



COMPANY PRESENTATION

ACADEMIES AUSTRALASIA GROUP LIMITED

ACN 000 003 725

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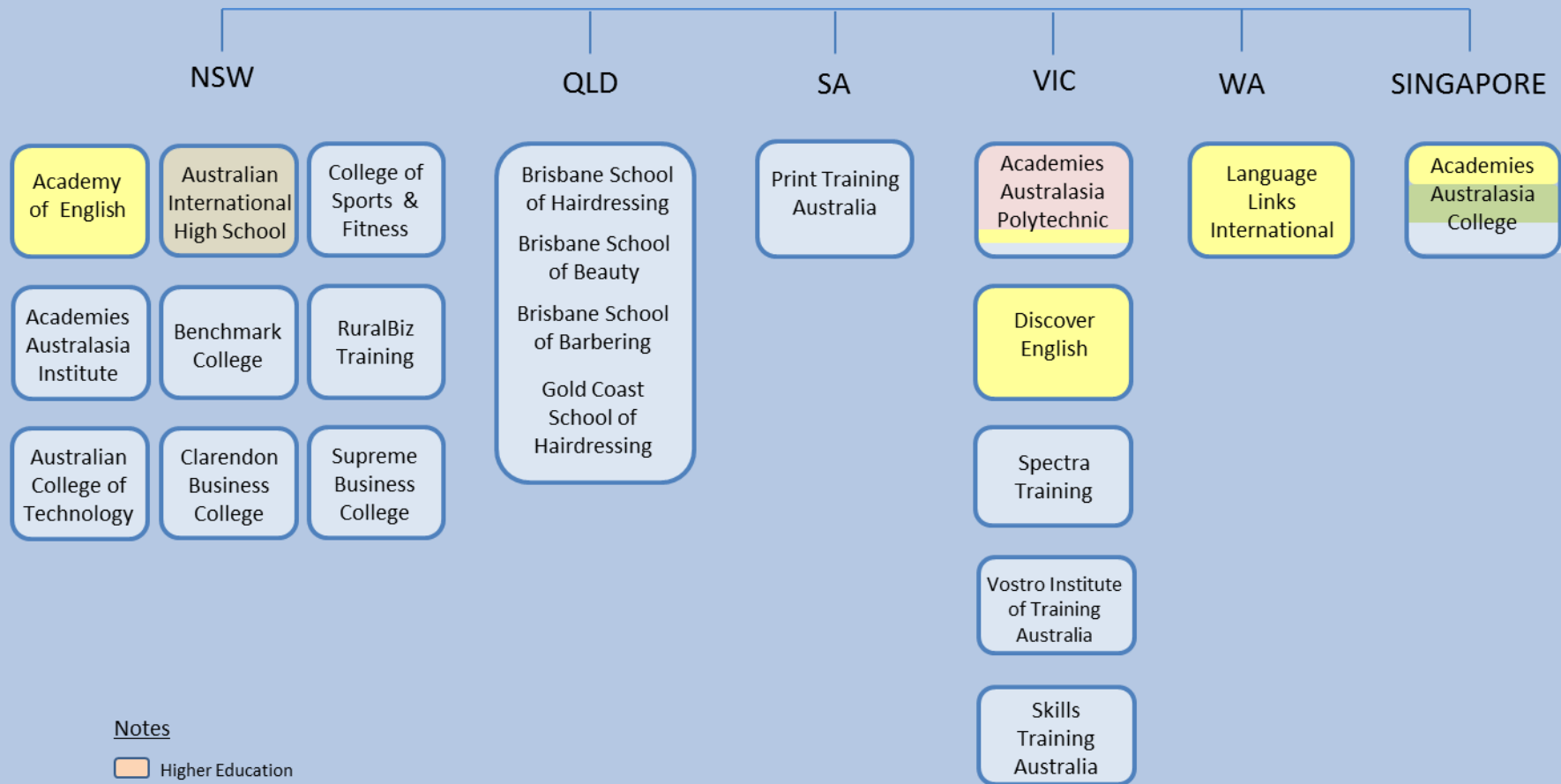
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All references to dollars, cents or \$ within this presentation are to Australian currency, unless stated otherwise.

