



3P Learning

A place for schools and families to love learning.

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9 November 2017

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

3P Learning Limited - Annual General Meeting 2017 and Product Presentation

Please find attached the following documents which will be presented at the Annual General Meeting of 3P Learning Limited which commences at 10.00am (Sydney time), Thursday 9 November 2017, in compliance with Listing Rule 3.13.3:

1. Copy of Chairman's Address
2. Copy of 2017 AGM Presentation

Investors are invited to take a closer look at the work we are doing to strengthen our product portfolio by joining the product presentation after the AGM. A copy of that presentation is also attached.

Yours sincerely

Jonathan Kenny

Company Secretary and Chief Financial Officer

ENDS

For further information, please contact:

3P Learning Investor Relations
E: investors@3plearning.com

Jonathan Kenny, Company Secretary and Chief Financial Officer
E: jonathan.kenny@3plearning.com

CHAIRMAN'S ADDRESS

3P LEARNING LIMITED - ANNUAL GENERAL MEETING

9 NOVEMBER 2017

Ladies and Gentlemen and Fellow shareholders in 3P Learning Limited. It is my pleasure to share with you the highlights of your Company for the 2017 Financial Year.

This time last year at the AGM we outlined three strategic priorities for your Company:

- Firstly, to strengthen our product portfolio with a specific focus on maths and literacy
- Secondly, to develop a scalable sales and marketing model, which put simply, will enable potential customers to purchase at the click of a button rather than have to sign up with the assistance of a sales representative
- Thirdly, to globalise our operations and to work by function across geographies, rather than duplicate efforts in each market in which we have subsidiaries.

We are pleased to report that we made good progress against these priorities and that was reflected in our strong results for Financial Year 2017.

Group Revenue grew by 6% and on a constant currency basis revenue was up 11% when compared to Financial Year 2016. On a constant currency basis European revenue grew by 19% and in the Americas revenue increased by 33%. All regions saw improved:

- EBITDA,
- Licence renewals,
- Average Revenue Per User,

and we reduced the cost to acquire new users.

We are pleased to report that the Americas region is now profitable.

Encouragingly, we delivered a 20% increase in underlying core EBITDA while simultaneously funding key areas to support our strategic priorities such as investments in marketing automation, user voice and service cloud. These are designed to improve revenue, customer experience and retention. By way of example, our marketing cloud went live last Friday and we have already had an 'unprompted' sale of Mathletics licences to an Australian High School.

At the same time we invested in our 'Strategic Priorities' we reduced fixed operating costs.

As we reported at the end of our First Half Financial 2017 results, the strategic review of IntoScience and of our technology assets resulted in a one off non cash write down after tax of \$12.0M. Underlying NPAT was up 19% year over year and we ended the 2017 Financial Year with net debt of \$6.2M.

The key to a high performance organisation is its culture and talent. During the year we partnered with the *Great Place to Work Institute* to benchmark our cultural performance against the best companies internationally. We were very encouraged by our employees' responses and we have kicked off a series of *Great Place to Work* initiatives based on insights from the survey in relation to our strengths and to improve in those areas where, in the eyes of our people, we have fallen short.

This year marks the second year of the implementation of our 'Strategic Priorities.' By staying focused on these priorities we expect 3P Learning to be in a position to profitably scale growth globally and firmly establish its place as a leading provider of digital education.

We are committed to another year of delivering revenue growth faster than cost growth. We expect growth to accelerate in 2019 with the launch of our literacy product Readwriter, with additional Mathletics modules and with geographic expansion. We intend to improve retention through enhanced student engagement, digitisation, better use of data and analytics and an improved customer experience.

Competition in the field of education, whilst often described as 'collegial' is no less ferocious than in any other endeavour. And it has the added incentive of fervent commitment to a cause. At 3P Learning we are fortunate to have a team whose passion is the equal of any of our competitors and a product line and technology platform that are increasingly second to none. Whether they are located in any of our offices around the world, or are part of one of our global functions, the team members of your Company have a prodigious enthusiasm for the work that they do, and especially to help schools and teachers and parents to help the children they love to get as much benefit from education as possible. That gusto and drive comes from within each of our people, but it is fair to say, that it is nurtured and encouraged and harnessed by an outstanding management team under the guidance of our Chief Executive, Rebekah O'Flaherty. Rebekah is well into her second year of service at 3P Learning and her leadership, management skills, strategic insight, tenacity and good humour are reflected in the substantial progress that we are making both in the delivery of our 'Strategic Priorities' and in steady improvement of our financial results.

On behalf of the Board, thank you, Rebekah. You and your extraordinary team at 3P Learning have our heartfelt thanks and gratitude.

We are equally indebted to all of the teachers, parents, students and education administrators who place their trust in 3P Learning; thank you.

Finally, I would also like to extend my appreciation to my fellow Non Executive Directors, Claire Hatton and Roger Amos, who have demonstrated their commitment and contribution to our Company during this critical year of transition in ways too numerous to mention.

The support we receive from you, our shareholders, is most welcome and we extend a sincere thank you to you for placing your confidence in 3P Learning.



2017 Annual General Meeting

9 November 2017

A photograph of four children (three boys and one girl) sitting at a table in a classroom, smiling and looking at something on the table. The image is partially covered by a large blue diagonal graphic on the right side.

Samuel Weiss Chairman's Address



Rebekah O'Flaherty CEO's Address

Our global leadership team



Rebekah O'Flaherty,
Chief Executive Officer
Acting Chief Sales & Marketing Officer

- Extensive experience in technology companies and digital in the United States, Europe and APAC
- Previously Vice President Hewlett Packard, Executive Director Telstra, General Manager Origin Energy
- Joined 3P Learning in Jun 2016



Simon Perry
Chief Information Officer

- 20 years of global experience in leading technology teams
- Previously led the technology function for Core Logic and Veda
- Joined 3P Learning in Aug 2016



Jonathan Kenny
Chief Financial Officer

- 20 years+ experience in finance and operations roles for ASX listed and multinational corporations
- Previously Chief Financial Officer of ASX listed RP Data and Bravura Solutions
- Joined 3P Learning in Mar 2014



Craig Simon
Chief Product Officer

- 20 years of experience across the technology and education sectors, with a strong focus on elearning.
- Previously Director of Digital Learning, founder of Purple Learning and Treasurer of the Elearning Industry Association.
- Joined 3P Learning in July 2015.



