



## ASX ANNOUNCEMENT

25<sup>th</sup> August 2016

### 3P Learning Limited Announces FY2016 Full Year Results

3P Learning Limited (ASX: 3PL) announces its results for the year ended 30 June 2016 Group revenue increased 10% over the prior year to \$49.3 million, with underlying Core EBITDA decreasing 21% to \$13.3 million and underlying net profit down 51% to \$5.3 million. Statutory net profit of \$3.7 million included non-recurring costs related to the acquisition of Learnosity and restructure costs (after tax). No dividend was declared. Overall results were stronger than our 1 June trading update due to stronger than expected copyright revenue and cost control.

<b>Key Financial Information A\$M (unless stated)</b>	<b>FY16</b>	<b>FY15 Pro Forma**</b>	<b>Variation %</b>
Revenue	49.3	44.8	10%
Underlying Core EBITDA*	13.3	16.9	-21%
Underlying Net Profit After Tax*	5.3	10.8	-51%
Reported Net Profit After Tax	3.7	10.8	-66%
Underlying earnings per Share (cents)	3.87	8.10	-52%
Net Cash	7.2	30.9	-77%
Total Licences (million)	5.65	5.31	6%

\*FY16 underlying core EBITDA and underlying NPAT includes \$0.5million of share of profit of associates and excludes \$0.5million in costs associated with the acquisition of Learnosity, and \$1.7million in costs associated with restructuring including the departure of the previous CEO

\*\*FY15 Pro forma financial information has been prepared to reflect 3P's financial performance and position as if accounting policies have been consistently applied over the historical period and with adjustments made for significant and/or non-recurring items including the impact of the IPO

3P Learning CEO, Rebekah O'Flaherty, said "We have now defined and commenced execution of our 3 year strategic priorities with a clear goal to make 3P a truly global digital business that can profitably scale sales through the diversification of our product offering, the use of 3<sup>rd</sup> party resellers for more variable cost channels and select geographic expansion".

"On the product front, we have commenced work on revitalising our flagship Mathletics brand to better meet our distinct primary and secondary target audiences. We will expand our Mathletics offering to include a Baby Mathletics App targeted at toddlers and serve as an introduction to our planned suite of Mathletic products including Little, Junior and Mathletics Pro. In addition to reviewing IntoScience, we are assessing our Literacy offering with a view to leveraging our large Mathletics installed base and to complementing the strong Reading Eggs brand", O'Flaherty said.

To support the execution of its 3 year strategic priorities 3P has made two key executive appointments reporting into the CEO. Simon Perry joins 3P at the end of August as Chief Information Officer. Simon has a proven track record working with digital and data led

products in a global setting. His key priorities will be to implement technology to enable rapid globalisation and product innovation.

Robert Mercer who joined 3P at the start of July, has been appointed Global Head of Sales and Marketing based in the USA. Robert comes with both SaaS and Edu Tech experience together with both direct and indirect sales channel management in a global setting. Robert's key priorities will be to pursue select geographic expansion, improve productivity in our direct sales force and develop 3<sup>rd</sup> party resellers and more variable sales channels to realise a more scalable sales model.

## **FY17 Outlook**

3P Learning CFO, Jonathan Kenny said "we are focused on moving to a global operating model to improve operating performance and we expect to drive out unnecessary cost and become more effective through centralisation and digitisation. In Year 1 (FY17) of our strategic plan, we expect to deliver revenue growth ahead of cost growth in all markets and products. We are setting up the business so we can leverage our scalable global operating model to accelerate sales growth in Years 2 and 3 of our strategic plan."

## **Conference call**

Chief Executive Officer Rebekah O'Flaherty and Chief Financial Officer Jonathan Kenny will host a webcast and teleconference today at 10.30am AEST.

## **FY16 Results Presentation**

A webcast will be available at [http://www.3plearning.com/investors/#\\_diary](http://www.3plearning.com/investors/#_diary)  
Pre-registration for the teleconference to avoid a queue when calling is available at the same location.

The teleconference can be accessed as follows:

### **Conference ID: 516860**

Australian callers: 1800 798 067

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

## **Rebekah O'Flaherty**

**CEO**

## **ENDS**

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## **About 3P Learning**

*3P Learning's mission is to create a place where students, families and teachers love learning.*

*3P Learning has brought together a community of 5.7 million students and 17,500 schools across the world using its award winning resources to learn mathematics (Mathletics), spelling and literacy (SpelloDrome), reading (Reading Eggs) and science (Into Science).*

*The company is comprised of over 300 educators, engineers, product designers and other personnel, based in 11 countries, servicing schools in more than 100 countries.*

*3P Learning has a powerful partnership with UNICEF, which has enabled over 100,000 students to go to school in developing countries.*

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