ABOUT AKG

- ✓ **110-year history - *Established in May 1908***
- ✓ **40 years on ASX – *Since June 1977***
- ✓ **18 separately licensed colleges - *17 in Australia, one in Singapore***
- ✓ **More than 10,000 enrolments (*30 June 2018*)**
- ✓ **Domestic and international students**
- ✓ **78% of revenue comes from international students - (*FY18*)**
- ✓ **Revenue from international students increased by 22% - (*FY17 to FY18*)**
- ✓ **Students have come from 129 countries – *more than half the world!***

AKG COLLEGES



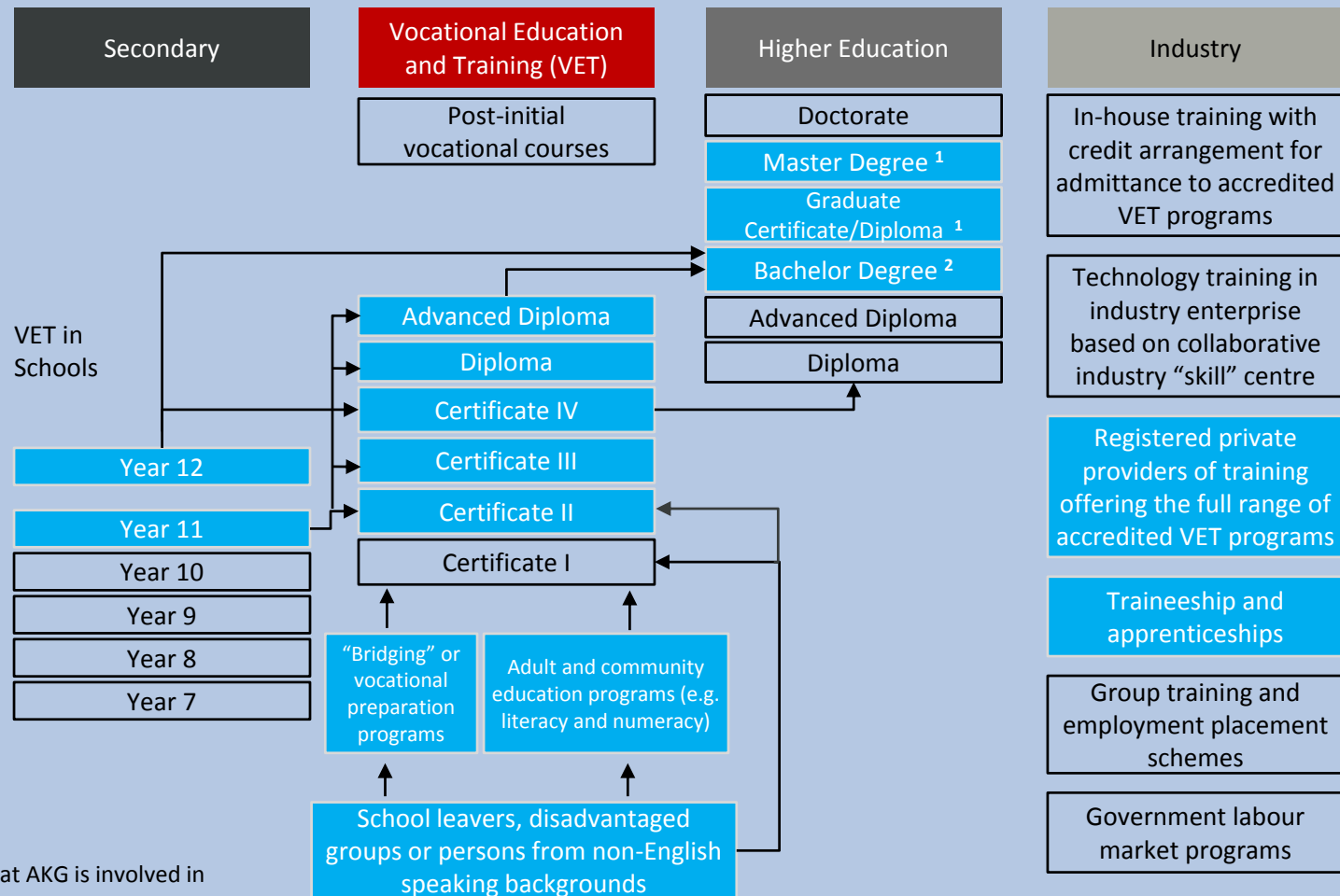
Notes

- Higher Education
- Vocational
- Senior High School
- Preparatory
- English

Notes: 1. All wholly owned except for College of Sports & Fitness (67.54%), RuralBiz Training (75%) and Language Links International (75%). 2. QLD schools are trading names of Academies Australasia Hair & Beauty Pty Limited

COVERAGE AND CORE CAPABILITIES

AKG has a significant footprint across the education sector with particular expertise in vocational education and training



Notes: 1. Offered by AAPoly on behalf of Federation University. 2. Bachelor Degree in Tourism and Hospitality Management and Bachelor of Business (Leadership and Management). And also other Bachelor Degrees offered on behalf of Federation University.