Tania Black
Chief People Officer

- Extensive experience in leading people strategy, with focus on business transformation in the media sector
- Led the integration of HR across Nine Entertainment Co
- Joined 3P Learning in Nov 2015

3 Year Strategic Priorities



In mid-calendar 2016 we announced our 3 year strategic priorities

Build upon 3P's foundation of

- Talented team
- Strong customer advocates (students, parents and teachers)
- Award-winning product brands
- Recurring SaaS business model
- Large installed base to accelerate profitable global growth

2017 Strengthen Product Portfolio, Develop Scalable Sales, Marketing and Globalise Operating Model

Prioritising Product Development and Innovation, developing Scalable Sales and Marketing Model, Implementing a Global Operating Model

2018 Optimise Sales

Leverage our scalable Global Operating Model to grow sales through product and geographic expansion

2019 Accelerate Growth

Culture and Talent



Progressing on our strategic priorities



A short video is available for viewing at:
<http://www.3plearning.com/investors/preview/>

FY17 Results Highlights



\$M	FY17	FY16	Mvmt	Growth
Revenue	52.5	49.3	3.2	6%
ANZ	31.8	30.8	1.0	3%
EMEA	13.0	12.6	0.4	3%
Americas	7.7	5.9	1.8	31%
Mathletics	39.3	36.9	2.4	7%
Reading Eggs	7.5	6.8	0.7	10%
Spellodrome	2.1	2.1	-	0%
Into Science	0.8	0.8	-	0%
Other	2.8	2.7	0.1	4%
Expenses	(37.2)	(36.5)	(0.7)	2%
Underlying EBITDA*	15.3	12.8	2.5	20%
Share of Associate's Profit **	0.7	0.5	0.2	40%
Underlying Core EBITDA*	16.0	13.3	2.7	20%
EBITDA margin (%)	30%	27%	3%	
Underlying NPAT	6.3	5.3	1.0	19%
Other one-off costs (after tax)***	(13.6)	(1.6)	(12.0)	750%
Statutory NPAT	(7.3)	3.7	(11.0)	(297%)

- Group Revenue grew by 6%. APAC 3%, EMEA 3% and Americas 31% (EMEA grew 19% and Americas 33% on a constant currency basis)
- Underlying Core EBITDA grew by 20%, with all regions expanding EBITDA, reflecting our continued action to reduce cost and the benefits of developing a more scalable and efficient global operating model
- Licence growth impacted by our focus on more profitable bundling especially in Americas. All regions saw ARPU improvement with the Americas reporting a 24% increase
- Retention and CAC improved
- Start of FY17 FTE 338. End of FY17 FTE 242 reflecting the benefits of a more efficient and effective operating model
- As reported in our HIFY17 results a strategic review led to a one off non cash write down after tax of \$12.0M. Restructuring costs of after tax of \$1.6M were also recorded
- Net Debt \$6.2M
- Underlying NPAT up 19% year on year

* FY17 includes \$0.5M of Share based payments expenses which is equity settled. (FY16 \$0.1M)

** Share of associate profit is Learnosity contribution based on 23.07% share of NPAT for 9 Sep – 18 Jan 2016, 40% share for 19 Jan 2016 – 30 June 2017.

*** Adjustments made for significant one-off, non-recurring items for comparative purposes



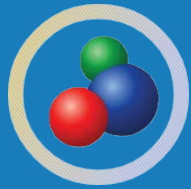
- Continued focus and execution of our 3 strategic priorities:
 - I. strengthen the product portfolio,
 - II. develop scalable sales and marketing, and
 - III. globalise our operating model.
- Continue to deliver revenue growth greater than cost growth.
- We will complete foundation building in FY18 allowing 3P Learning to profitably scale and accelerate growth in FY19 with a focus on 4 growth drivers:
 - product line expansion (readiwriter, Mathletics upsells)
 - customer segment expansion
 - geographic expansion
 - improved retention through investments in digitisation, data and analytics and improved product experience
- Investors are invited to take a closer look at the work we are doing to strengthen our product portfolio by joining the product presentation after the AGM

