

Schrole™

Global Human Resources
Software-as-a-Service

Schrole Group Ltd (ASX: SCL)
Investor Presentation

September Quarter 2021



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“Schrole HR” provides global, Human Resources Software-as-a-Service (SaaS).

Schrole has grown to \$6m revenue, with an initial target market of international schools, and only 3 sales staff.

Now in global scale-up phase, with expanded SaaS product suite, expanded sales team, and targeting new growth markets.



MARKET DATA

ASX code	SCL
Ordinary shares	1.433b
Market capitalisation	\$12.9m
Enterprise value	\$10.5m
Enterprise value/revenue (x)	1.7x
Listed on ASX	October 2017
Last price (26.10.21)	0.9cps
52 week high	2.2cps
52 week low	0.9cps

MAJOR SHAREHOLDERS

Faria UK Holdco III Ltd.	19.1%
Toronga Pty Ltd.	11.4%
Graham (Robert)	10.95%
Capital H Management Pty Ltd	7.4%
Cyan Investment Management Pty. Ltd.	6.0%



SOFTWARE-AS-A-SERVICE FOR LARGE AND GROWING ADDRESSABLE MARKETS

- “Schrole HR” is SCL’s **complete human resources SaaS solution** – including recruitment, background checks, onboarding, relief teacher management and professional development
- Initial market penetration in international and domestic schools, with new market expansion options including higher education and health care
- **\$5.2m CY2020 cash receipts, with strong growth momentum in September Quarter 2021 (Q3)**



STRONG SEPTEMBER QUARTER GROWTH IN KEY VALUE DRIVERS

- Q3 cash receipts – **28% Q3 growth** vs Q2
- Customer numbers - **9% Q3 growth**, 16% customer growth in 6 months - from 359 in March Quarter 2021 (Q1) to 419 in Q3
- Software margins – **34% Q3**, up from 26% Q2



MULTIPLE GROWTH DRIVERS

- **Growth Driver #1 – New SaaS products** growth from 2 to 5, increases potential cross/upsell, margins and target Average Contract Value from ~\$11k to \$30k
- **Growth Driver #2 – Expanded sales team selling into new markets**
- **Growth Driver #3 – Adjacent target markets** – domestic schools, higher education and health care



VALUATION DISCOUNT

- Schrole Enterprise Value/sales of 1.7x trades
- ~77% discount to ASX-listed edtech peer multiple of 6.9x and ~70% discount to ASX-listed SaaS HR peer multiples of 5.4x



STRONG OUTLOOK

- Expanded direct sales team in place, selling an expanded offering, into new geographies such as Europe and North America
- Upside from global Covid-19 recovery, as international borders re-open
- Strong, growing sales pipeline with successful launch of Connect 3.0 and high attendances at the first two recently launched Schrole Events
- Second quarter CY2022 to drive Schrole Engage through international schools

Schrole HR is a complete Human Resources SaaS solution, including recruitment, background checks, onboarding, relief teacher management and professional development



- **Well-established customer base** - Grew to \$5.2m CY2020 cash receipts with only 2 sales staff
- **New growth drivers** - Expanded sales team and expanded SaaS product suite to drive growth
- **Significant cross-sell opportunity** - visible path to Average Contract Value of AUD30,000 per school



- **Revenue diversification** - new growth drivers are diversifying revenue by product and sales season.
- **Product diversification** - Historically, 90%+ revenue from Connect. **There are now 4 products to be sold.**
- **Sales diversification** - Historically, ~30-50% revenue in Dec Quarter. **Expanded SaaS suite enables the full-year sales.**



Education's most advanced **recruitment and applicant tracking app.**

Includes **Schrole Events**, online recruitment events. Annual subscription fees from USD5-15k.



Created in 2015, **Relief Staff hiring app.**

Applicable to any casual hiring scenario, in any sector.



Background checks customised for international schools.

Transaction revenue, average USD2.5k per school.



Training & professional development for education sector.

Diploma of Leadership & Management and short courses customized for education and scalable across multiple sectors.

