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HALF YEAR RESULTS

For the half year ended 31 December 2017



TRANSFORMING LIVES
THROUGH EDUCATION



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Agenda

- Key Highlights
- Financial Performance
- Summary

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Key Highlights

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Quality



Continued delivery of strong student experience and academic outcomes



Average University Pass rates 84%, Retention 90%, Progression 94%



6 University Partnership contracts renewed / extended



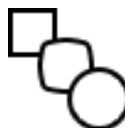
Efficiency



University Partnerships EBITDA margin increase of 21 bps¹



SAE EBITDA margin increase of 29 bps



Operations streamlined and shared service implementation progressed



Growth



8% enrolment growth for University Partnerships



New agreement Virginia Commonwealth University



Strong operating cash flow maintained

¹ Note: Excludes from the prior comparative period the closed Macquarie and Curtin Sydney colleges and additional AMEP contract regions.

Group KPI's for 2020 – Progress report



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Quality
Efficiency
Growth

Metric	H1 FY18	2020 Target
<ol style="list-style-type: none"> Pass rates Retention 	<ol style="list-style-type: none"> 84% 90% 	<ol style="list-style-type: none"> 84%¹ 90%¹
<ol style="list-style-type: none"> Group EBITDA margin SAE EBITDA Margin Maintenance capex 	<ol style="list-style-type: none"> 14.6% 13.4% \$8.3m 	<ol style="list-style-type: none"> 18% 20% Under \$20m
<ol style="list-style-type: none"> Revenue CAGR Full time enrolment CAGR¹ New university partnerships 	<ol style="list-style-type: none"> Down 5% - flat excl AMEP reduction from FY17 8% full time enrolment CAGR 1 new university agreement 	<ol style="list-style-type: none"> 5%² 5% full time enrolment CAGR¹ 5 new university partnerships

¹ University Partnerships Division only

² Note: Based on constant currency and CAGR calculated assuming AMEP revenue reduction excluded from FY17 to FY20. This reduces to 3% CAGR against FY17 Group revenue if AMEP revenue is included



FINANCIAL PERFORMANCE

David Buckingham
CFO



Transforming Lives
Through Education

Financial summary



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Reported results

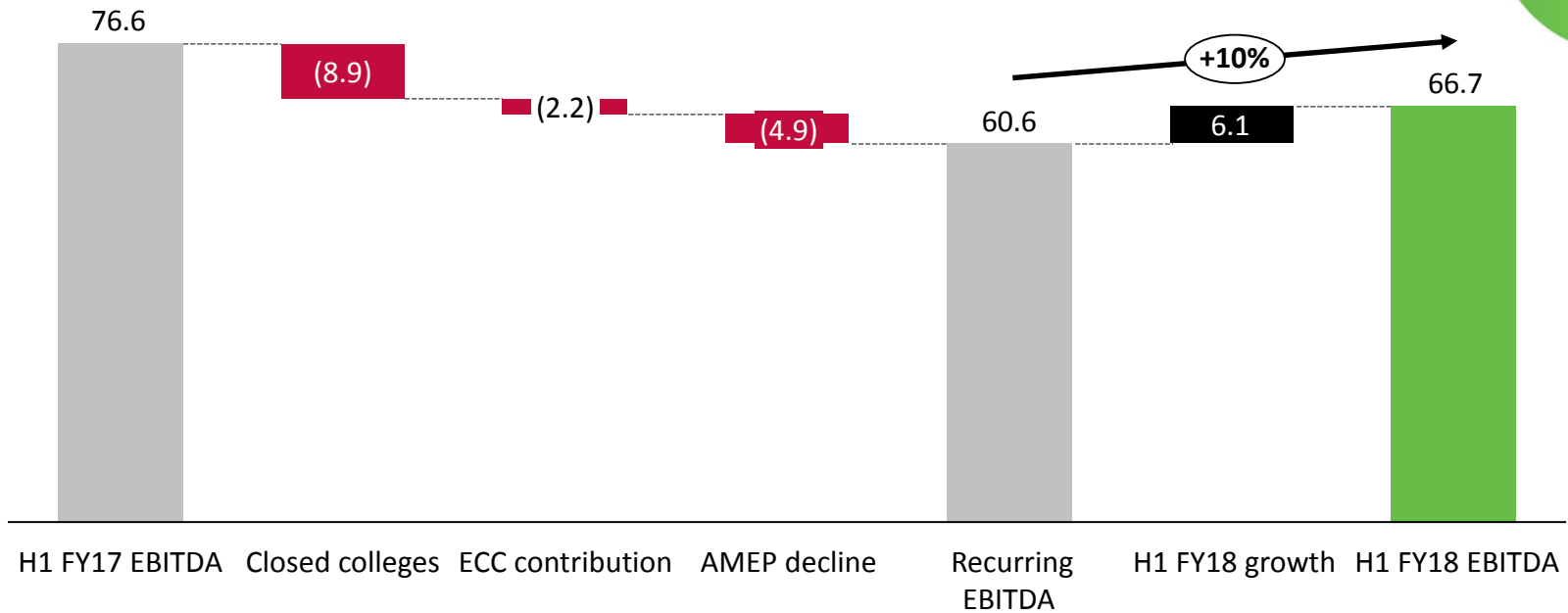
Period ended 31 December (\$m)	2017	2016	vs pcp (%)	Constant currency (%)
Group Revenue	456.7	479.0	(5)	(5)
Reported Group EBITDA	66.7	76.6	(13)	(14)
Pro-forma Group EBITDA ¹	66.7	76.9	(13)	
Group EBITDA margin (%)	14.6	16.0	-	-
NPAT	25.0	53.6	(53)	-
Earnings per Share (cents)	6.9	14.5	(52)	-
Operating cash flow per Share (cents)	11.5	12.0	(4)	-
Interim Dividend per Share (cents)	9.4	9.4	-	-