AGM Resolutions





Remuneration Report



Resolution 1: Remuneration Report

Proxy & Direct Votes Combined

FOR	AGAINST	OPEN	ABSTAIN
72,109,723	259,845	30,816	18,274,002
99.60%	0.36%	0.04%	



Grant of options to CEO, Rebekah O'Flaherty



Resolution 2: Grant of CEO Options

Proxy & Direct Votes Combined

FOR	AGAINST	OPEN	ABSTAIN
90,307,411	285,789	30,816	50,370
99.65%	0.32%	0.03%	



Re-election of Director Samuel Weiss



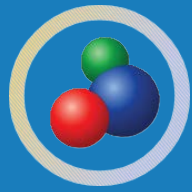
Resolution 3: Re-election of Sam Weiss

Proxy & Direct Votes Combined

FOR	AGAINST	OPEN	ABSTAIN
72,641,943	80,095	76,421	18,269,632
99.79%	0.11%	0.10%	



Increase in Non-Executive Director fee pool



Resolution 4: Increase in NED fee pool

Proxy & Direct Votes Combined

FOR	AGAINST	OPEN	ABSTAIN
53,900,674	18,446,394	30,816	18,296,502
74.47%	25.49%	0.04%	



Approval of proportional takeover provisions



Resolution 5: Proportional Takeover Provisions

Proxy & Direct Votes Combined

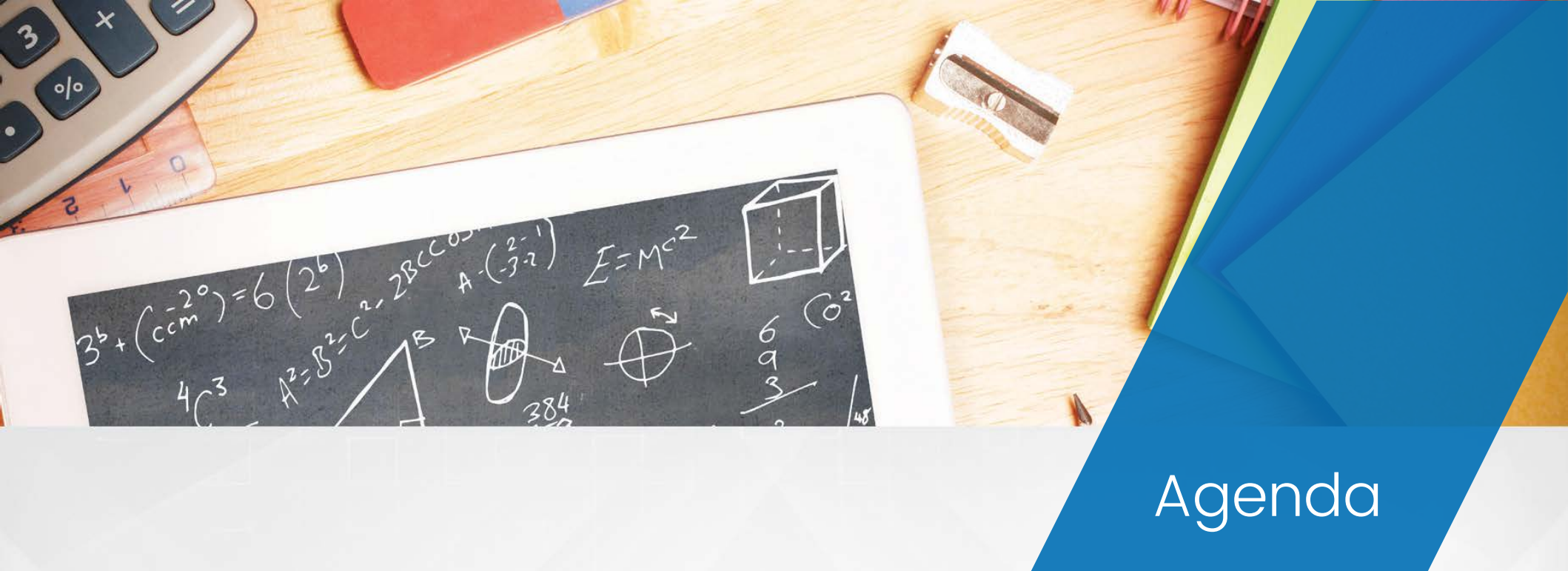
FOR	AGAINST	OPEN	ABSTAIN
72,629,233	18,320,662	76,816	41,000
79.79%	20.13%	0.08%	

AGM Close



Investor Session:

Strengthening the Product Portfolio & Business systems evolution



Agenda

1

Why
3P Learning

2

Roadmap

3

Product
Showcase

4

Product Q&A

5

Business
Systems

6

Q&A



Technology to enhance learning and teaching

■ Teacher Centered

- Support in the classroom
- Scale
- Speed
- Reduce administrative tasks

■ Student Focused

- Personalised
- Adaptive
- Engaging



Technology to enhance learning and teaching

- Home and Parent Engagement
 - Learning partners
 - Reinforcement
 - Supportive
- Learning Advantage: Teacher + Student + Parent
 - Academic Rigour
 - Curriculum Aligned
 - Proven Efficacy



■ SAAS focus

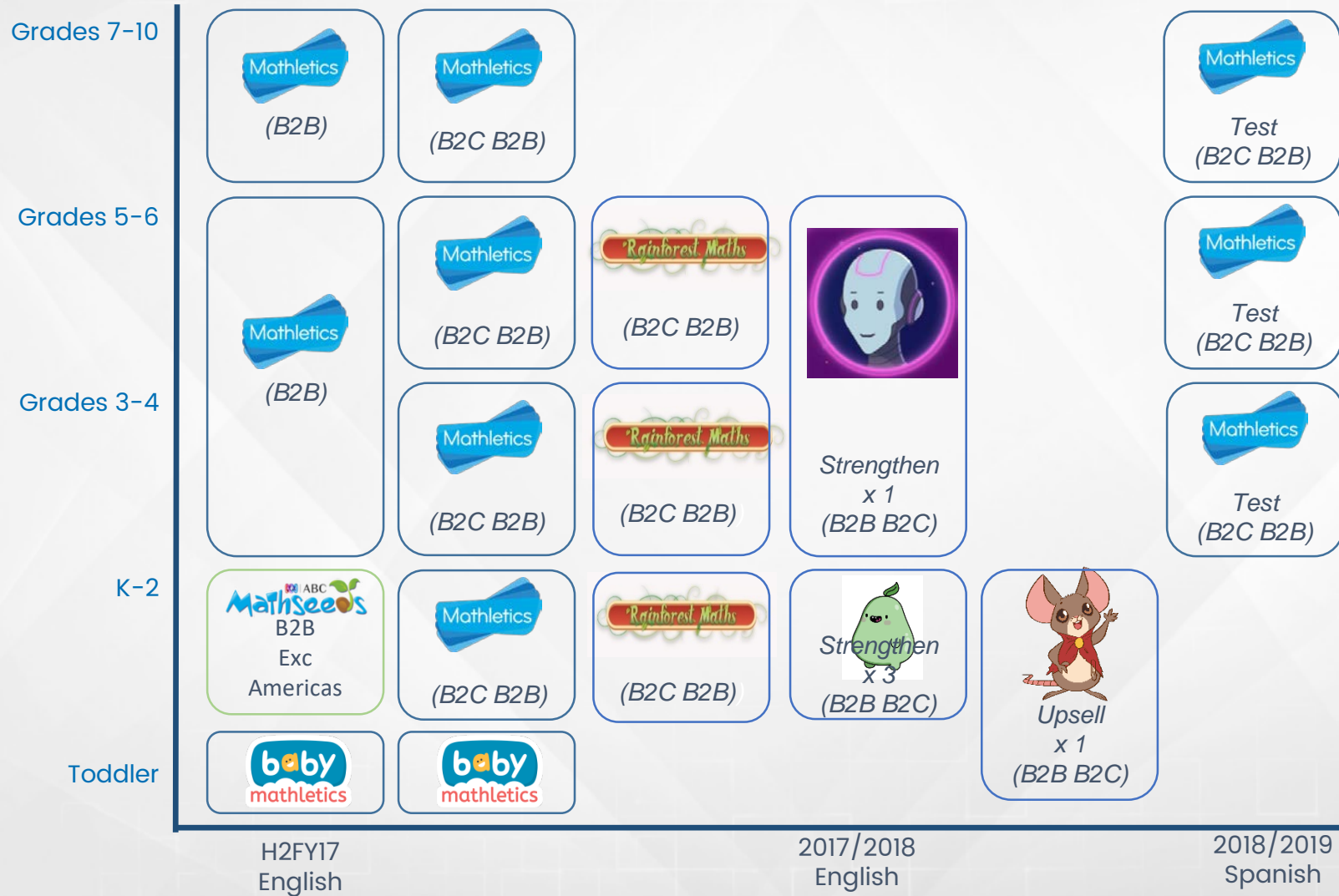
- In product:
 - cross-sell and upsell
 - targeted renewal support
 - training and support for teachers, administrators and districts
- Additional upsell products

