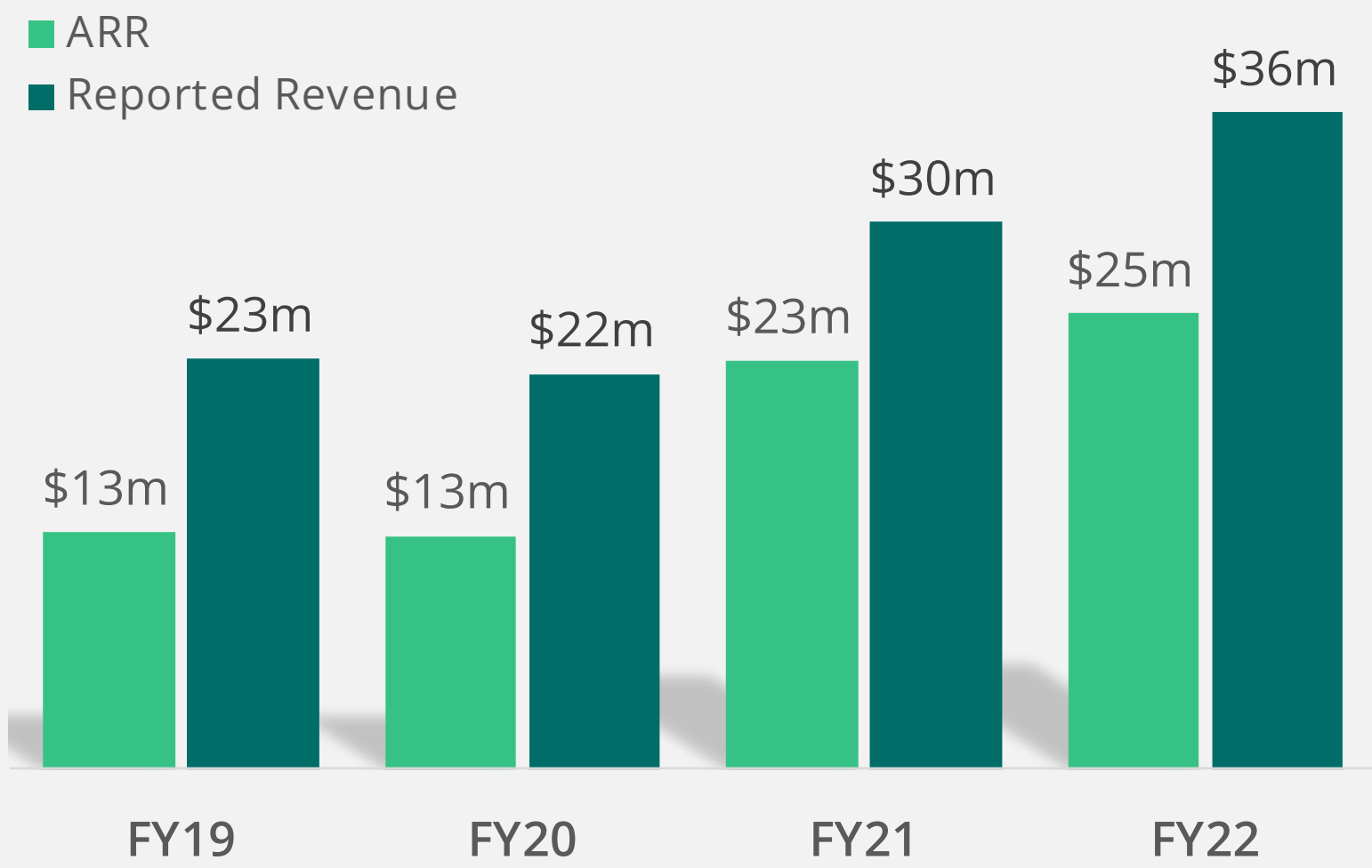
\*Revenue includes Assessment platform sales, Learning platform sales and JEM.

\*\*Assessment Revenue only includes sales from the Assessment platform.