Commentary

- H1 FY17 EBITDA included contribution from closed colleges, ECC before conversion to a joint venture and EBITDA from more AMEP contract regions
- Limited impact from FX in H1 FY18
- NPAT decline impacted by:
 - \$7.5m devaluation of US carry forward tax losses in H1 FY18 following the recent passing of the US Tax Cuts and Jobs Act
 - One-off non-cash gain of \$17.3m on conversion of ECC to a joint venture in H1 FY17
- Interim dividend maintained at 9.4 cps – fully franked
- Share buy back substantially completed and closed after capital management objectives met

1. Pro-forma EBITDA includes share of EBITDA from joint ventures and excludes foreign currency translation movements

Continuing operations



Commentary

- H1 FY17 EBITDA included:
 - \$8.9m EBITDA contribution from closed colleges – Macquarie University and Curtin Sydney
 - \$2.2m EBITDA from Edith Cowan College (ECC) before it was converted to a joint venture
 - \$4.9m EBITDA from more AMEP contract regions - regions reduced from 1 July 2017 following re-tender
- Excluding these items, H1 FY18 Group revenue increased 5% and EBITDA increased 10% vs pcp
- Growth largely driven by University Partnerships in all regions

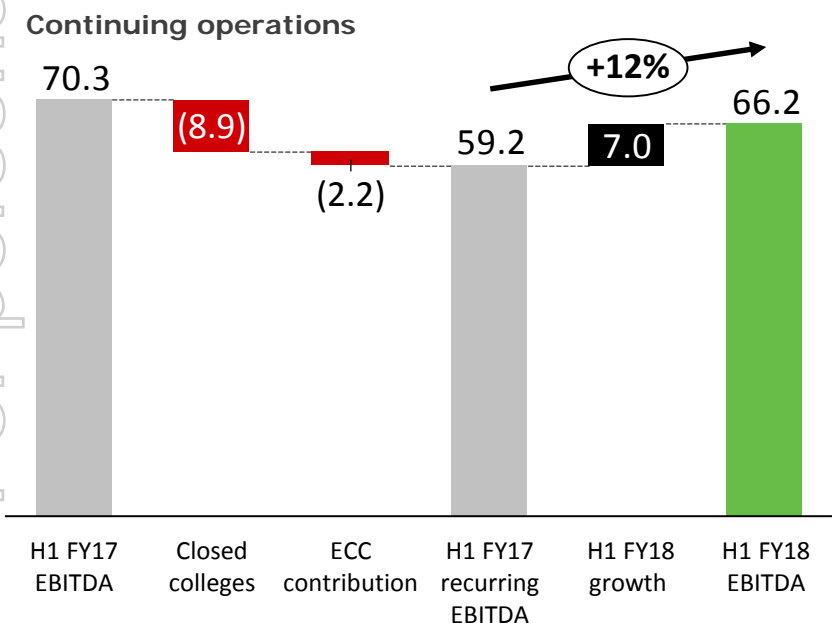
University Partnerships



Commentary

Period ended 31 December	2017	2016	vs pcp (%)	Constant currency (%)
Revenue (\$m)	296.9	290.6	2	2
EBITDA (\$m)	66.2	70.3	(6)	(6)
Margin (%)	22.3	24.2		