■ Content building for the future

- Content Authoring Tool
- Shorter development cycle
- Meet localised needs more readily

Evolution of Maths Category

More targeted product and price offers to improve retention, ARPU and customer acquisition cost



Evolution of Literacy Category

Aligned with maths category to improve multi product holding, retention and customer acquisition cost





- Videos: K-2
- Numbeanies: K-2
- Una & Jiro: K-2
- Multiverse: 3-6
- ReadiWriter Phonics: K-2
- ReadiWriter Writing: 3-6



Business systems evolution

The next evolution of our business systems

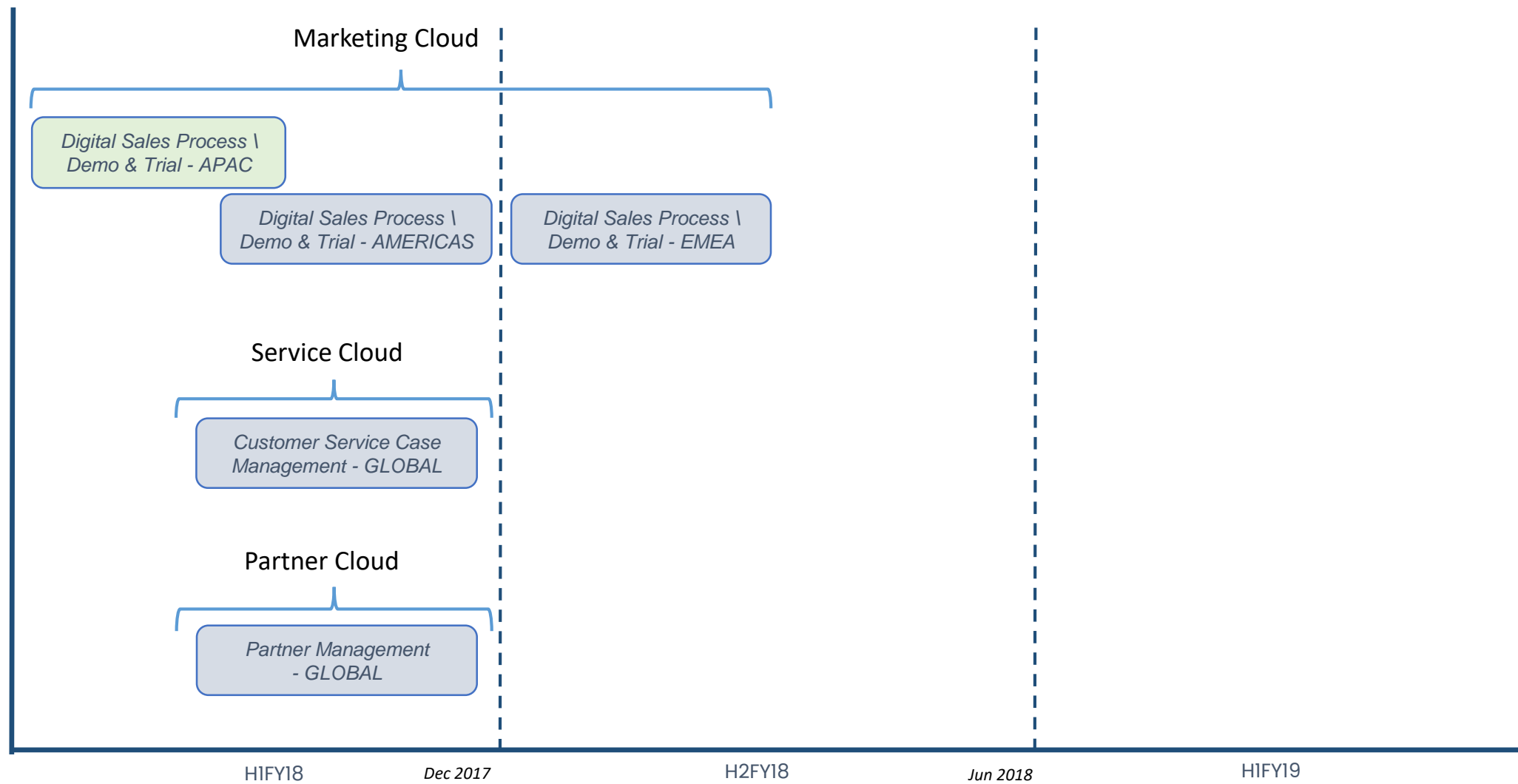


Strategic Priority #2 – Develop a Scalable Sales and Marketing Model

Leverage digital and telesales, as well as variable cost sales channels and pursue select geographic expansion

- The Marketing Cloud Implementation has created a capability that unlocks value with regard to building an 'end to end' Scalable Sales Model
 - Automated Omni-Channel marketing campaigns
 - Automated Sales processes (Demo and Trial) driven by personas, buying intentions and data
 - Automated retention processes driven by goal achievement metrics derived from buying intentions
- Partner Cloud
 - A portal for Partners to access product information and leads
- Service Cloud
 - Case Management linked to CRM data on a global scale