AKG COLLEGES: CRICOS, STATE GOVERNMENT FUNDING AND VSL APPROVAL

Main Campus	College	Sector	CRICOS	State Govt Funding contract	VSL – Approved provider
NSW	Academy of English (AOE)	English	Yes	-	-
NSW	Australian International High School (AIHS)	Senior High School	Yes	-	-
NSW	Academies Australasia Institute (AAI)	Vocational	Yes	Yes	-
NSW	Australian College of Technology (ACT)	Vocational	Yes	-	-
NSW	Clarendon Business College (CBC)	Vocational	Yes	-	-
NSW	Supreme Business College (SBC)	Vocational	Yes	-	-
NSW	Benchmark College (BMC)	Vocational	-	Yes	Yes
NSW	College of Sports & Fitness (CSF)	Vocational	Yes	Yes	-
NSW	Rural Biz Training (RBT)	Vocational	-	Yes	Yes
VIC	Academies Australasia Polytechnic (AAPoly)	Higher Education, Vocational, English	Yes	Yes	-
VIC	Discover English (DE)	English	Yes	-	-
VIC	Skills Training Australia (STA)	Vocational	Yes	Yes	Yes
VIC	Spectra Training (SPT)	Vocational	-	Yes	-
VIC	Vostro Institute of Training (VOS)	Vocational	-	Yes	-
QLD	Academies Australasia Hair & Beauty (AAHB)	Vocational	Yes	Yes	-
SA	Print Training Australia (PTA)	Vocational	-	Yes	-
WA	Language Links International (LLI)	English	Yes	-	-
Singapore	Academies Australasia College (AAC)	English, Preparatory, Vocational	-	-	-

Notes: 1. Generally, CRICOS registration is required before a college may enrol international students. 2. Colleges with CRICOS approval may also teach domestic students. 3. CRICOS does not apply to AAC. AAC has international students

EXPERIENCED BOARD

<p>Dr John Lewis Schlederer Non-Executive Director Chairman</p>	<ul style="list-style-type: none"> ■ Appointed in August 2009. Chairman since January 2014. Also Chairman of the Remuneration Committee. Member, Audit and Risk Committee. ■ More than 20 years' teaching experience at University of New South Wales and TAFE NSW and many years in business. B.Sc. (Hons), Grad. Diploma, PhD. Interest in 7,977,000 shares (6.25%).
<p>Christopher Elmore Campbell Group Managing Director and Chief Executive Officer</p>	<ul style="list-style-type: none"> ■ Appointed in July 1996. Member, Remuneration Committee. ■ More than 19 years' experience in managing educational institutions. ■ Previous positions include senior appointments with the Monetary Authority of Singapore and an international bank in Australia. Director, Asia Society Australia. B.Soc.Sci. (Hons), FFin, FAICD, FCIS, FSCA. Interest in 16,815,195 shares (13.18%).
<p>Chiang Meng Heng Non-Executive Director</p>	<ul style="list-style-type: none"> ■ Appointed in February 2000. Member, Audit and Risk Committee and Member of Remuneration Committee. ■ Previous positions include Treasurer, Citibank NA, Singapore and Hong Kong; Adviser & Head, Banking Supervision, Monetary Authority of Singapore; EVP, Overseas Union Bank Ltd including secondments as Executive Director, International Bank of Singapore Ltd and President, Asia Commercial Bank Ltd; Managing Director, First Capital Corporation Ltd; Executive Director, Far East Organization and Group Managing Director, Lim Kah Ngam Ltd. Member of Singapore Parliament for 4 terms from 1985 to 2001. BBA (Hons). Interest in 51,185,961 shares (40.11%).
<p>Gabriela Del Carmen Rodriguez Naranjo Group Executive Director and Chief Operating Officer</p>	<ul style="list-style-type: none"> ■ Appointed to the Board in October 2013 (Alternate to Neville Cleary from May 2011 to December 2013). ■ Joined AKG in 2001. More than 17 years' experience managing educational institutions, including experience in acquisitions, marketing, regulatory compliance, curriculum development and lecturing. Director (and member, Executive Committee), Council of Private Higher Education. B. Comp.Sci, B.Sci. Sys. Eng. Interest in 80,549 shares (0.06%).
<p>Sartaj Hans Independent Non-Executive Director</p>	<ul style="list-style-type: none"> ■ Appointed to the Board and as Chairman of the Audit and Risk Committee in October 2016. ■ Background in information technology and superannuation at BT Financial Group with many years of experience in managing investments and financial affairs. B.E. Honours (Electronics). Interest in 708,096 shares (0.55%).

