



Investing for Success

**Morgan Stanley
Emerging Companies
Conference**

18 June 2015

ASX:NVT



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Company Profile

Navitas (ASX: NVT) is a leading global education provider offering an extensive range of educational and training services for students and professionals across Australia and around the world

Market cap	Last 12 months revenue	Last 12 months EBITDA*	Staff headcount	Students	Colleges/campuses
\$1.78b	\$936.8m	\$152.8m	~5,800	> 80,000	>120

* Excluding goodwill impairment

University Programs - leading provider of 35 pathway colleges and managed campuses across Australia and in the UK, US, Canada, Singapore, New Zealand and Sri Lanka

SAE - creative media education provider delivering vocational and higher education qualifications in audio, film and multimedia via 54 colleges in Australasia, US, Europe and the Middle East

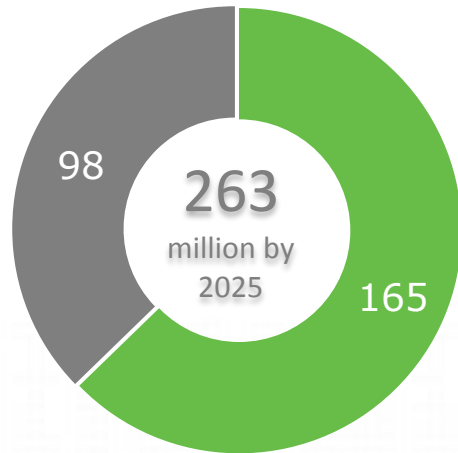
Professional and English Programs - provides quality vocational training, higher education and placement services in areas of key demand across Australia as well as providing English as a second language courses for international students and English language, settlement and work preparation programs for migrants and refugees



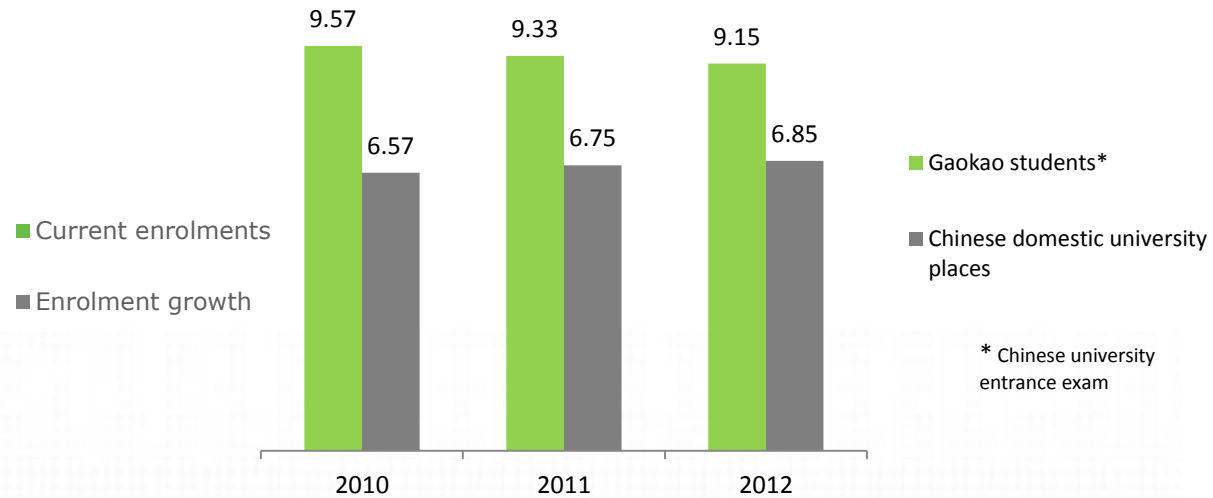
Key Drivers

Significant macro trends ...