- Prior comparative period includes contribution from closed Macquarie and Curtin Sydney colleges and contribution from ECC before conversion to a joint venture
- Excluding these non-recurring items University Partnerships revenue grew 11% and EBITDA grew 12%
- Reported earnings margins were impacted by high margin closed colleges - excluding these margins increased 21 bps
- Enrolments increased 8% across both semester 2 and 3 of 2017
- New college with Virginia Commonwealth University announced
- 5 contracts renewed and Swansea college converting to a joint venture in H2 FY18

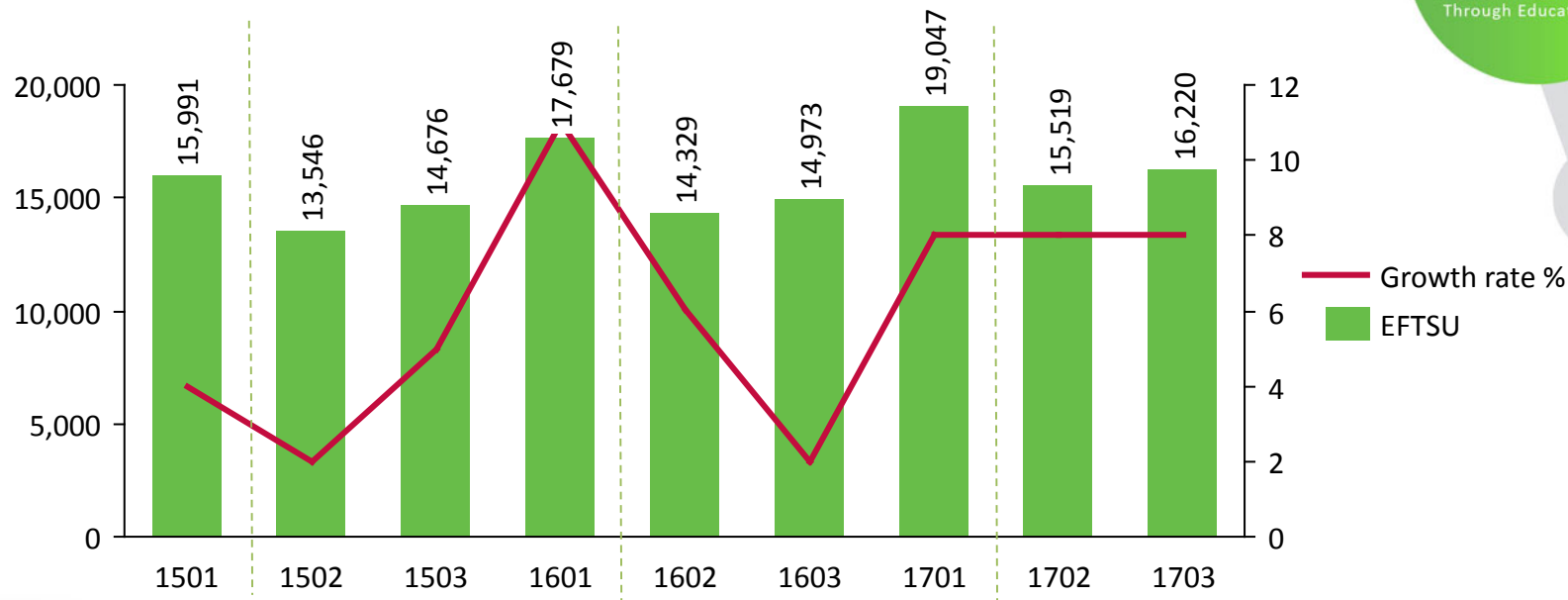


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University Partnerships enrolments increase 8% in semester 3 2017



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- 18% growth in Australasian colleges
- Growth enabled by ongoing strong demand for Australian and NZ universities and stable regulatory regime



- UK enrolments increased 11% in semester 3 2017
- Increase driven by European Union students securing places ahead of Brexit



- North American enrolments down 4% compared to pcp with growth in Canada offset by declines in the US
- Ongoing uncertainty due to immigration changes and higher visa rejection rates impact US enrolments

Careers and Industry



Commentary

Period ended 31 December (\$m)	2017	2016	vs pcp (%)	Constant currency (%)
Professional and English Programs revenue	58.8	85.8	(32)	-
SAE revenue	98.4	99.4	(1)	(1)
Careers and Industry revenue	157.2	185.2	(15)	(15)
Professional and English Programs EBITDA	6.7	11.4	(41)	-
SAE EBITDA	13.1	13.0	1	(4)
Careers and Industry EBITDA	19.8	24.4	(19)	(18)
Professional and English Programs margin %	11.5	13.3		
SAE margin %	13.4	13.1		
Careers and Industry margin %	12.6	13.2		

