



Investing for Success

Macquarie Australia Conference

6 May 2015

ASX: NVT

Disclaimer

Important Notice and Disclaimer

This document has been prepared by Navitas Limited ABN 69 109 613 309 ("Navitas" or the "Company"). Information in this document should be read in conjunction with other Navitas announcements made to ASX.

This document has been prepared for information purposes only and does not take into account your individual investment objectives, including the merits and risks involved in an investment in Navitas shares, or your financial situation or particular needs, and is not investment, financial product, legal, tax or accounting advice or opinion.

You must not act on the basis of any matter contained in this document, but must make your own independent investigation and assessment of Navitas and its shares and obtain any professional advice you require before making any investment decision based on your investment objectives and financial circumstances. An investment in Navitas shares is subject to investment and other known and unknown risks, some of which are beyond the control of Navitas, including possible delays in repayment and loss of income and principal invested. Navitas does not guarantee any particular rate of return or the performance of Navitas, nor does it guarantee the repayment of capital from Navitas or any particular tax treatment.

All information in this document is believed to be reliable, but no representation, warranty or guarantee, express or implied, is made by Navitas, its subsidiaries or their respective directors, officers, employees or agents, nor any other person (the "Beneficiaries") as to the fairness, accuracy, completeness, reliability or correctness of the information, opinions and conclusions contained in this document (including, without limitation, any estimates, calculations, projections or forward looking statements). No action should be taken on the basis of the information, and no reliance may be placed for any purpose on the accuracy or completeness of the information or opinions contained in this document. To the maximum extent permitted by law, the Beneficiaries shall have no liability, including, without limitation, any liability arising from fault or negligence, for any direct or indirect loss or damage which may be suffered by any recipient through relying on anything contained in or omitted from this document.

The distribution of this document in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This document does not constitute an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any security in any jurisdiction. In particular, this document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any "U.S. person" (as defined in the U.S. Securities Act of 1933 ("U.S. Securities Act")). Shares in Navitas have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state or other jurisdiction of the United States. Accordingly, shares in Navitas may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons, except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This document may not be distributed or released in the United States or to, or for the account or benefit of, any U.S. person.

All references to dollars, cents or \$ in this document are to Australian currency, unless otherwise stated.

Company Profile



Navitas (ASX: NVT) is a leading global education provider offering an extensive range of educational and training services for students and professionals across Australia and around the world

| Market cap | Last 12 months revenue | Last 12 months EBITDA* | Staff headcount | Students | Colleges/campuses |
|------------|------------------------|------------------------|-----------------|----------|-------------------|
| \$1.74b | \$936.8m | \$152.8m | ~5,800 | > 80,000 | >120 |

* Excluding goodwill impairment

University Programs - leading provider of 33 pathway colleges and managed campuses across Australia and in the UK, US, Canada, Singapore, New Zealand and Sri Lanka

SAE - creative media education provider delivering vocational and higher education qualifications in audio, film and multimedia via 54 colleges in Australasia, US, Europe and the Middle East

Professional and English Programs – provides quality vocational training, higher education and placement services in areas of key demand across Australia as well as providing English as a second language courses for international students and English language, settlement and work preparation programs for migrants and refugees

Navitas history



- Based in Perth, Navitas was founded in 1994 with the goal of helping more international students succeed at university in Australia
- International students were failing due to issues relating to studying in a different country - culture, education system and language
- Navitas addressed this problem via:
 - Three trimester academic year
 - Improved student support
 - Small class sizes with highly interactive teaching model (max 50)
 - Additional teaching hours delivered in block format
- Consolidation of ownership followed by listing on the ASX in 2004
- Navitas now delivers more than 13 million teaching hours annually to its more than 80,000 students
- Navitas is listed on the Australian Securities Exchange (ASX: NVT), and has a market capitalisation of \$1.74b (30 April 2015). Navitas is an S&P/ASX100 company

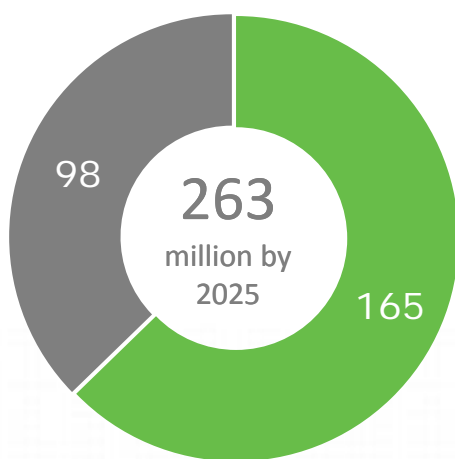


Key Drivers

Significant macro trends ...