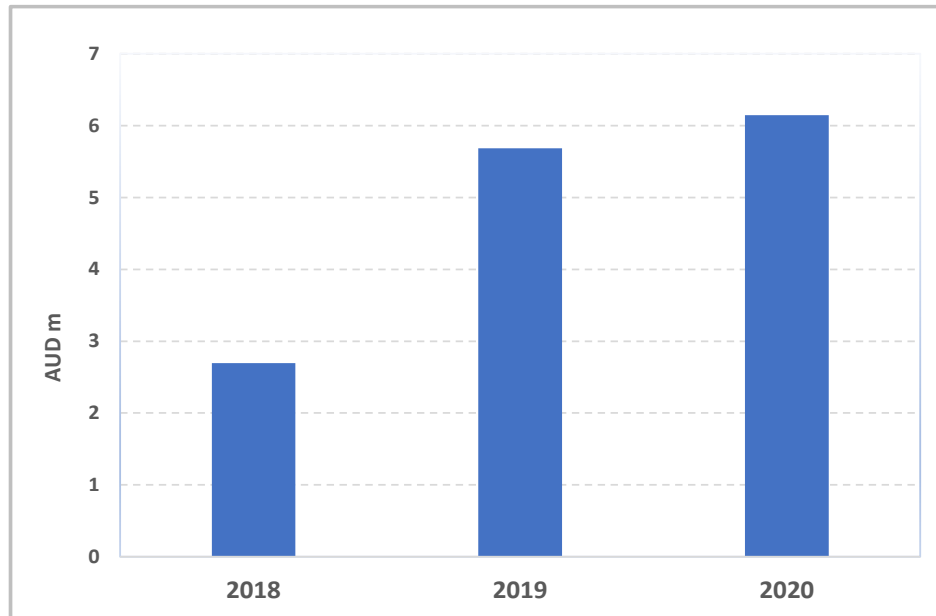


Staff onboarding, Visa & contract management, teacher appraisal and offboarding.

To be released 1Q22: Subscription model, average ~USD4k p/a.

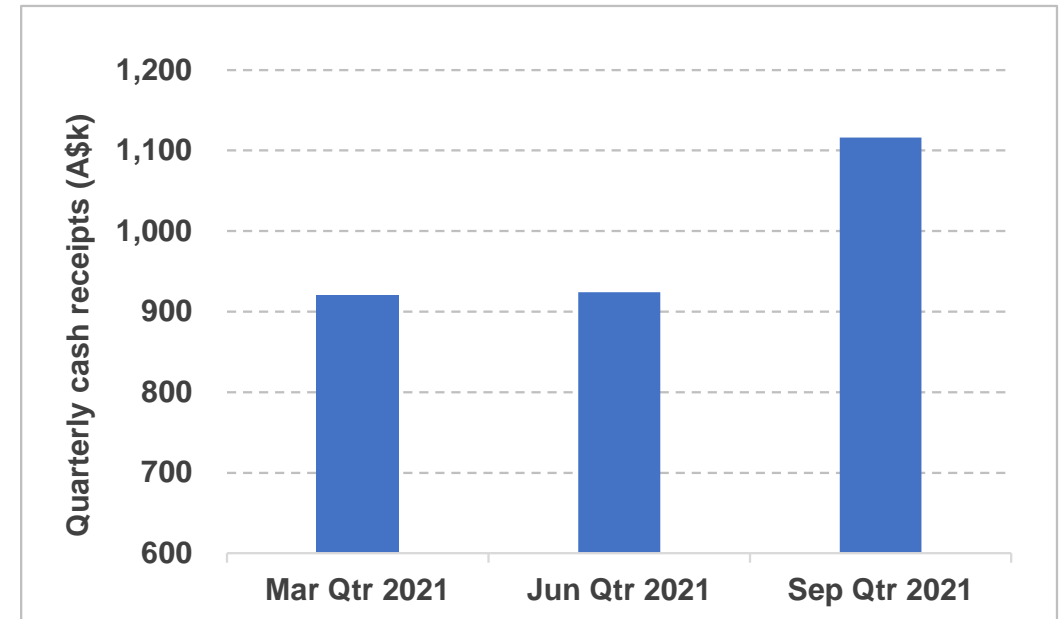
Annual revenues have grown from \$2.7m in 2018 to \$6.1m in 2020.

CHART 1: GROWING REVENUE



- Revenue growth ~8% in CY2020 (despite Covid-19).