- Reduced number of AMEP contracts from 1 July 17
- AMEP client run-off lower than expected to date
- PEP results also impacted by lower enrolments at ACAP and HSA as reforms to Vocational funding flow on to overall student recruitment
- SAE earnings margin growth of 29 bps
- SAE enrolment growth in Australia and SW Europe offset by lower other markets
- SAE US transitioning to new accrediting body slowing new program approval
- H2 results traditionally stronger than H1
- SAE UK proceeding with appeal to UK VAT ruling

Cash flow and key debt metrics



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Period ended 31 December (\$m)	2017	2016
EBITDA	66.7	76.6
Net working capital	2.0	(45.1)
Lease incentive contributions	-	34.6
Tax	(23.5)	(20.4)
Net interest	(3.9)	(2.3)
Operating cash flow	41.3	43.4
Capex	(8.3)	(67.3)
Acquisition/Disposal of subsidiary cash	(10.3)	(8.2)
Other investments	(0.2)	-
Net cash flow before financing	22.5	(32.1)

Commentary

- Strong improvement in working capital following solid enrolment growth across University Partnerships and end of impact from closed colleges
- Strong operating cash flow
- Maintenance capex reduced significantly and in line with FY18 target at \$8.3m
- Acquisitions included ASAM and CCEL in New Zealand

Key Debt Metrics

- Closing net debt of \$200.7m (H1 FY17: \$184.0m)
- Annualised gearing ratio of 1.70x, interest cover of 18.8x
- Cash of \$73.3m includes \$46.7m of cash in the Tuition Protection Service
- Limited share buy-back activity and buy-back now closed



SUMMARY

Rod Jones, Group
CEO



Summary

- Growing global demand for education services despite uncertainty in some markets
- Strong enrolment growth in continuing University Partnerships businesses
- Strong period of contract renewal and business development – only three contracts due for renewal in the next two years
- Operating businesses performing in line with strategic KPI's
- Group CEO transition well progressed and on-track for 1 March 2018



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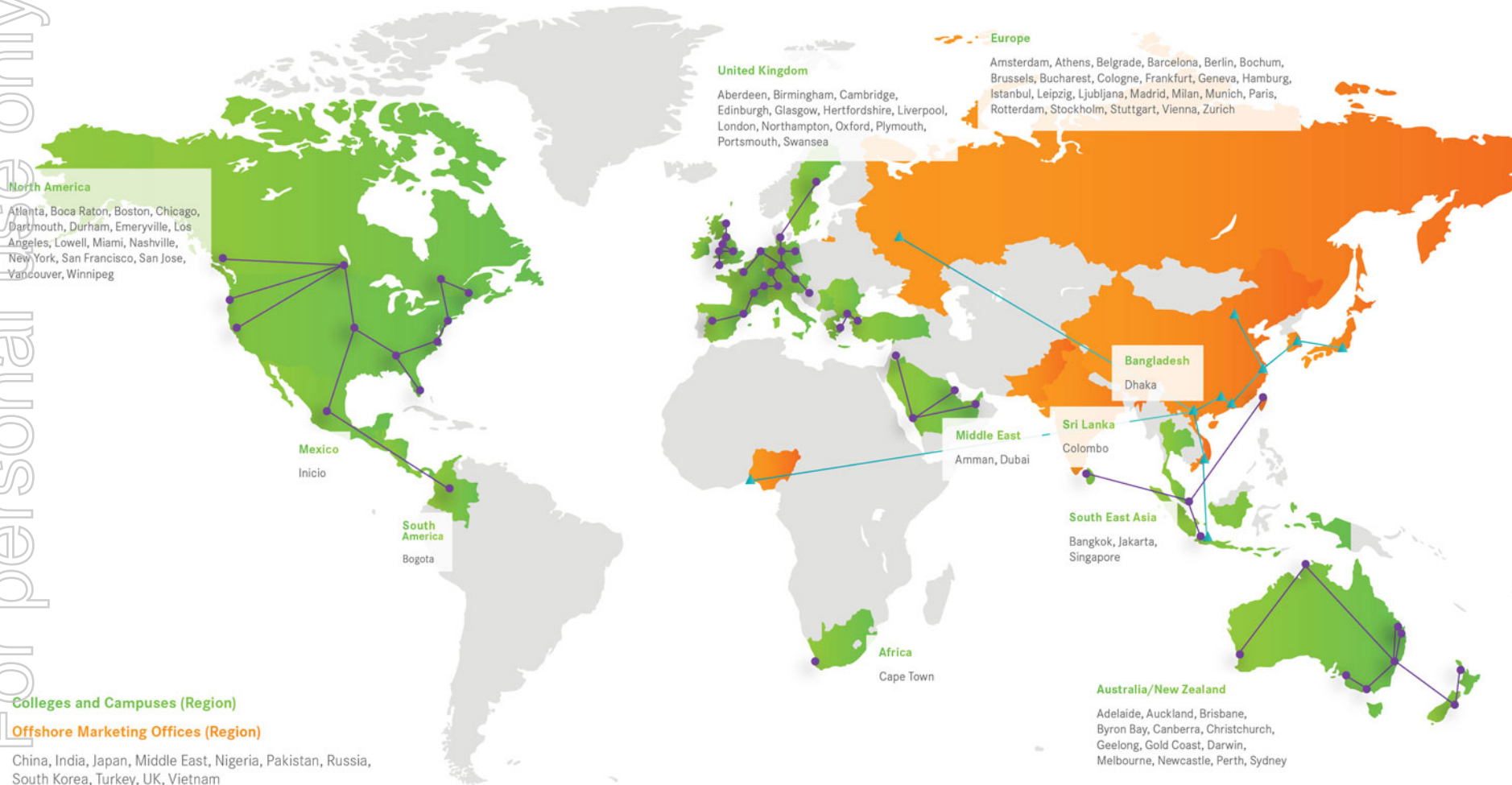