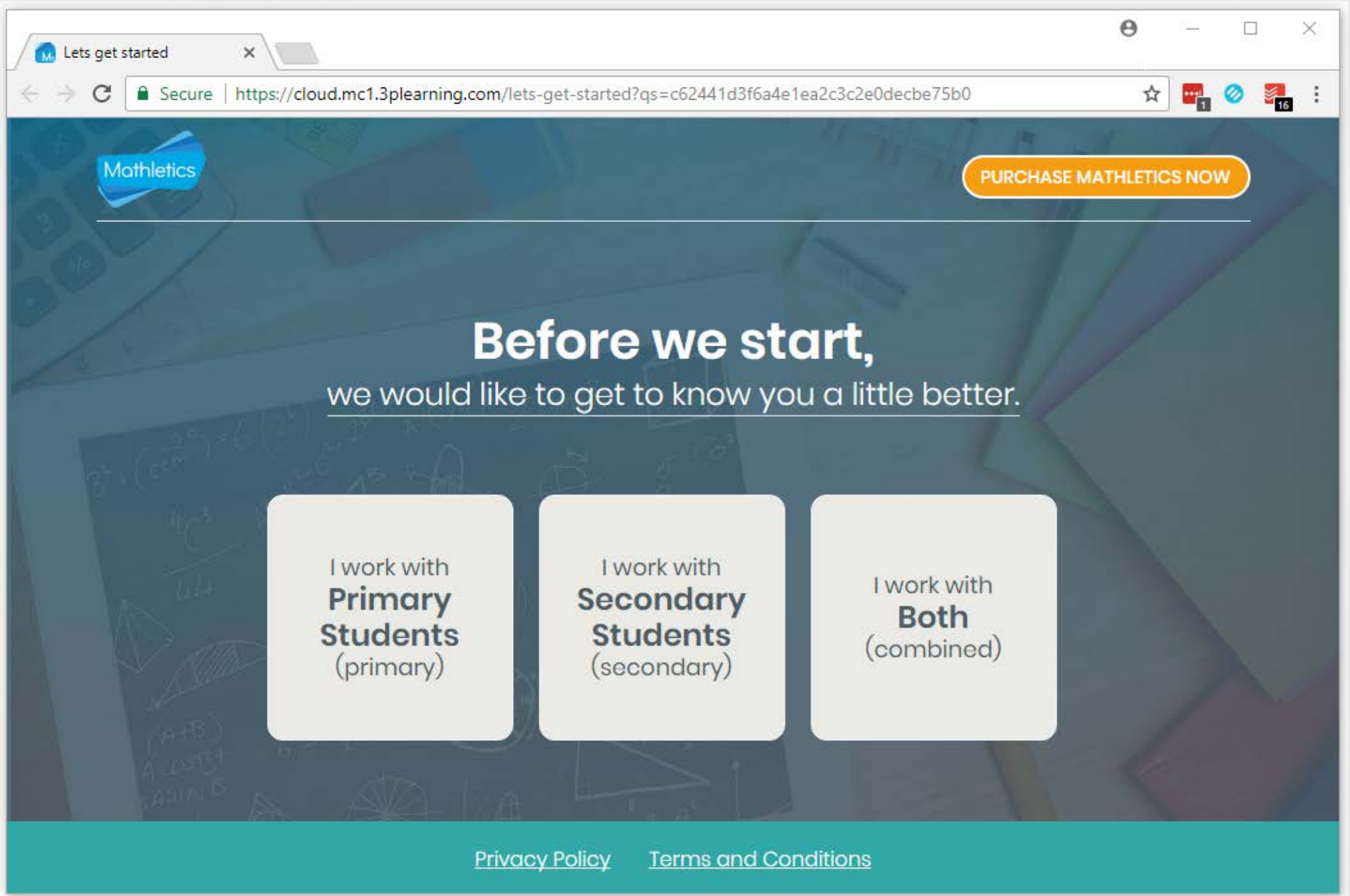
Evolution of Business Systems by capability – what we are working on now
More targeted product and price offers to improve retention, ARPU and customer acquisition cost

