



# Morgan Stanley

## Alpha ex-100 Conference

October 2021





# Our Agenda

- Great Business Fundamentals
- Strategic Overview
- Overall Market Drivers
- 3PL Medium-Term Growth Drivers

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# Great Business Fundamentals

3PL is growing profitably, with strong Annual Recurring Revenue and Cashflow generation.

It embodies key attributes for success in EdTech:

- ✓ Edtech founder, entrepreneur chair, and shareholder led. Management team with proven history of scaling businesses and delivering growth
- ✓ Project \$92.3m to \$97.2m FY22 revenue<sup>1</sup>
- ✓ Cashflow focus with strong cash generation in FY22, even after investing \$20m+ per annum in product development.
- ✓ 3PL/Blake merger integration on track, synergies realised
- ✓ Global B2B and B2C coverage in the two biggest spend areas in EdTech - literacy and numeracy
- ✓ Owns IP in its hero products and brands (Mathletics, Reading Eggs, Mathseeds)
- ✓ Over 5 million users, over 17,000 subscribed schools

<sup>1</sup> "Revenue projections in line with the assumptions detailed in the Investor & Analyst Briefing released on 25 August 2021."

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# Strategic Overview

- ✓ Our mission is to be a market leader in Pre K-10 in the core academic skills (3 Rs, Reading, wRiting and aRithmetic).
- ✓ Core Markets are all major English-speaking countries (Australia, UK, US, Canada, NZ)
- ✓ 3PL has major growth opportunities in both the school (B2B) and consumer space (B2C)
- ✓ Additional growth markets: Middle East, India, Latin America





# Hero Products in 3 R's

## Reading, wRiting and aRithmetic

**Mathletics**

We are doing a significant product rebuild over the next 12-24 months for grades K-10 to improve B2B revenue and retention. Also, medium-term release of Spanish, French and Arabic editions to support enterprise deals.

**Reading  
eggs**

Adding 40 new lessons, Reading Journal, New Library

**Mathseeds**

Currently grades PreK to 3, adding grade 4 in 1st quarter FY 2023

**WRITING SKILLS**

A Writing Skills product is also in development to replace the Radiwriter product. For release 1st quarter FY 2023



# Growth Drivers next 3 years: School Markets

- ✓ Enterprise level deals in Middle East and Americas.
- ✓ Targeting deals worth \$US2m+ per year; multiple opportunities in this space.
- ✓ Growth in current core markets driven by product improvements and the addition of Writing Skills program.
- ✓ Aim for solid single digit growth in core markets with enterprise level deals pushing growth into strong double digits.







# Growth Drivers next 3 years: Consumer

- ✓ Increased conversion rates from free trials to paid subscriptions, building on successful strategies already implemented.
- ✓ Release of a Native IOS and Google Play all new maths app aimed at casual gaming market.
- ✓ Further drive into US home schooling market with additional “pro” features.
- ✓ Formulate a consumer app, mostly using existing assets, aimed at children aged 7-12. Most kids using current products in the home are under 6 years old.
- ✓ Aim for 20%+ annual billings growth in the consumer space.



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# 3PL Medium Term Growth Drivers

- ✓ The 3PL/Blake eLearning merger is delivering on the cost savings promised and once fully bedded down will provide a great platform for ongoing growth.
- ✓ While it is great having a high renewal rates School business, having a well established, consumer market gives 3PL higher growth potential overall.
- ✓ Very few EdTechs have made it to the \$100m in annual recurring revenue milestone that 3PL is on course to achieve in the next twelve months. This is a strong platform to build a truly significant EdTech business on.







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