APPENDIX



Navitas – a globally diverse education provider

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● Colleges and Campuses (Region)

▲ Offshore Marketing Offices (Region)

China, India, Japan, Middle East, Nigeria, Pakistan, Russia, South Korea, Turkey, UK, Vietnam

● Colleges and Campuses (City)

▲ Offshore Marketing Offices (City)

Bangalore, Beijing, Beyoglu, Chengdu, Dubai, Guangzhou, Hanoi, Ho Chi Minh City, Hong Kong, Jakarta, Kuala Lumpur, Lagos, Lahore, London, Moscow, New Delhi, Pune, Riyadh, Seoul, Shanghai, Singapore, Taipei, Tokyo

About Navitas



Navitas (ASX: NVT) is a leading global education provider with over 120 colleges and campuses across 31 countries offering an extensive range of educational services to students, clients and professionals. Navitas is an ASX200 company.

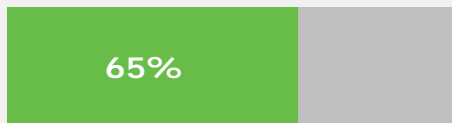
Navitas' Purpose
Transform lives by increasing student access to quality tertiary education

Navitas Corporate

University Partnerships Division

The University Partnerships Division is a leading provider of pre-university and university pathway programs with 35 colleges across Australia, US, UK, Canada, NZ and Sri Lanka

% of FY17 Group Revenue



Careers and Industry Division

The Careers and Industry Division provides industry focused vocational and higher education programs across the Creative, Health, Human Services and Government Services segments

% of FY17 Group Revenue



Navitas Ventures

Navitas Ventures scales ideas and invest in new education models and technology

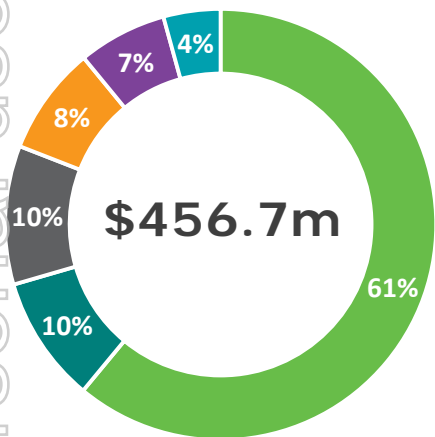
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Revenue distribution