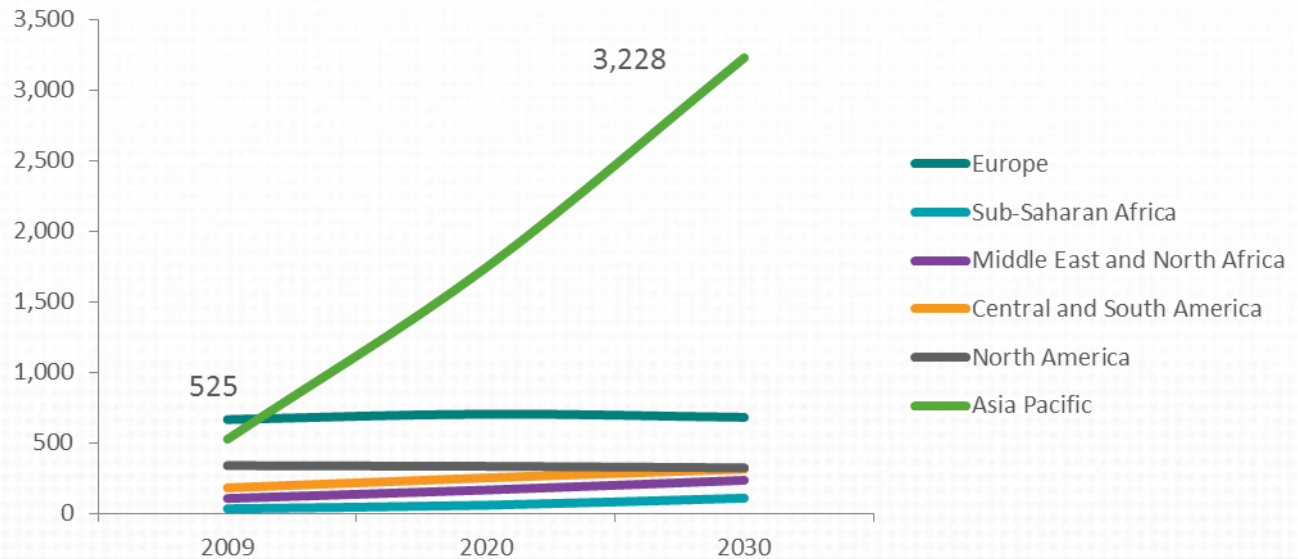
Growing global tertiary enrolment (m)



Supply imbalance in key source markets (m)
China



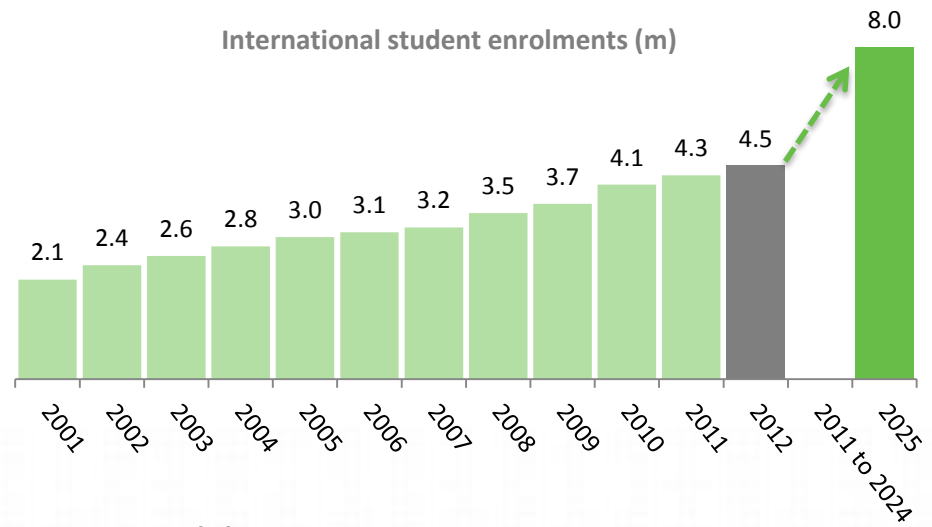
A growing middle class (m)



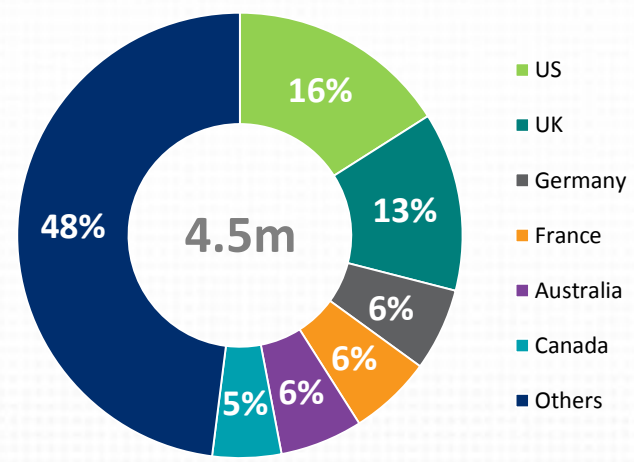
... drive students offshore to key education destinations