Growing global tertiary enrolment (m)



■ Current enrolments
■ Enrolment growth

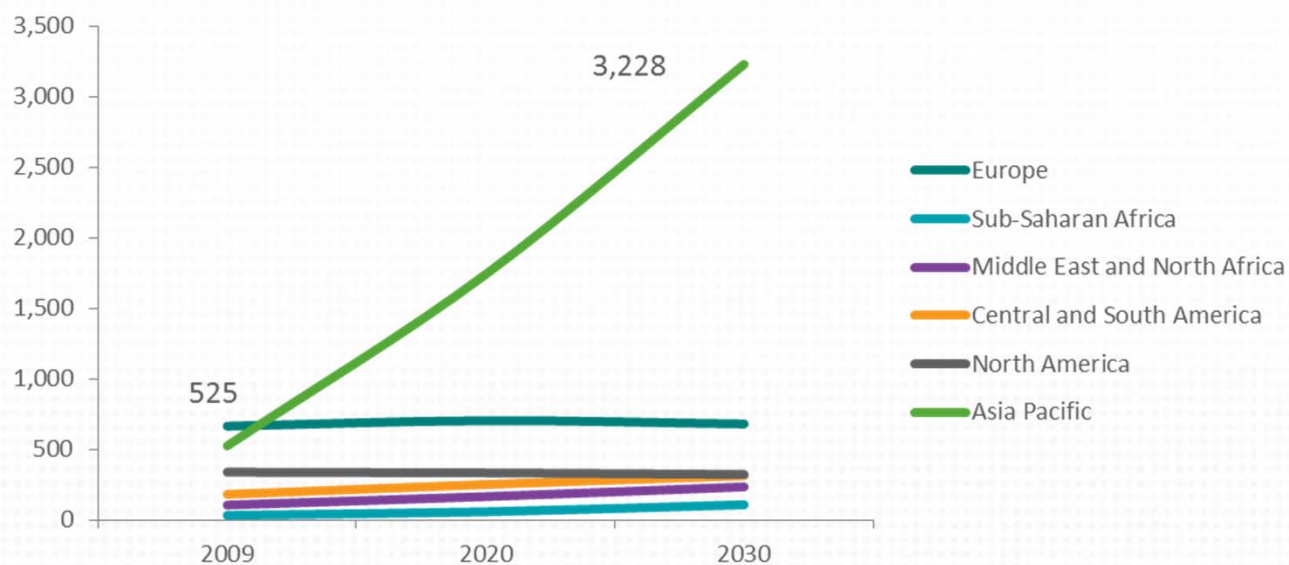
Supply imbalance in key source markets (m)
China



■ Gaokao students*
■ Chinese domestic university places

* Chinese university entrance exam

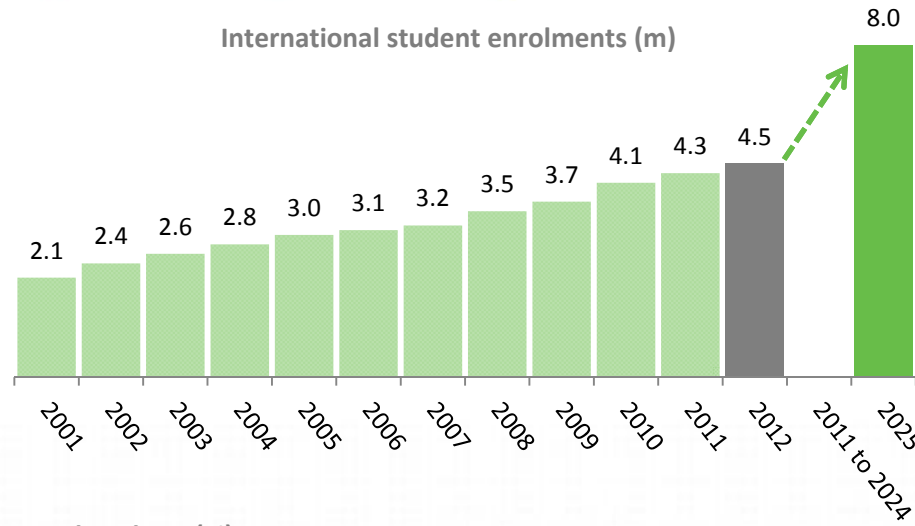
A growing middle class (m)