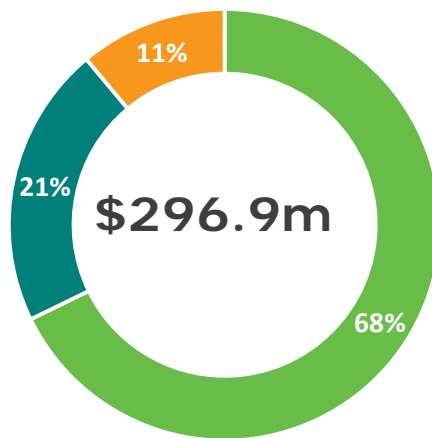


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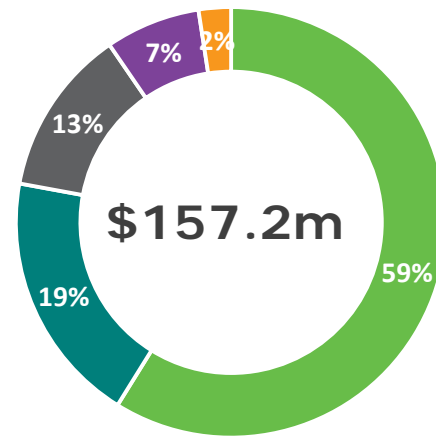
H1 FY18 Revenue - Group