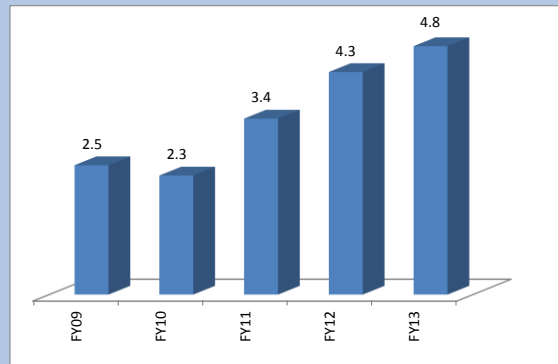
QUICK 10-YEAR OVERVIEW: FIRST 5 YEARS - FY09 to FY13

A. Sound growth

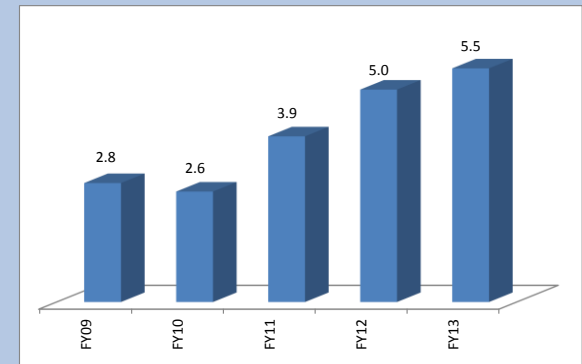
Revenue \$m



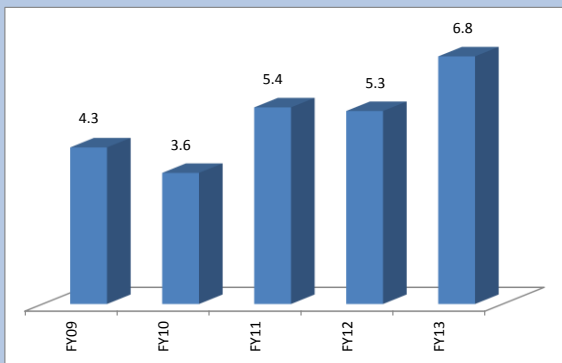
EBIT \$m



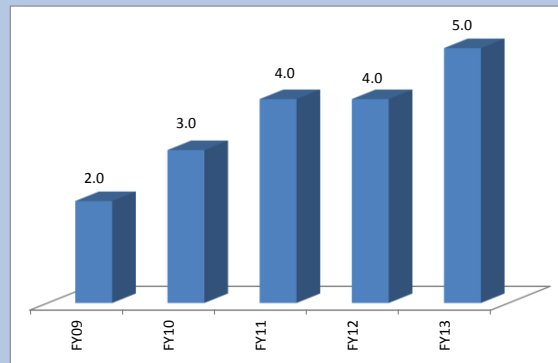
EBITDA \$m



Earnings (cps)



Dividends (cps)



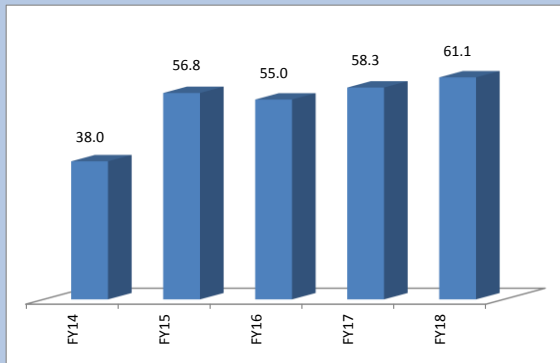
Cumulative Annual Growth Rate

Revenue	17%
EBIT	14%
EBITDA	14%

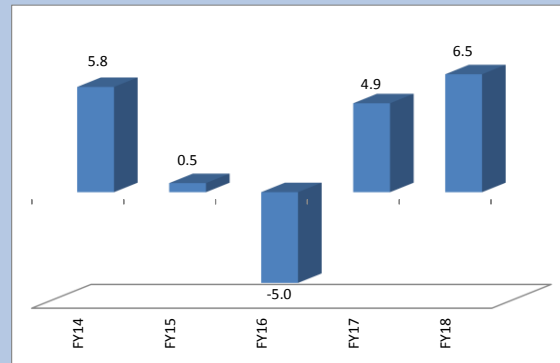
QUICK 10-YEAR OVERVIEW: SECOND 5 YEARS – FY14 to FY18