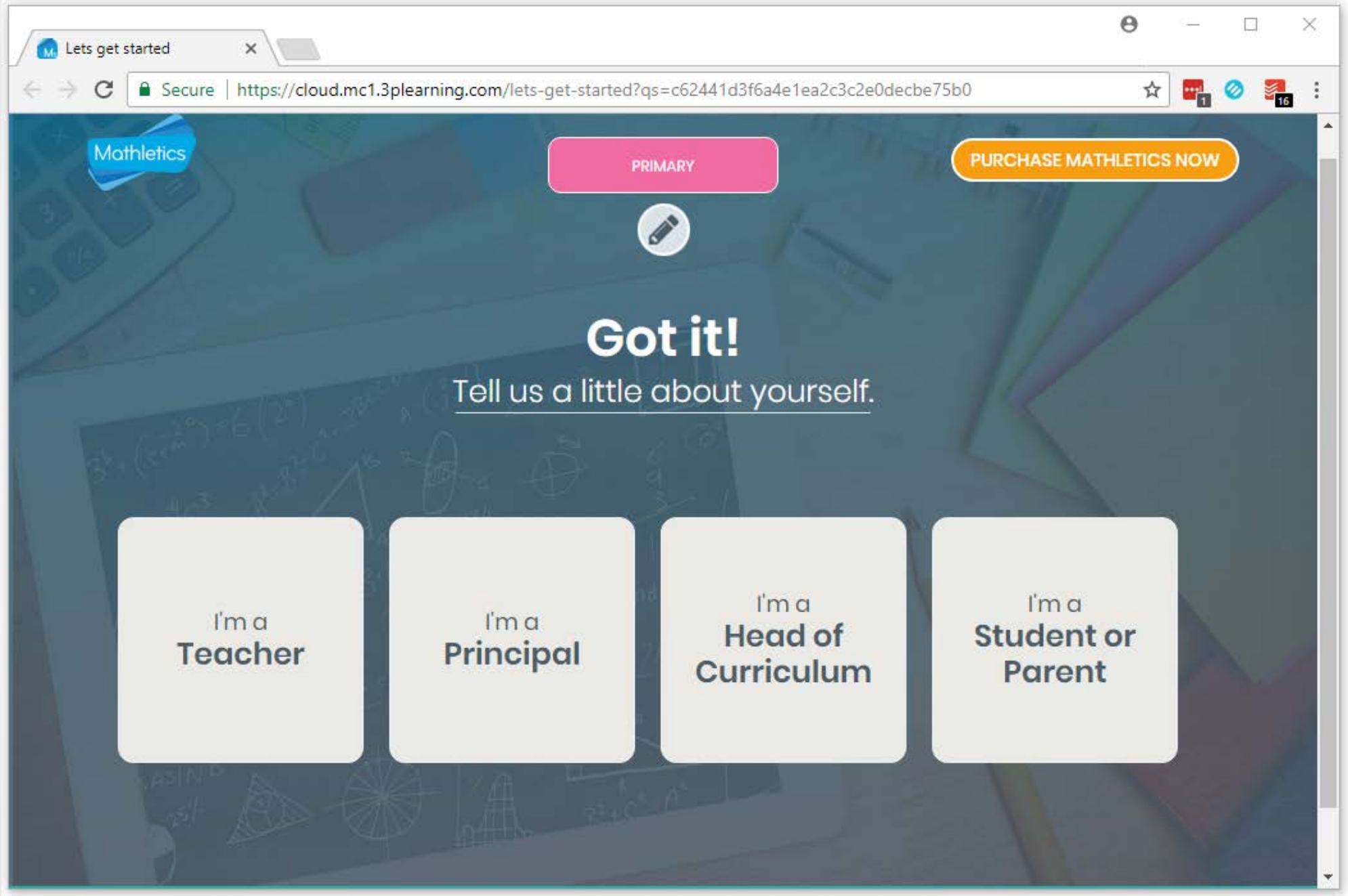


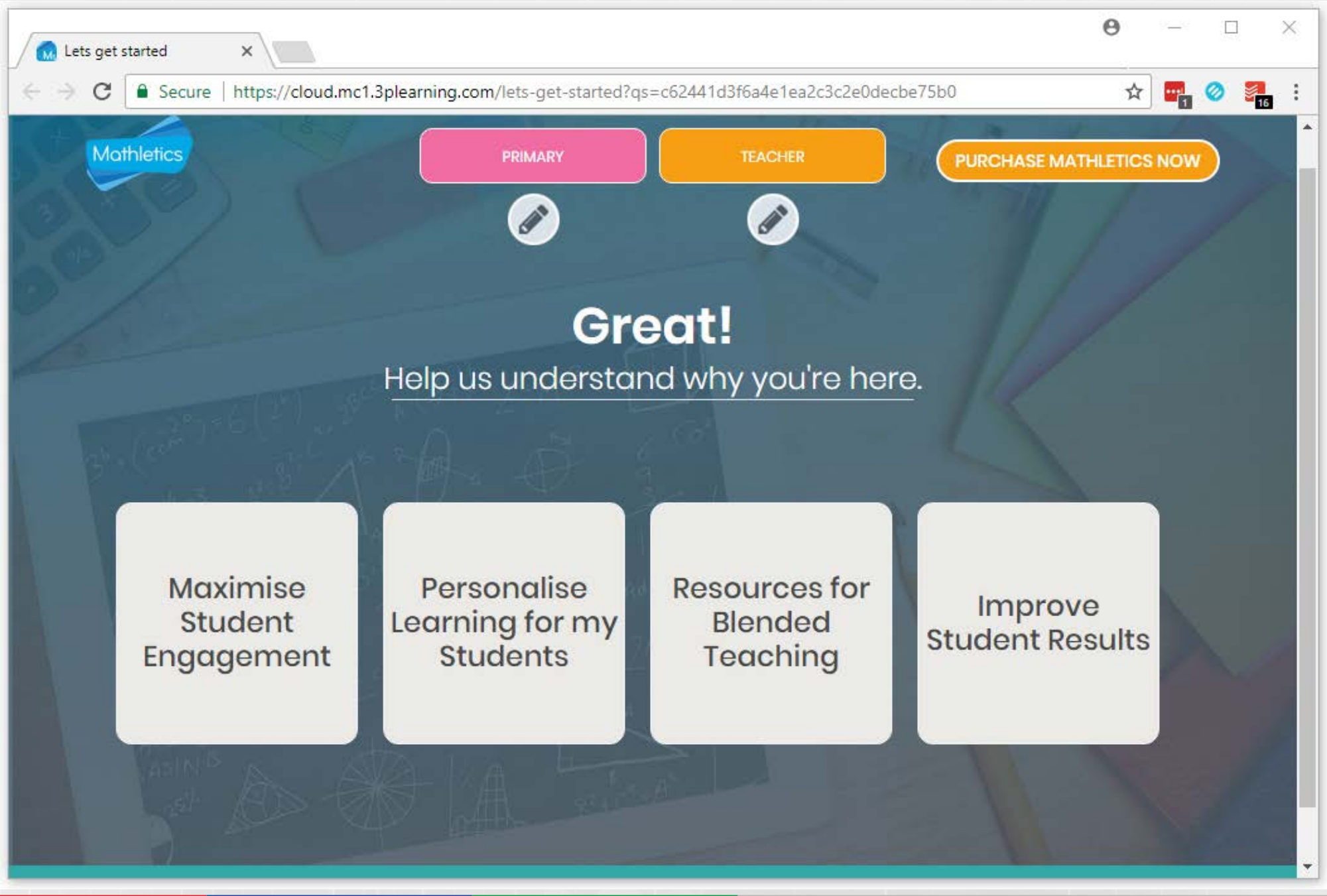
The next evolution of our business systems
cont.