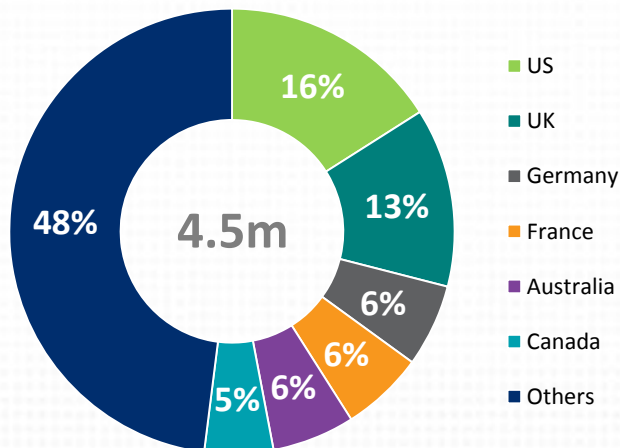
... drive students offshore to key education destinations



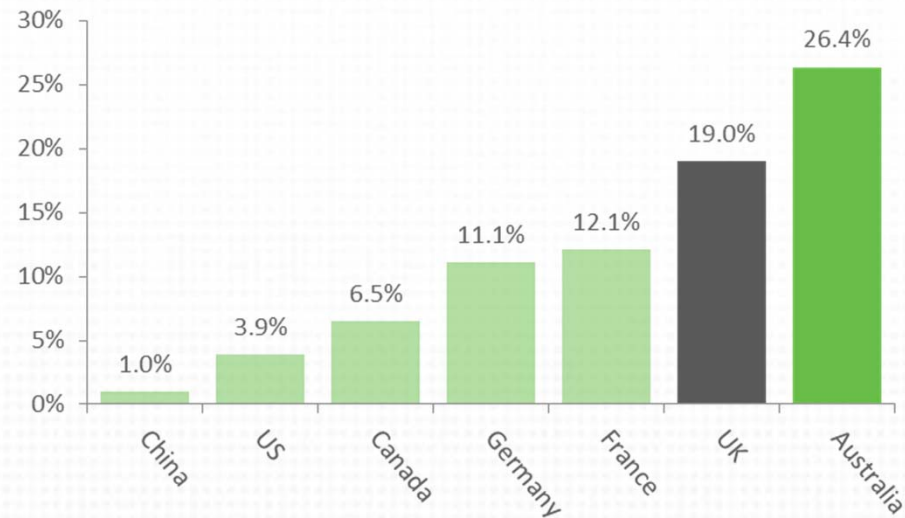
International student enrolments (m)



International education market share (%)



International higher education enrolment as a % of total enrolments



Source: Project Atlas 2014, OECD Education at a Glance, 2014. CBIE.