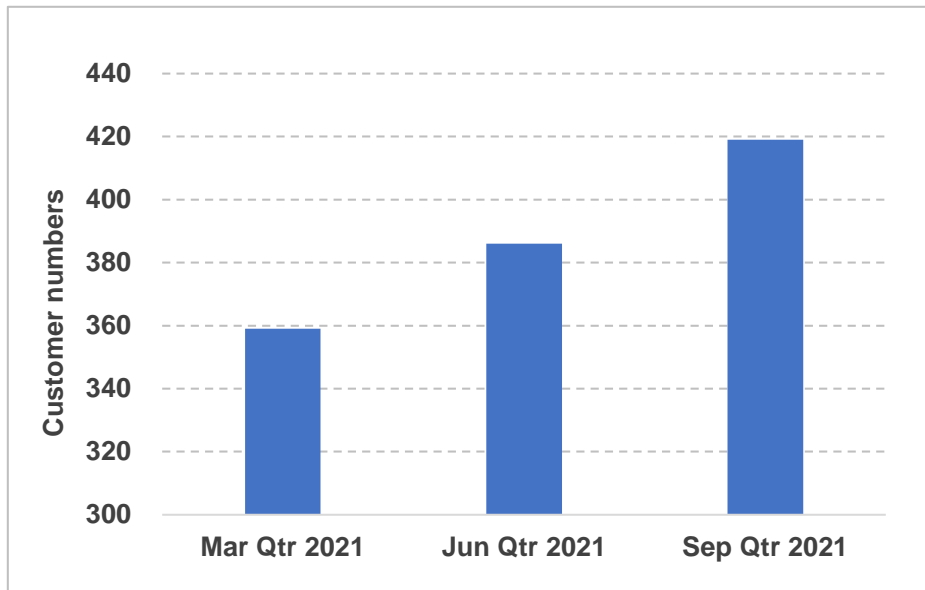
CHART 2: QUARTERLY CASH RECEIPTS GROWTH



- 28% cashreceipts growth to \$1.181m in Sept Qtr 2021

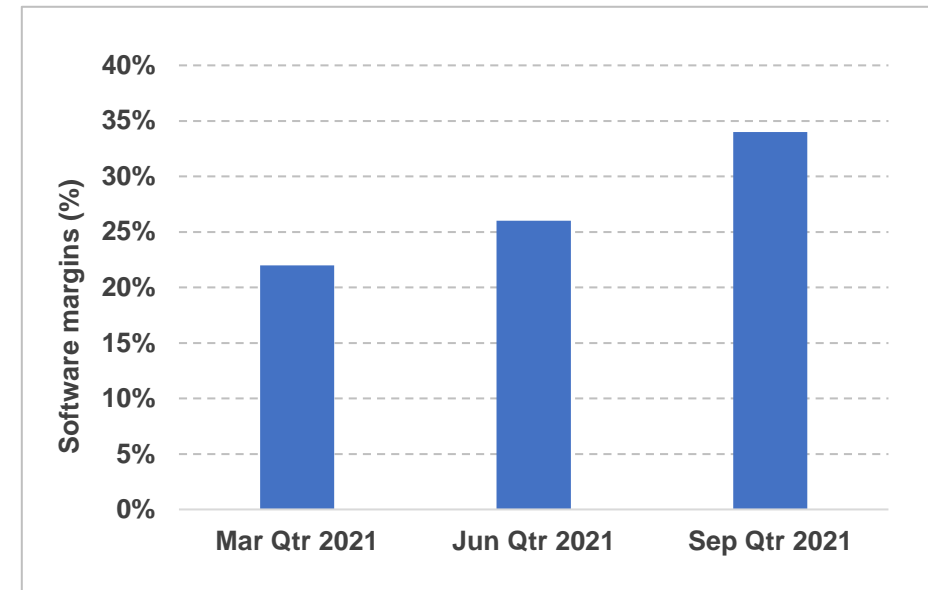
Growing key value drivers: customer numbers, average contract value and software margins.

CHART 3: SCHROLE CONNECT CUSTOMERS



- Customer numbers for Schrole Connect, the Company's flagship product, increased by 9% from 386 in June Qtr to 419 in Sept Qtr
- 91% contract renewals in September Quarter.

CHART 4: SOFTWARE MARGINS (%)



- Increased to 34% in Q3, from 26% in Q2
- Further growth expected as sales increase on a relatively fixed cost base and payments to former sales distribution partner ISS have ceased.

Significant cross/upsell opportunity to increase Average Contract Value through expanded SaaS offering. Targeting annual AUD\$3.6 billion Human Resources expenditure.