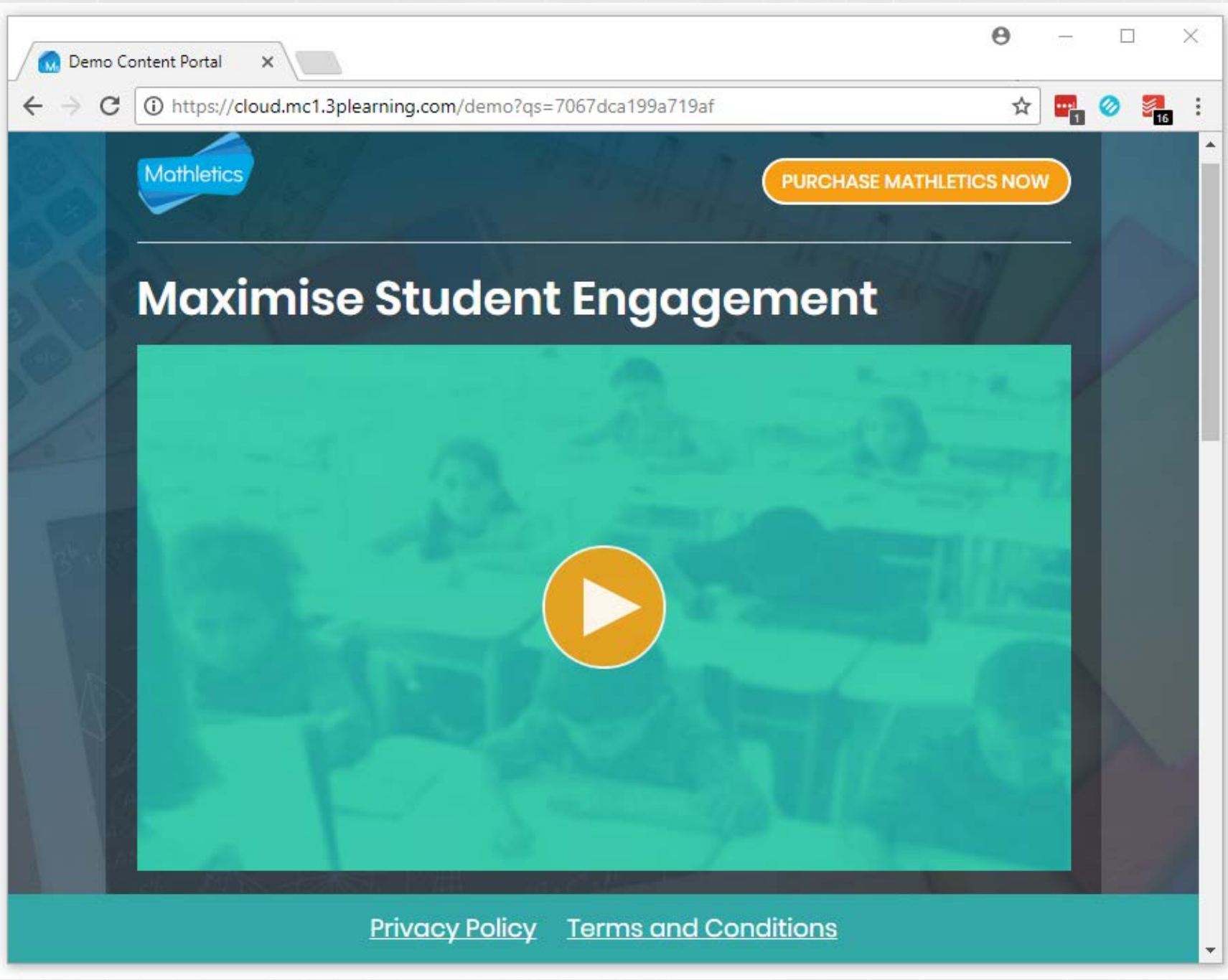


Let's look at the *new* Digital Sales Process for APAC









Demo Content Portal


<https://cloud.mc1.3plearning.com/demo?qs=78659aa9c088274e973e2f57fa369993f1b5d064f82...>

Mathletics

2 WEEK FREE TRIAL


PURCHASE MATHLETICS NOW

Maximise Student Engagement




Mathletics captivates students with gamified learning, clever motivators and powerful differentiation tools

Related Content



A Truly Captivating Experience

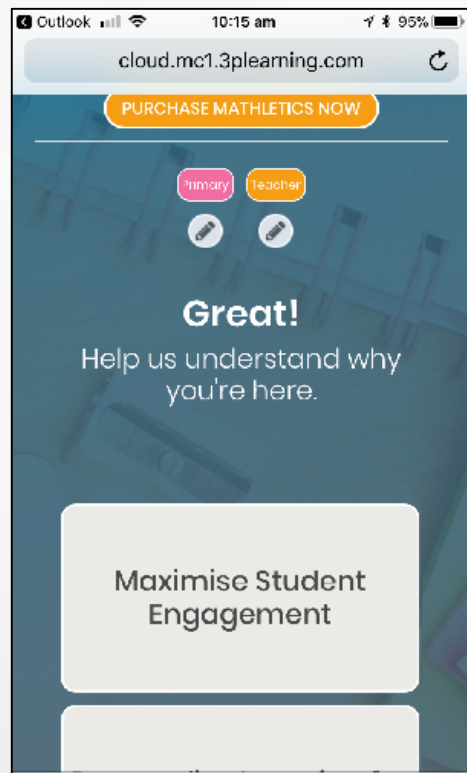
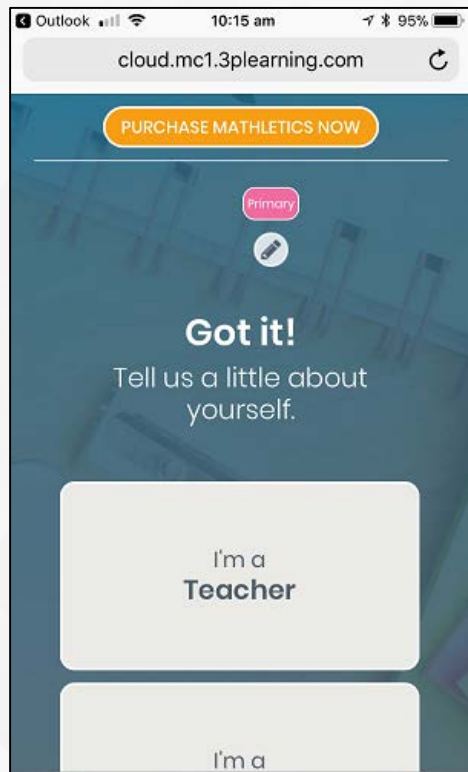
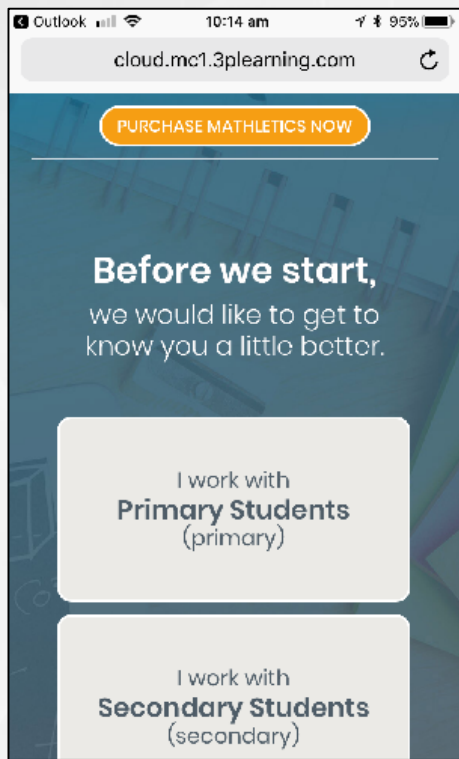
Hear what teachers have to say about the powerful captivation elements of Mathletics