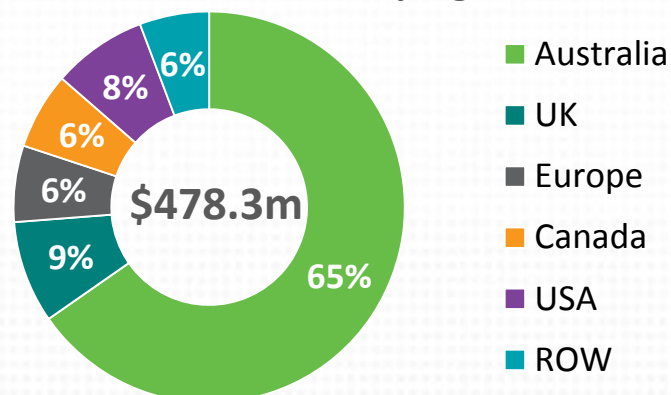
FY15 Interim Financial Performance

Solid revenue growth across all Divisions

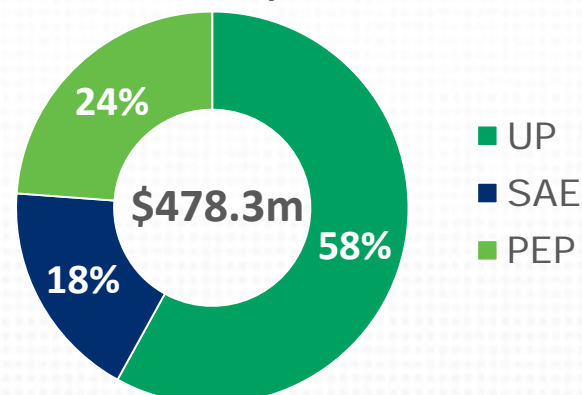


| Revenue (\$m) | H1 FY15 | H1 FY14 | Δ% |
|-----------------------------------|--------------|--------------|-----------|
| University Programs | 277.5 | 243.2 | 14 |
| SAE Group | 86.8 | 68.1 | 27 |
| Professional and English Programs | 114.0 | 108.1 | 5 |
| Divisional revenue | 478.3 | 419.4 | 14 |
| Other | 2.2 | 2.5 | (12) |
| Group revenue | 480.5 | 421.9 | 14 |

H1 FY15 divisional revenue by region



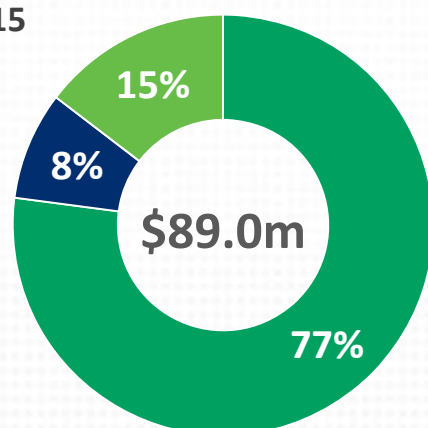
H1 FY15 revenue by Division



Margin improvement in UP and PEP

| EBITDA* (\$m) | H1 FY15 | H1 FY14 | Δ% |
|-----------------------------------|-------------|-------------|-----------|
| University Programs | 68.6 | 58.4 | 17 |
| SAE Group | 7.4 | 9.0 | (18) |
| Professional and English Programs | 13.0 | 11.0 | 19 |
| Divisional EBITDA* | 89.0 | 78.4 | 14 |
| Corporate costs | (17.9) | (15.2) | 18 |
| Group EBITDA* | 71.1 | 63.2 | 13 |