B.1. Disappointing FY15 and FY16

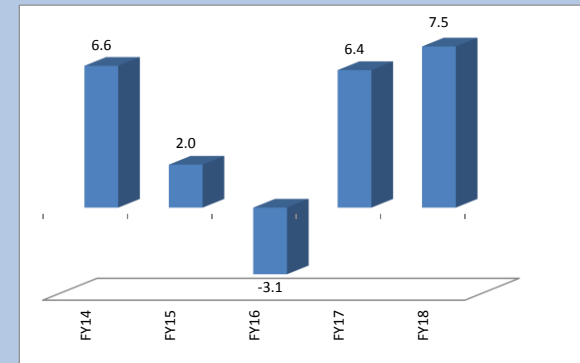
Revenue \$m



EBIT \$m



EBITDA \$m



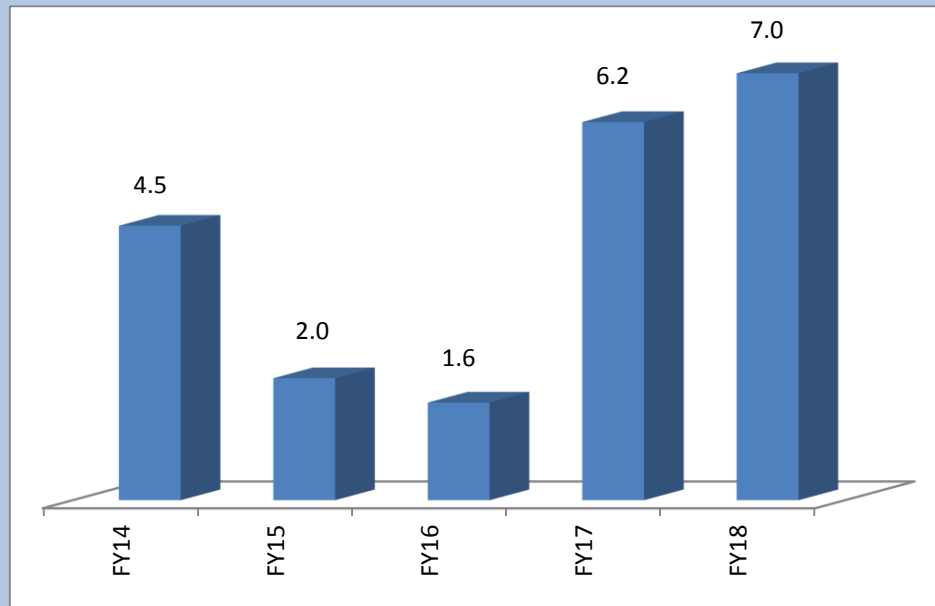
- From 2015, the domestic market suffered from news about the abuse of the VFH scheme.
[3 AKG colleges approved to offer VFH courses did not abuse the scheme.]
- Main reasons for poor results in FY15 and FY16:
 - a. Poor performance of SPT – requiring substantial write-downs and major restructure, including substantial redundancy payments.
 - b. Provision for reduction in market value of investment (RDH).
 - c. Adverse impact of policy changes by 2 university partners.
- Senior management spent substantial time addressing ‘a’ to ‘c’, as well as reducing bank borrowings.

Notes: The numbers in the above charts (as well as those in B.2), are not comparable with those in A (ie ‘Quick 10-year overview: First 5 years – FY09 to FY13’) because of a difference in income recognition policy in the two 5 year periods. The above numbers are based on the (early) adoption of Accounting Standard AASB 15 ‘Revenue from Contracts with Customers’.