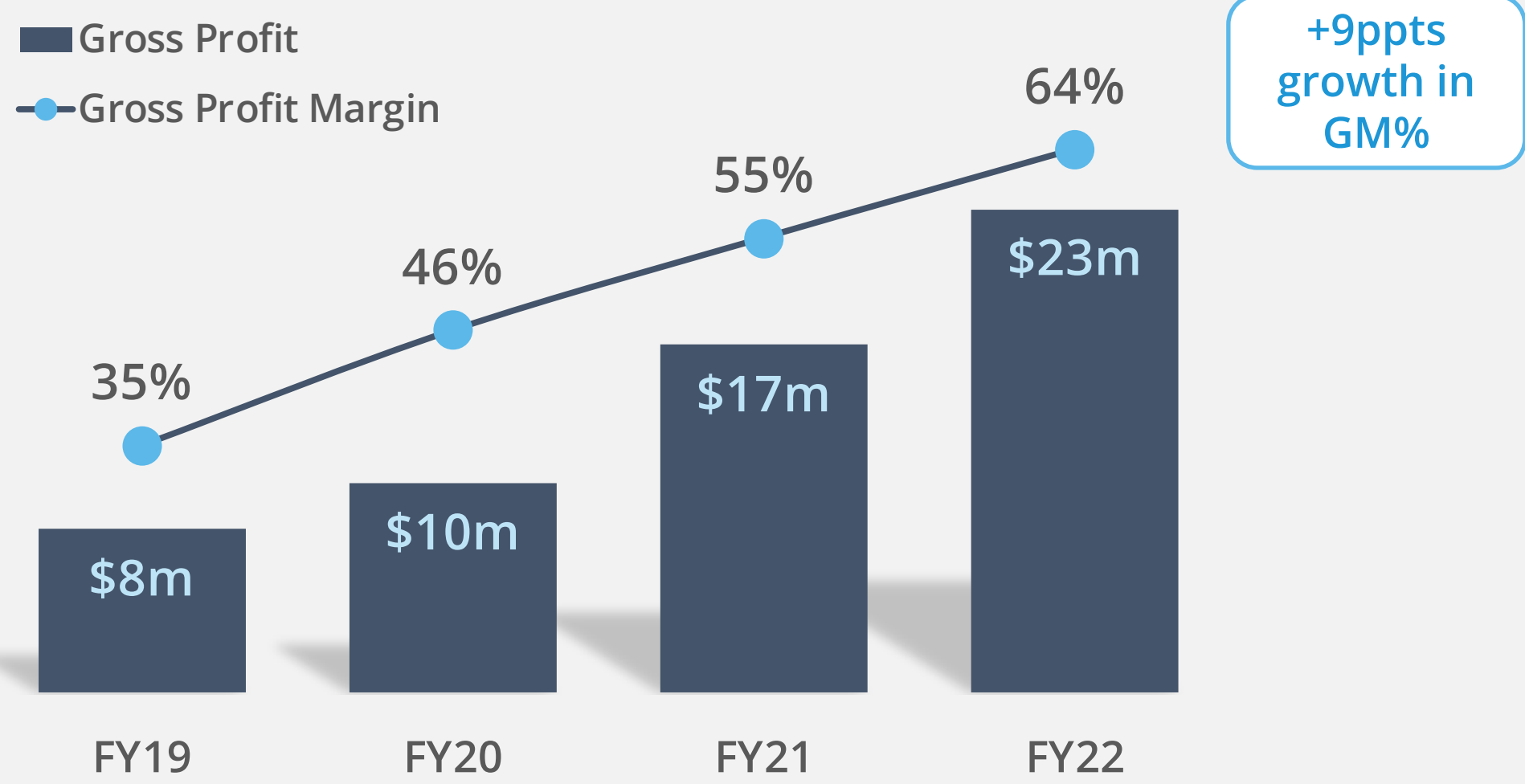


# ARR & gross margin rising further in FY22.

Revenue – reported and ARR



Gross margin





# FY22 operational momentum.

## Solutions

- Delivery of NAPLAN 2022 – the largest event in Janison’s history
- Expansion of all major existing accounts
- Delivery of Chartered Accountants for the first time in FY22
- Platform enhancements and optimisation leading to material gross margin improvement
- Expansion of JEM digital exam services

## Assessments

- + 20% growth in FY22 ICAS with 86,000 registered parent customers at 1H22
- Acquisition and integration of AAS and QATs
- RiSE+ parent platform launched successfully in June 2022

## OECD / PISA for Schools

- Now in 17 countries around the world and expanding NSP school reach

Delivered



CHARTERED ACCOUNTANTS  
AUSTRALIA + NEW ZEALAND

Delivered



**NAPLAN**  
NATIONAL ASSESSMENT PROGRAM  
Literacy and Numeracy

2022

Delivered



**ICAS**  
assessments

2022



# FY22 new wins & products launched – FY23 benefit.

## Solutions

- 2 new major logo wins – c.\$1-2m new recurring platform revenue once fully implemented; ACECQA and Cambridge BoxHill English language testing
- Strong pipeline of major assessment platform clients

## Assessments

- Strong FY23 ICAS competition, +14% growth on last year
- Parent contacts up +70% on last year to 150,000 registered customers
- RiSE+ parent platform launched with good initial sales momentum

## OECD / PISA for Schools

- New sales force build in key NSP markets of US and UK. Gearing up for new academic calendar start in September (northern hemisphere).

Signed



Australian Children's  
Education & Care  
Quality Authority™

Signed



Cambridge  
Assessment



BOX HILL  
INSTITUTE

Launched





End.