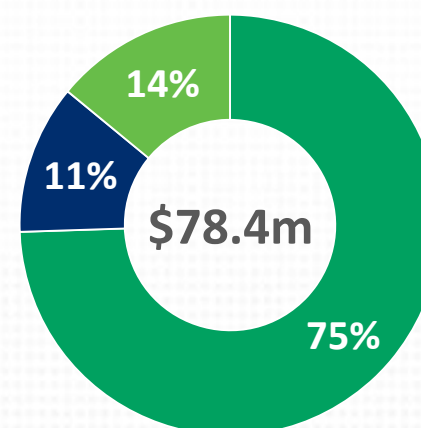
H1 FY15



EBITDA* by Division

- UP
- SAE
- PEP

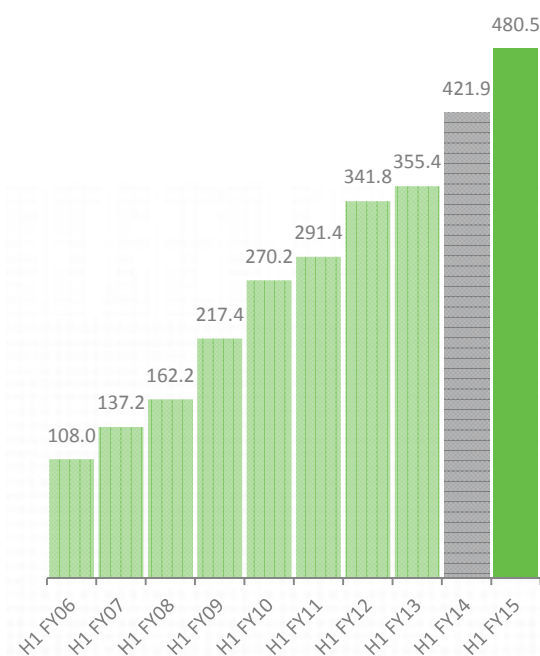
H1 FY14



Long term growth record maintained

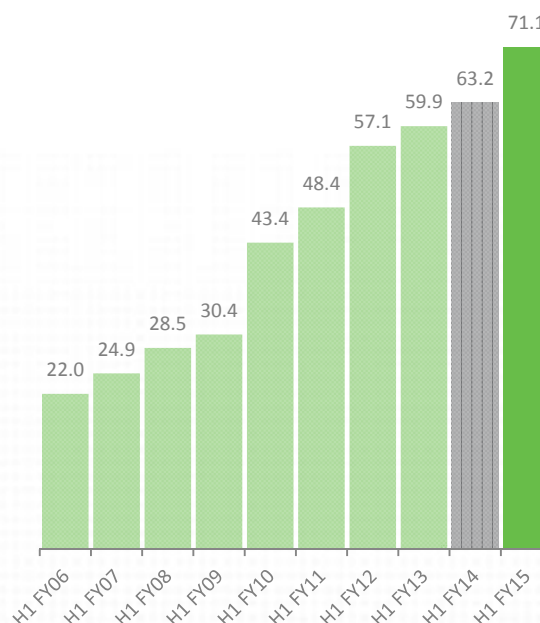


Revenue (\$m)



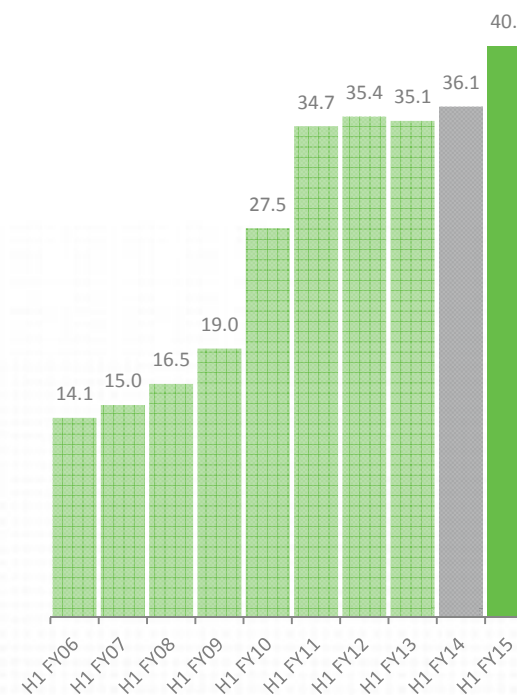
18.0%
CAGR

Underlying EBITDA* (\$m)



14.0%
CAGR

NPAT* (\$m)