**12,373
International Schools**

- **Number international schools: 12,373** (source: *ISC research* as at July 2021)
- **8% compound annual growth rate** in number of schools from 2,584 in 2000 to 12,373 in 2020
- Targeting growth through expanded direct sales teams, cross/upsell and Faria's international schools customers

3.4% market share

- **3.4% market penetration** (419 Schrole Connect customers), growing strongly
- **Potential to double SCL annual revenue with additional 600 schools at AUD\$10k Average Contract Value.**

**A\$3.6 billion
target annual revenue**

- **Annual USD2.7 bn (AUD3.6 bn) Human Resources expenditure**
- Annual US\$53 billion fee income of International Schools segment

**Domestic schools are a global growth option.
SCL has ~2% share in Australian domestic schools.**

Australia – Domestic Schools

- 9,542 domestic schools in Australia (source: ABS)

2% market share

- SCL currently has ~200 school customers in Western Australia, approx. ~2% of Australian market

International – Domestic Schools

- ~180,000 domestic schools globally geographically segmented:
 - 98,000 USA
 - 32,000 UK
 - 25,000 Sth Africa
 - 15,000 CAN
 - 9,542 ANZ

Health Care and Higher Education are adjacent growth segments, with several billion dollar addressable markets

Australia – Health Care

- Aged and Community Care
 - **\$21.5 billion annual expenditure**
 - **366,000 aged care workers**, with projected shortage of 330,000 workers by 2050
 - 2,722 residential aged care facilities
 - 6,374 home care & support providers
(source: Royal Commission; aged care data)
- Public Hospitals: 693
 - **\$71 billion annual expenditure**
 - **Over 400,000 workers**
(source: AIHW)
- Private Hospitals: 657
 - **\$17 billion annual expenditure**
 - **~70,000 workers**
(source: AIHW)

Australia – Higher Education

- 43 universities
 - **\$41 billion annual expenditure**
 - **259,100 workers**
(source: Universities Australia)
- 84 TAFE
 - **\$5.7 billion annual expenditure**
 - 300 campuses
(source: National Centre for Vocational Education Research)

International – Higher Education

- **25,000 universities** globally
 - India – 4,341
 - USA – 3,254
 - China – 2,595
 - Indonesia – 2,694
 - Brazil – 1,349
 - Mexico – 1,253
(source: Statista)

**SCL trades at a ~1.7x Enterprise Value/Sales
A significant discount to ASX-listed EduTech and SaaS company peer multiples**



ASX-LISTED EDTECH MULTIPLES

- SCL trades at ~77% discount to ASX-listed EdTech peer multiple of 6.9x



ASX-LISTED SAAS MULTIPLES

- SCL trades at ~70% discount to ASX-listed SaaS HR peer multiples of 5.4x

For a copy of the research, please email investors@schrole.edu.au

Outlook for increased Contract Value through expanded product range

- Visible pathway to **increasing Average Contract Value to ~AUD30,000** driven by new products
- **New product launches** of Schrole Engage and Schrole Develop short courses expected to increase **contract value**.
- Example: International School of Ho Chi Minh City (ISHCMC) increased contract value from ~AUD20,000 to ~AUD154,800, utilizing 2 of 4 Schrole products ([ASX release dated 26 March 2021](#)).



Expanded sales team Selling expanded product suite to growing customer base in new markets



EXPANDED SALES TEAM

- 9 sales and account management staff (previously 5) allocated specific territories across Middle East, Asia, Africa and North America



ONLINE SALES FOCUS

- Historically, ~70% sales online. Since Covid, 100% of sales are online
- Marketing via conferences, events, email marketing, customer referrals



GEOGRAPHIC EXPANSION

- SCL has historically targeted Asia and Middle East North Africa (MENA)
- Outlook is to maintain Asia & MENA focus while growing Europe and Americas markets, with full impact expected in 2022

Faria and Schrole to begin marketing their combined offerings to ~10,000 schools

ABOUT FARIA



Faria
Education
Group

- Global leader in international education systems & services, providing integrated systems suite across learning, admissions, school-to-home and online courses & study services.
- Over 10,000 schools and 4 million students in over 155 countries.