QUICK 10-YEAR OVERVIEW: SECOND 5 YEARS – FY14 to FY18

B.2. Normalised for restructure and non-recurring costs, and gain (or loss) from investment

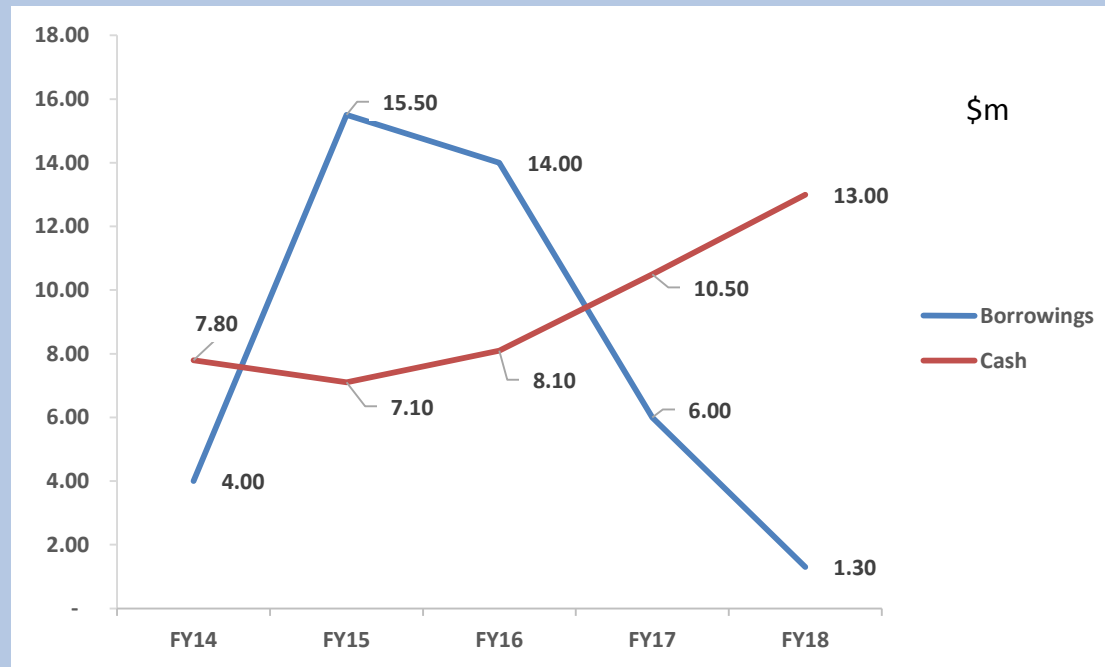
EBITDA \$m



\$m

	FY14	FY15	FY16	FY17	FY18
Restructure and non-recurring costs	0.0	0.6	3.6	0.8	1.0
Gain(loss) from investment	2.1	0.6	-1.1	1.0	1.5

RAPID REDUCTION OF BORROWINGS, STRONG CASH HOLDINGS



BEST RESULTS IN 110-YEAR HISTORY!