12.4%
CAGR



* excluding goodwill impairment

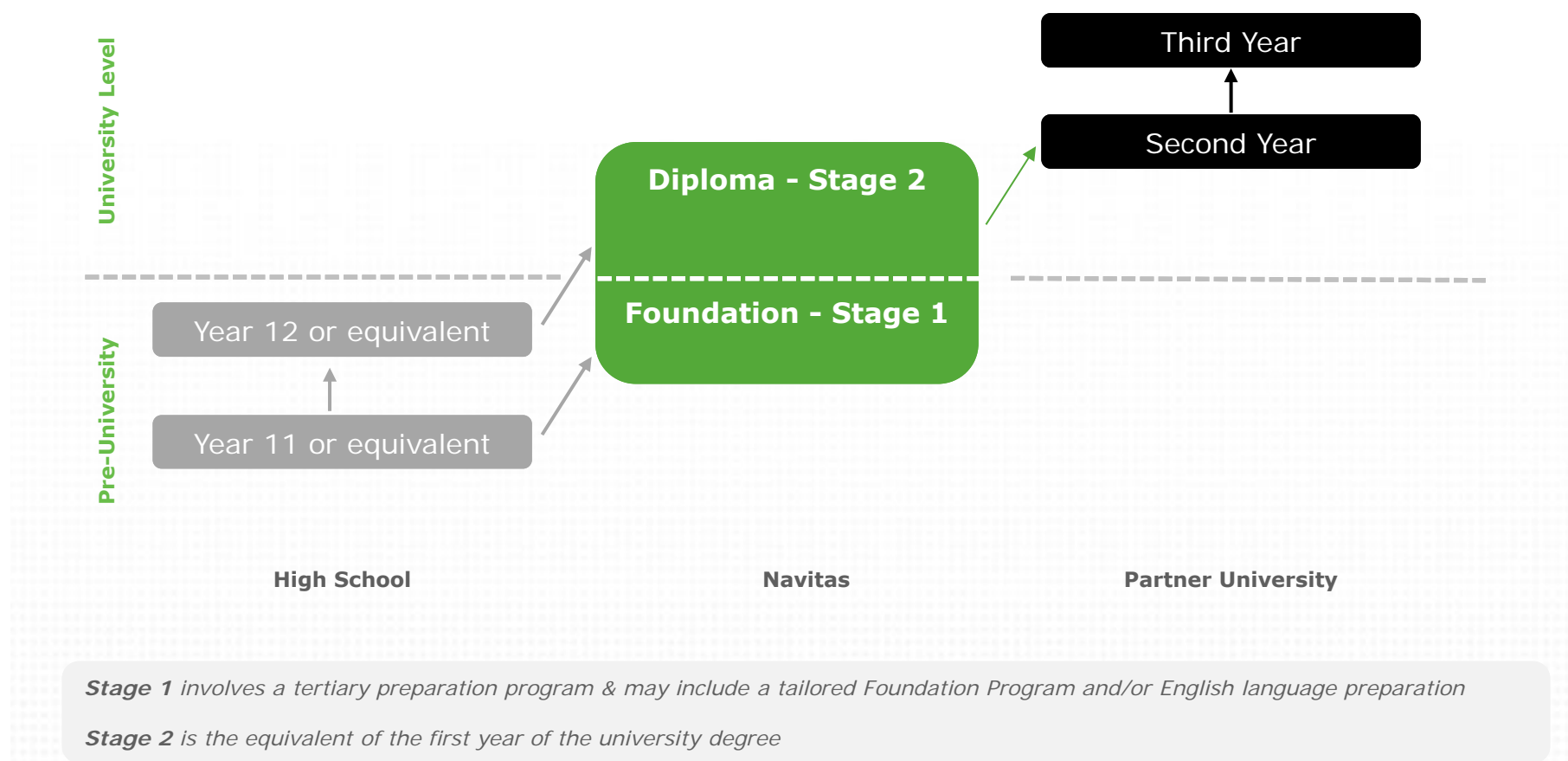
A photograph of two students, a young woman with long brown hair and a young man with short dark hair, sitting on a green sofa in a modern library or study area. They are both smiling and looking at a notebook and papers. The woman is holding a green pen. In the background, other students are visible sitting on blue chairs. A large green circle is overlaid on the left side of the image, containing the text "University Programs".