FARIA-SCHROLE PARTNERSHIP



- Faria has a 19.1% strategic SCL stake
- **Schrole and Faria SaaS products are complementary**
- **Significantly expands Schrole's directly addressable market to ~10,000 schools**

OUTLOOK

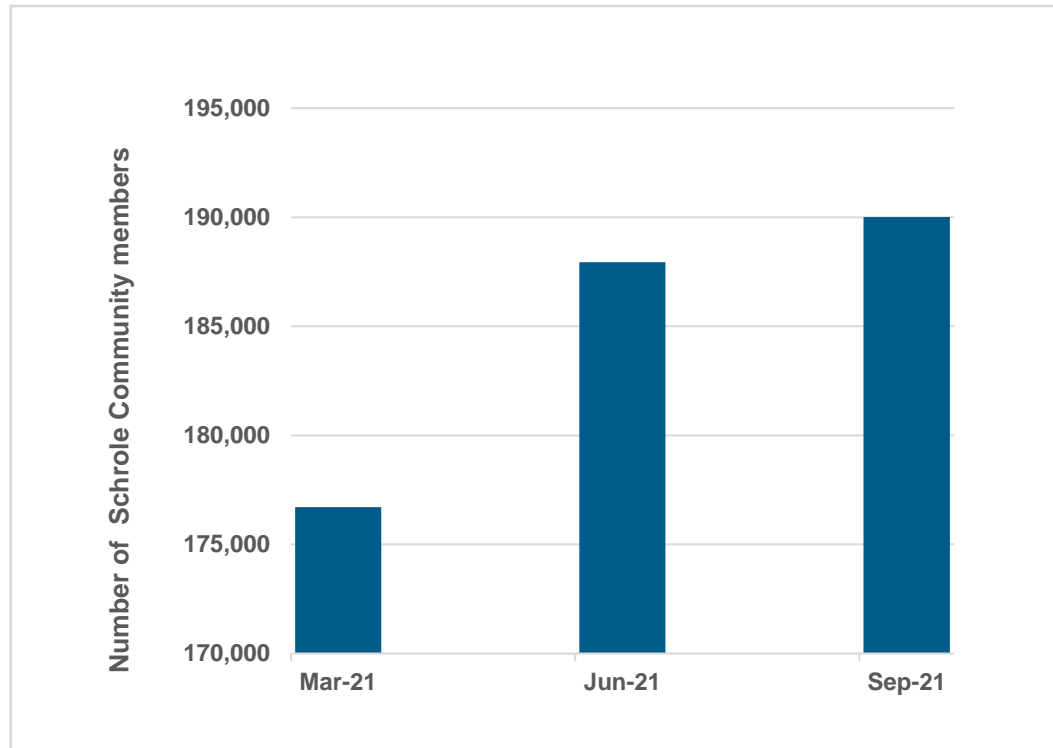


- Full integration into Faria dashboard
- **Dec Qtr 2021 joint marketing commences**

Schrole Community comprises all customers and platform users.

Schrole Community captures global network effects, allowing increased monetisation of the full HR life cycle.

Our Schrole Community increased by ~10% to 190,020 over the 6 months to Sept 2021.

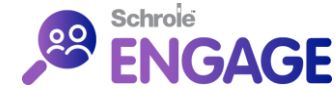


2-sided marketplace:

- 2,278 Organisational Users
- 147,387 candidates



~700 candidates over 12 months



Launching 1Q2022

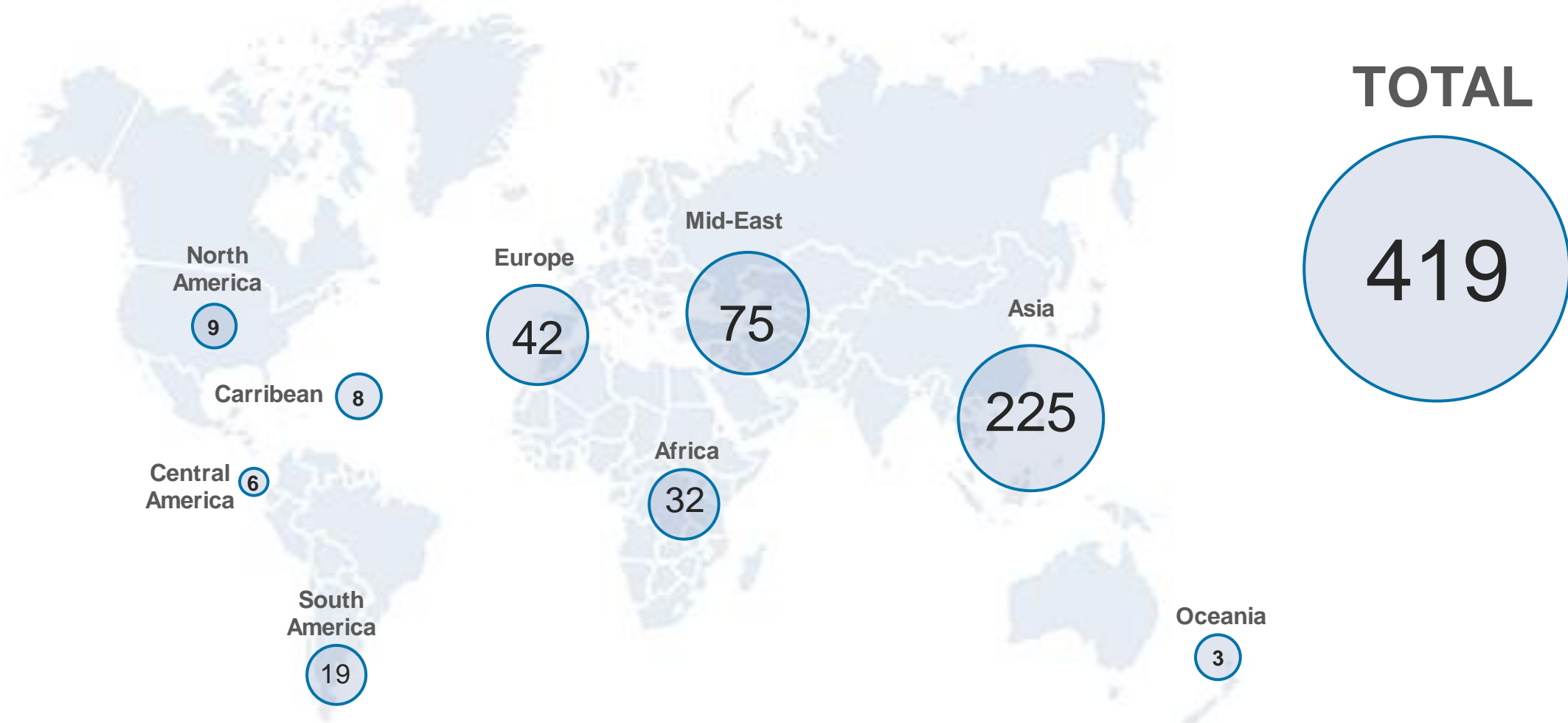


2 international schools
Large domestic client base



Over 40,000 users

Historically, ~55% of FY20 sales from Asia, and 18% from Middle East, North Africa
Outlook is to maintain Asia & MENA focus, while growing Europe and Americas



Schrole's initial growth was through global international schools networks.
Enterprise level clients and Government are significant growth options,
with multiple adjacent industry expansion opportunities

GLOBAL SCHOOL NETWORKS

Nord Anglia
Education

67,000 students
73 schools
30 countries

COGNITA

55,000 students
7,500 employees
83 schools
11 countries



119,000 students
7,500 employees
44 schools
9 countries

INTERNATIONAL SCHOOLS



1,400 students

北京顺义国际学校
INTERNATIONAL SCHOOL OF BEIJING

1,700 students



1,900 students

ENTERPRISE LEVEL AND GOVERNMENT

BHP

- BHP Group Limited (ASX: BHP), an Australian Stock Exchange listed company with a market capitalisation of AUD140.2 billion
- World-leading resources company
- ~80,000 employees and contractors, primarily in Australia and the Americas

RioTinto

- Rio Tinto Iron Ore (RTIO), a subsidiary of Rio Tinto Limited (ASX: RIO), an Australian Stock Exchange listed company with a market capitalisation of AUD42.5 billion
- World's second largest metals and mining corporation
- ~45,000 employees worldwide.



- Fortescue Metal Group (ASX: FMG), an Australian Stock Exchange listed company with a market capitalisation of AUD62.6 billion
- 4th largest iron ore producer in the world, after BHP, Rio Tinto and Vale
- ~11,000 employees

Multiple, near-term, growth drivers



SALES GROWTH

- 3 key sales growth drivers
- Target new and adjacent markets



MARGIN EXPANSION

- Target Average Contract Value of AUD\$30k



EXPANDED SALES & ACCOUNT MANAGEMENT TEAM

- 9 sales and account management staff (previously 5), achieving key milestones and early results



EXPANDED SOFTWARE SUITE

- Growing from 2 to 5 SaaS products
- Significant cross/upsell opportunity

Contacts

The logo for Schrole, featuring the word "Schrole" in a bold, white, sans-serif font with a trademark symbol (TM) to the upper right. The background is a dark blue gradient with a faint network pattern of circles and lines at the bottom.

Rob Graham

investors@schrole.edu.au

(08) 9230 7000

George Gabriel, CFA

investors@schrole.edu.au

0421 630 435