EBITDA: \$7.46 million

Earnings before tax: \$6.12 million

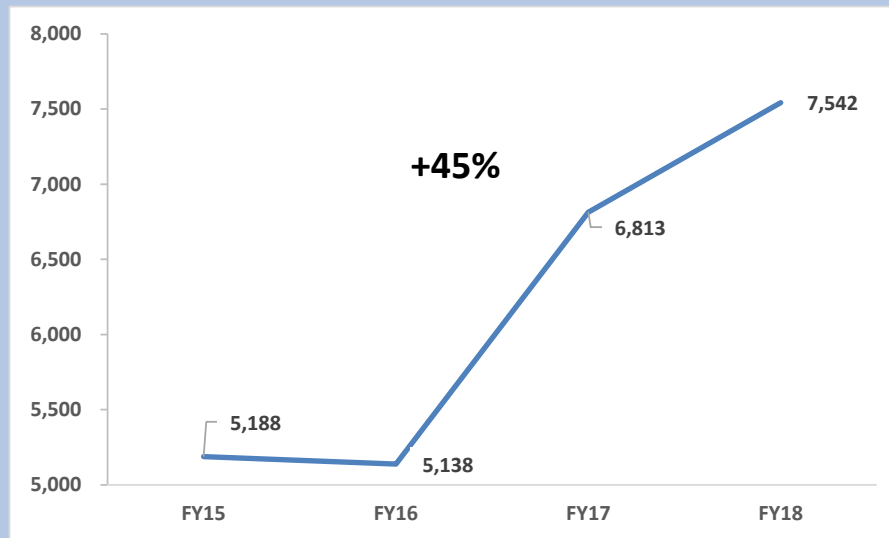
SHARES, EPS AND DIVIDENDS

	FY14	FY15	FY16	FY17	FY18
Dividends (cents) ^b	5.5	1.5	0.0	0.5	2.5 ^c
Total Dividend Amount (\$)	3,266,000	931,000	0	634,000	3,252,000
Dividend Payout (%)	58.9	-	-	20.8	73.0
Shares (end of Financial year)	56,157,234	62,063,484	75,362,979	126,754,079	131,754,079 ^a
Contracted to be issued	5,906,250				
Share option				5,000,000	
EPS (cents)					
Basic	7.9	0.0	-6.0	3.7	3.3
Diluted	7.1	0.0	-6.0	3.7	3.3
Weighted Average shares (Basic)	54,401,130	61,538,998	70,312,078	77,059,769	129,233,531

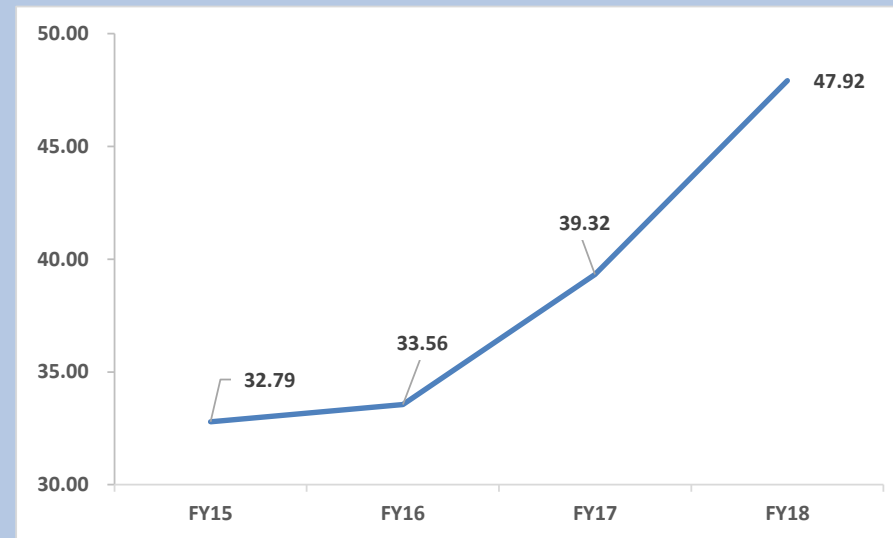
Notes: ^a Reduced to 127,614,467 on 22 August 2018 following the buy back and cancellation of 4,139,612 shares. ^b Fully franked. ^c Interim 1.5 cents (of which 1.0 cent was a special dividend) and a 1.0 cent final dividend to be paid in October 2018.

STRONG GROWTH IN INTERNATIONAL STUDENTS AND REVENUE

Students



Revenue (\$m)



FY17 to FY18 revenue growth: **AKG +22%** (Sector +14%*)

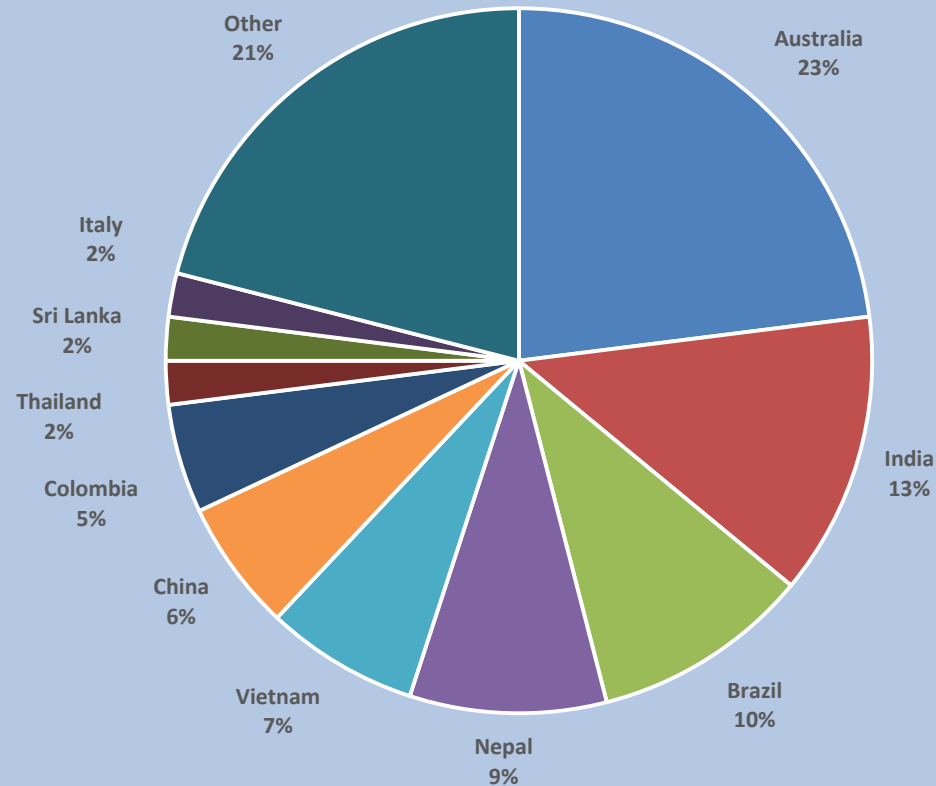
Notes: International students includes (paid) future students.