University Programs

A pathway to university

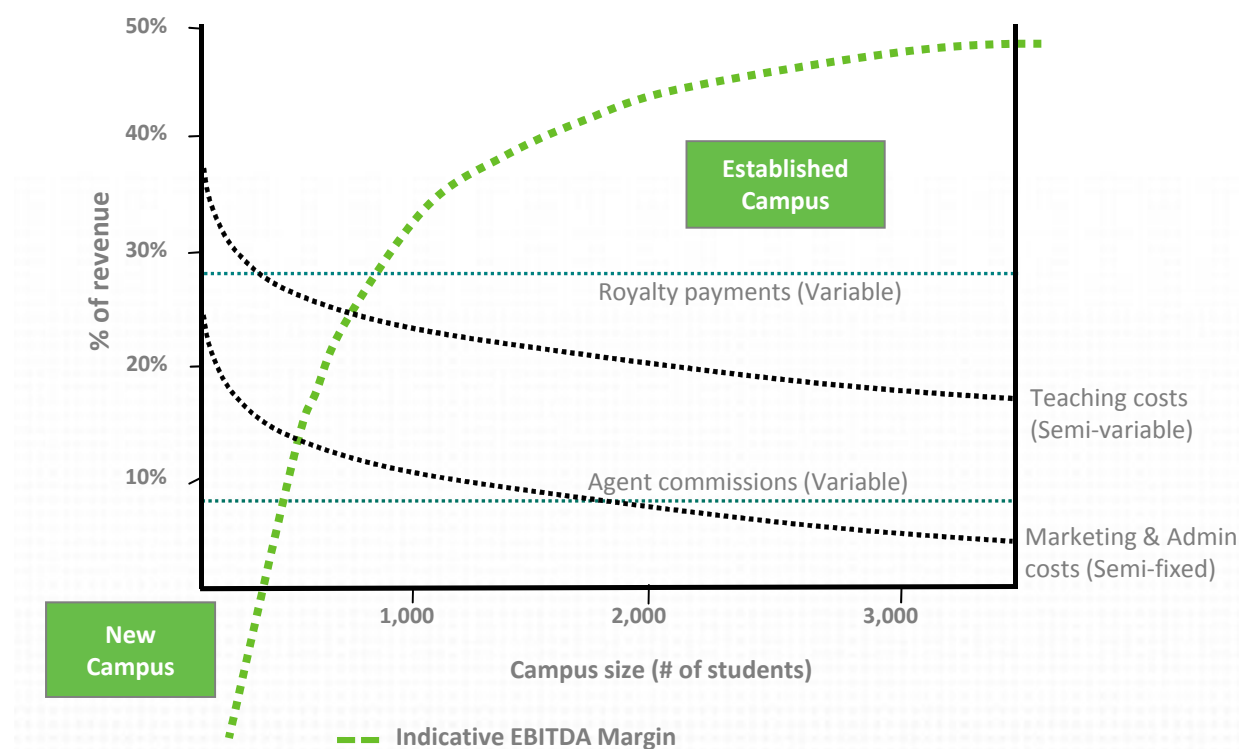
Undergraduate

-  Study with Partner University
-  Study with Navitas College



Traditional model - profitable and efficient

Financial metrics vs Campus size



- Strong operating leverage as student numbers increase
- Low capital requirements
 - leverage partner universities infrastructure and spare teaching capacity
 - fees received in advance drives negative working capital
- Steady price growth as student fees linked to partner university fee structures