H1 FY18 Revenue - University Partnerships



H1 FY18 Revenue - Careers and Industry



- Australia
- US
- Canada
- UK
- EU
- ROW

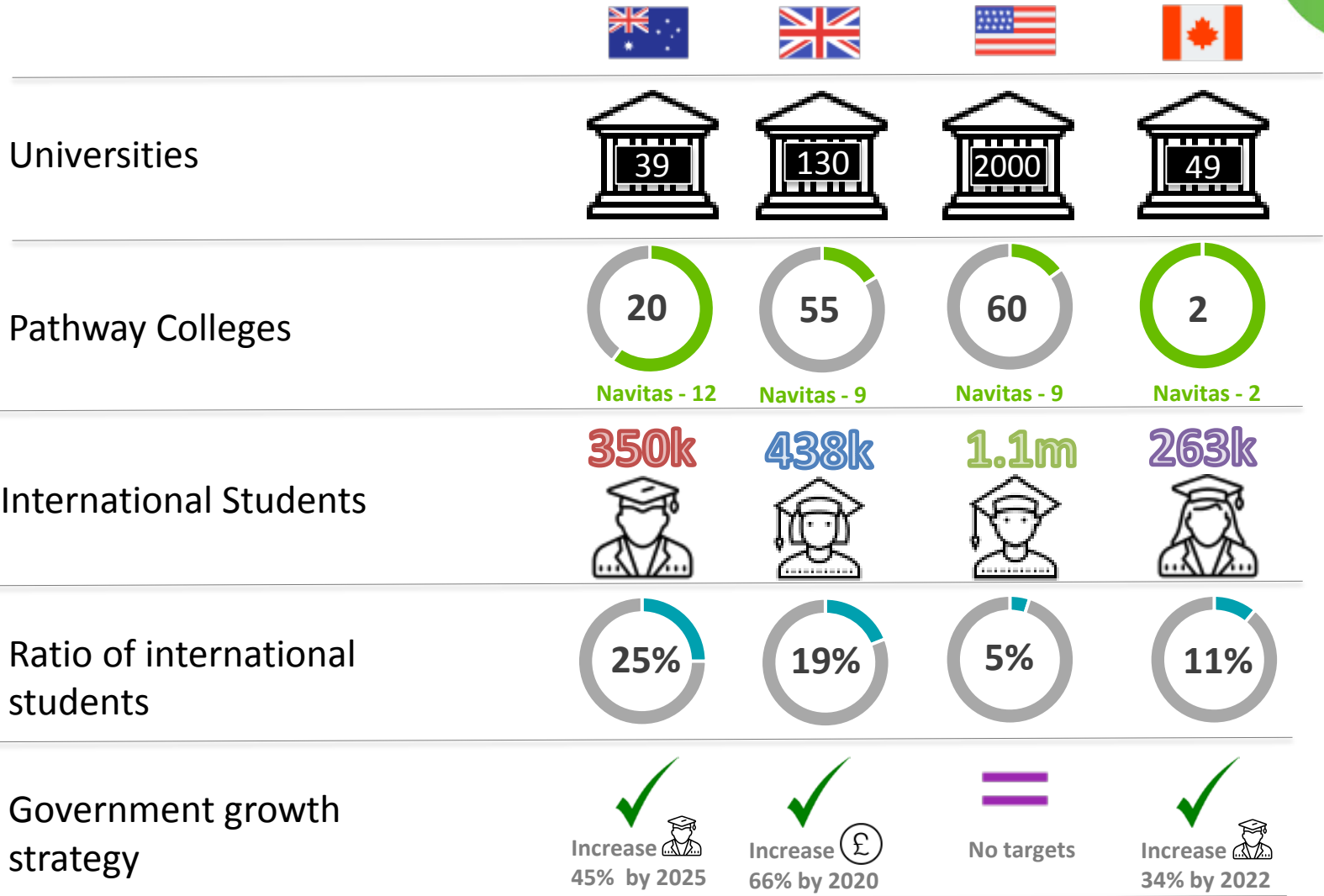
- Australasia
- North America
- Europe

- Australia
- US
- GSA
- SW EU
- UK

Market summary – International education

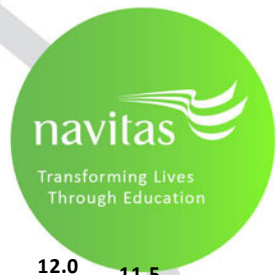


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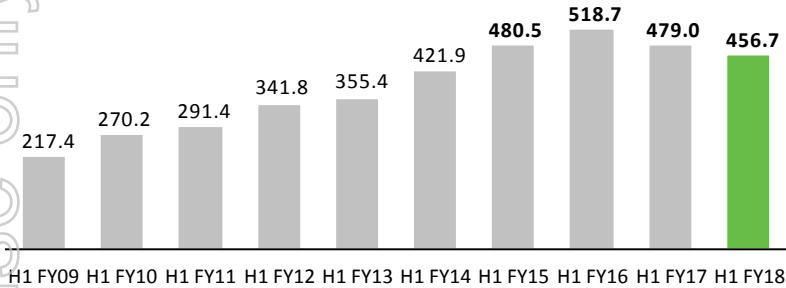


Source: Global flow of tertiary level students, UNESCO Institute of Statistics; US Dept of Education; Australian Dept of Education and Training; Universities Australia; UK Dept of Business, UK Council for International Student Affairs; Innovation and Skills; Global Affairs Canada; Brains without Borders, Economist.

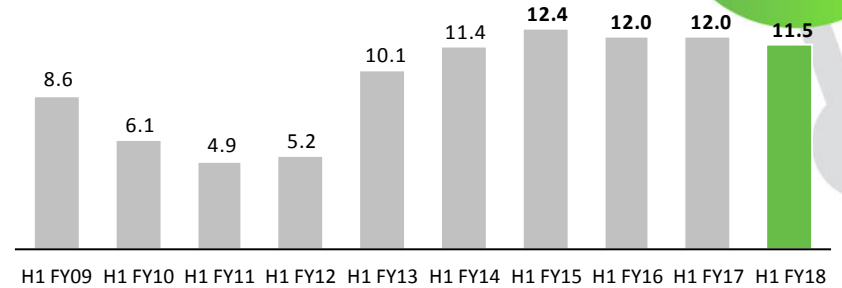
Navitas financial metrics



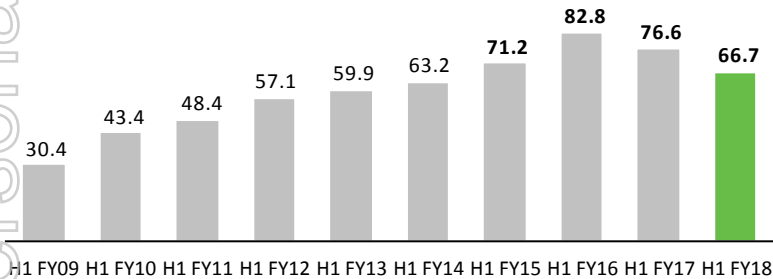
Total revenue (\$m)



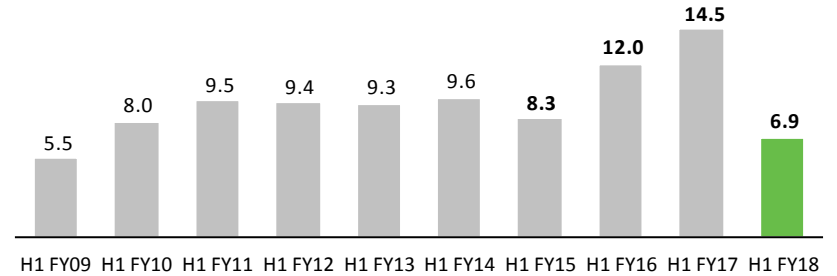
Operating cashflow (cps)



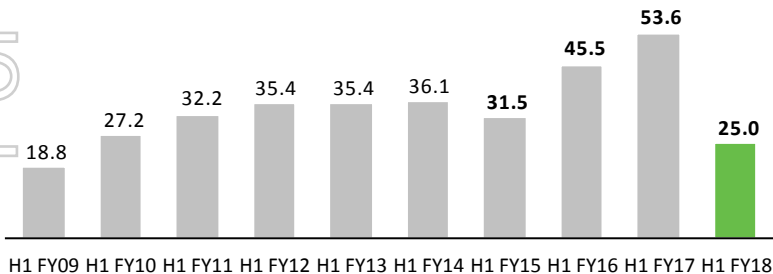
Underlying EBITDA (\$m)