* FY17 \$28bn, FY18 \$32bn.

STUDENTS FROM MORE THAN HALF THE WORLD!

AKG colleges have taught more than 100,000 students from 129 countries

Diversified
student
base



Notes: a. Australia percentage includes Australian permanent residents. Current students only; no future starts . b. All other percentages include (paid) future starts.

STUDENTS BY TYPE OF QUALIFICATIONS

	30 June 2013	30 June 2018
Higher Education ^a	879	1,582
Vocational ^b	3,597	7,098
English ^c	1,233	1,432
Other ^d	254	205
Total ^e	5,963	10,317

Notes: ^a. In the Higher Education row, AAPoly had 1 degree at 30 June 2013, 2 degrees at 30 June 2018. All other degrees are taught by AAPoly on behalf of Federation University. ^b. Certificates, Diplomas and Advanced Diplomas. ^c. Non-award. ^d. Includes NSW Higher School Certificate, and AAC Government Preparatory courses. ^e. Domestic students, current only. International students include (paid) future starts.

STRATEGIC DIRECTION

Focus for FY19 and FY20:

- ▶ Further growth of international operations
- ▶ Further improving financial discipline and implementing cost savings initiatives
- ▶ Paying off existing borrowings

No immediate plans to pursue any acquisitions

Intention to adopt dividend payout ratio of 75%

GLOSSARY

AAC	Academies Australasia College Pte. Limited
AAHB	Academies Australasia Hair & Beauty Pty Limited
AAI	Academies Australasia Institute Pty Limited
AAPoly	Academies Australasia Polytechnic Pty Limited
AASB	Australian Accounting Standards Board or a numbered Standard issued by it
ACT	Australian College of Technology Pty Limited
AIHS	Australian International High School Pty Limited
AKG	ASX code for Academies Australasia Group Limited – The Company
AOE	Academy of English Pty Limited
ASX	Australian Securities Exchange
BMC	Benchmark Resources Pty Limited - trading as Benchmark College
Board	The Board of Directors of Academies Australasia Group Limited
CAGR	Cumulative Annual Growth Rate
CBC	Clarendon Business College Pty Limited
Company	Academies Australasia Group Limited (ACN 000 003 725) - the parent company
COPHE	Council of Private Higher Education
CRICOS	Commonwealth Register of Institutions and Courses for Overseas Students
CSF	International College of Capoeira Pty Limited - trading as College of Sports & Fitness

DE	Discover English Pty Limited
Directors	Board of Directors of AKG
EBITDA	Earnings before interest, taxation, depreciation and amortisation
EPS	Earnings per share
FY09 to FY19	Financial Year to 30 June 2009 to 30 June 2019, respectively
Group	AKG and all its subsidiaries
LLI	Language Links International Pty Limited
PTA	Print Training Australia Pty Limited
RBT	Kreate Pty Limited – trading as RuralBiz Training
RTO	Registered Training Organisation
Shares	Fully paid ordinary shares in the Company
SBC	Supreme Business College Pty Limited
SPT	CLB Training & Development Pty Limited as trustee for the CLB Unit Trust - trading as Spectra Training
STA	Transformations – Pathways to Competence and Developing Excellence Pty Limited - trading as Skills Training Australia
TAFE	Technical and Further Education
VET	Vocational Education and Training
VFH	Vet Fee Help
VOS	Vostro Institute of Training Australia Pty Limited
VSL	VET Student Loan