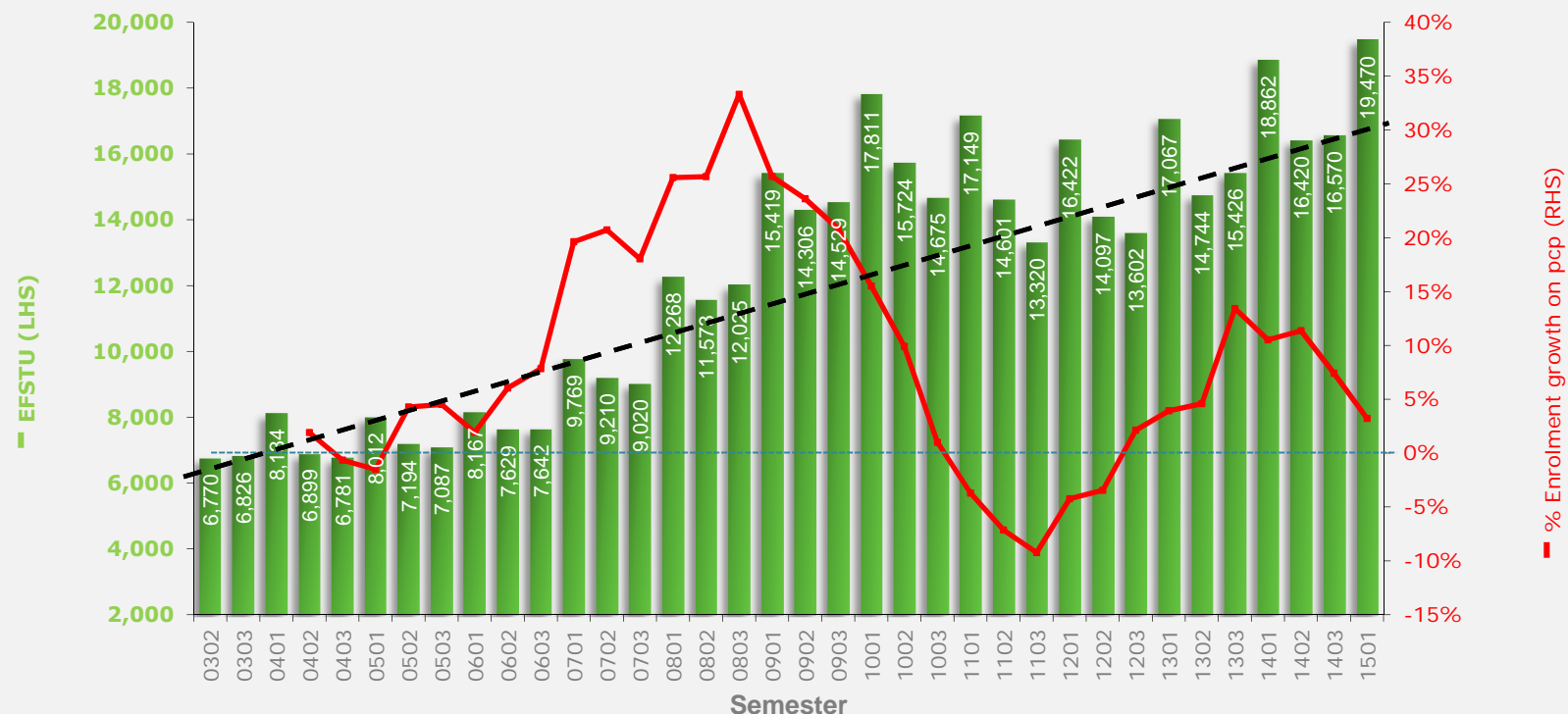
Key priority: Successful Student Outcomes

- Extensive monitoring of pass and progression rates, student satisfaction and conversion rates
- Benchmarking between pathway programs and partner university
- Over 90% of graduating pathway students transfer to the partner university
- Over 95% of pathway program students transitioning to the partner university graduate with a degree
- Tracer studies indicate academic performance is as good as, and in some cases better, than direct entry students



Record of long run growth

University Programs Equivalent Full Time Students Units (EFTSU): Semester enrolments



- 3% semester 1 2015 EFTSU growth against pc
- Short term declining growth trend – some volatility following regulatory change in UK and Aus
- Canada up 16%, US up 15%, Aus/NZ up 1%, UK up 1%

University Programs renewal and organic growth



US

- 6th US college, Navitas at Florida Atlantic University, opened in Jan 2015
- Renewal of all three University of Massachusetts agreements for 5-10 years



UK

- 10th UK college announced, in partnership with University of Northampton, to open in Oct 2015



Australia

- 13th Australian college, joint venture with the University of Western Sydney, to open in Oct 2015

- First NSW initiative following non-renewal of Macquarie University contract
- Utilises joint venture model
- To open in October 2015
- Parramatta CBD based
- Western Sydney region currently underserviced for international students
- Programs include Business, Communications, Engineering and IT
- On successful completion students eligible to continue studies at UWS
- Focused on international students, will not compete with existing UWS domestic pathway program
- UWS currently enrolls 40,000 students with diploma fees between \$18,600 – \$22,900



Exploring a new model - JV

50:50 joint venture – a first for Navitas

- No royalty
- Risks and rewards shared equally
- Lower number of students to breakeven
- Joint governance
- Enhanced collaboration and partner “skin in the game”
- No expiry but exit mechanism based on independent valuation
- Equity accounting to be used for earnings

New business development to focus on joint venture model while retaining flexibility to meet needs of partners and Navitas





Questions?

Corporate snapshot



376.3m

Shares on issue

\$1.74b

Market Capitalisation

\$4.63

Share Price
30 April 2015

ASX100

NVT

52 wk range

\$4.26 - \$7.88

LTM dividend

19.5cps

LTM – Last Twelve Months

Macquarie Australia Conference – 6 May 2015 – ASX: NVT