Personalise

[Privacy Policy](#) [Terms and Conditions](#)

Mobile Optimised



The next evolution of our business systems
cont.



So what is next?

The next evolution of our business systems



- As we evolve to being a true SAAS business the following metrics will be critical:
 - CAC, LTV, Churn etc
- These will be improved with:
 - Scalable and automated sales / service
 - Data insights driving automated retention journeys
 - Upsell /Cross-sell to more powerful versions of the product, or additional product
- To solve for this we will increase our capability around:
 - Product Catalogues
 - Quoting
 - Contract Management
 - Subscription Billing
 - Ecommerce

Negative Churn happens when:

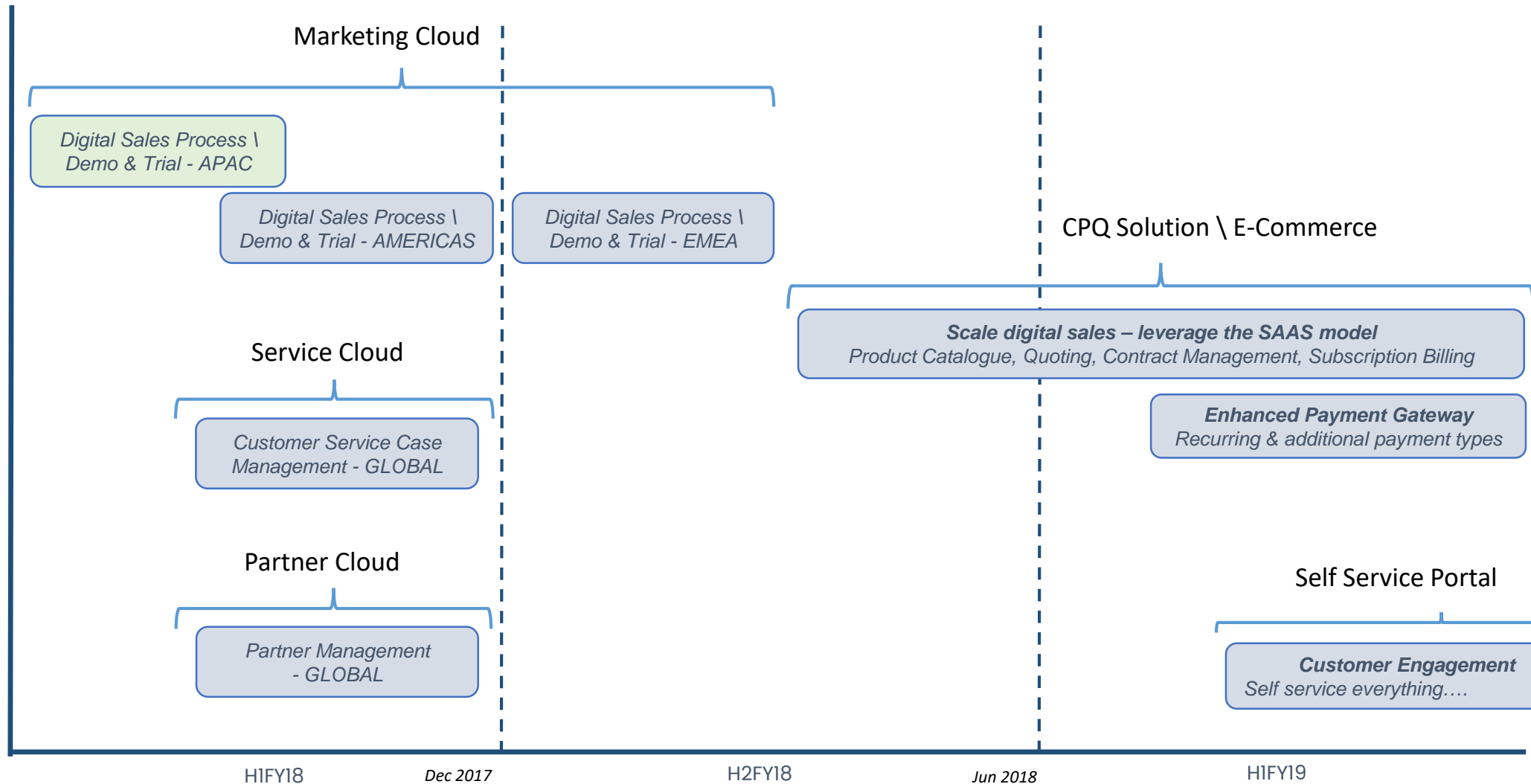
Expansion Revenue
from Existing Customers



Lost Revenue
from Churning Customers

Evolution of Business Systems by capability – what we are working on next...

More targeted product and price offers to improve retention, ARPU and customer acquisition cost





Q&A

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