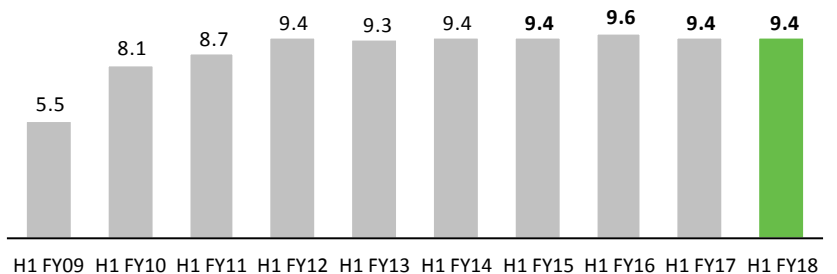
Earnings per share (cps)



Statutory NPAT (\$m)



Dividends (cps)



Detailed P&L – 5 years



Navitas Ltd						PCP Change		Growth
	H1 FY14	H1 FY15	H1 FY16	H1 FY17	H1 FY18	\$	Index	CAGR#
Operating Revenue								
UP	272,220	308,633	329,001	290,595	296,870	6,275	102%	2%
SAE	68,130	86,814	101,472	99,359	98,428	(931)	99%	10%
PEP	79,058	82,813	85,635	85,804	58,805	(26,999)	69%	-7%
Corporate & consolidation items	1,149	1,159	1,360	2,310	2,040	(270)	88%	15%
Total operating revenue	420,557	479,419	517,468	478,068	456,143	(21,925)	95%	2%
Expenses	(357,346)	(408,263)	(434,657)	(401,491)	(389,416)	12,075	97%	2%
Underlying EBITDA *	63,211	71,156	82,811	76,577	66,727	(9,850)	87%	1%
Depreciation	(9,634)	(12,542)	(15,215)	(14,470)	(15,168)	(698)	105%	12%
Underlying EBITA *	53,577	58,614	67,596	62,107	51,559	(10,548)	83%	-1%
Amortisation	(375)	(375)	(375)	(302)	(302)	-	100%	-5%
Underlying EBIT *	53,202	58,239	67,221	61,805	51,257	(10,548)	83%	-1%
Net Interest (paid)/received	(3,509)	(2,376)	(1,761)	(2,366)	(4,293)	(1,927)	181%	5%
Share of Joint Ventures (losses)/profits	-	-	(388)	(119)	519	638	-436%	n/a
Net profit before tax *	49,693	55,863	65,072	59,320	47,483	(11,837)	80%	-1%
Income tax	(13,602)	(15,300)	(19,619)	(19,979)	(23,676)	(3,697)	112%	15%
NPAT *	36,091	40,563	45,453	39,341	23,807	(15,534)	61%	-10%
Outside equity interest	(11)	(184)	(395)	(325)	(312)	13	96%	131%
NPAT attributable to Navitas *	36,080	40,379	45,058	39,016	23,495	(15,521)	60%	-10%
Reported NPAT	36,091	31,516	45,453	53,604	25,018	(28,586)	47%	-9%
Reported NPAT attributable to members	36,080	31,332	45,058	53,279	24,706	(28,573)	46%	-9%

* excluding goodwill impairment and one off gains/(losses)

Cumulative Annual Growth Rate

Glossary

ACAP – Australian College of Applied Psychology

AMEP – Adult Migrant English Program

ASAM – Australian School of Applied Management

ASX – Australian Securities Exchange

C&I – Careers and Industry

CCEL – Christchurch College of English Limited

CPS – Cents Per Share

CUS - Curtin University Sydney

ECC – Edith Cowan College

EBITDA – Earnings Before Interest Tax, Depreciation and Amortisation

ELICOS – English Language Intensive Courses for Overseas Students

HE – Higher Education

HSA – Health Skills Australia

NPAT – Net Profit After Tax

MQU – Macquarie University

PCP – Prior Corresponding Period

PEP – Professional and English Programs

SAE – School of Audio Engineering, now known as SAE

SSVF – Simplified Student Visa Framework

TEQSA – Tertiary Education Quality Standards Agency

UP – University Partnerships

VET – Vocational Education and Training

VFH – VET FEE-HELP

VSL – VET Student Loan

WACC – Weighted Average Cost of Capital