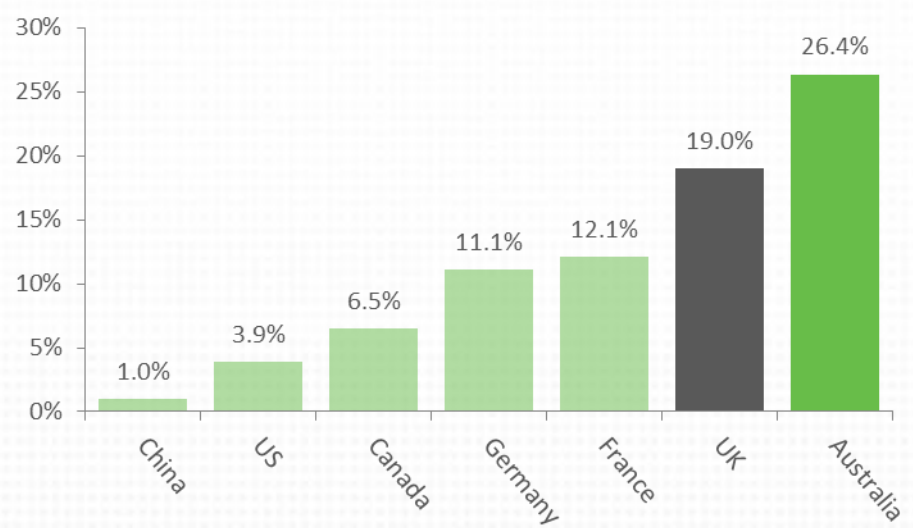
International student enrolments (m)



International education market share (%)



International higher education enrolment as a % of total enrolments



Source: Project Atlas 2014, OECD Education at a Glance, 2014. CBIE.

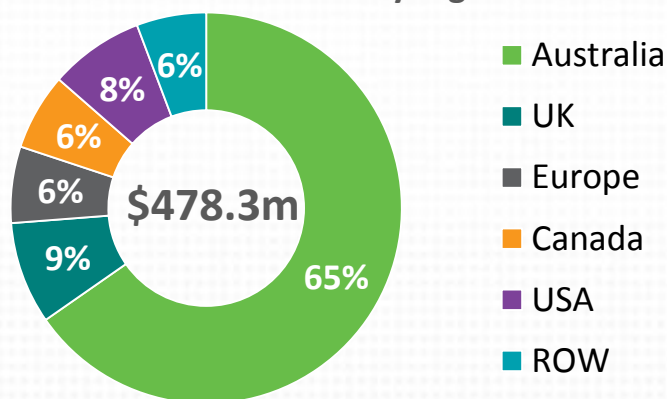


**FY15 Interim
Financial
Performance**

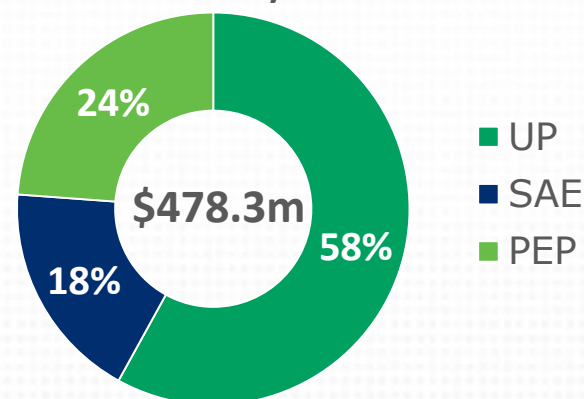
Solid revenue growth across all Divisions

Revenue (\$m)	H1 FY15	H1 FY14	Δ%
University Programs	277.5	243.2	14
SAE Group	86.8	68.1	27
Professional and English Programs	114.0	108.1	5
Divisional revenue	478.3	419.4	14
Other	2.2	2.5	(12)
Group revenue	480.5	421.9	14

H1 FY15 divisional revenue by region



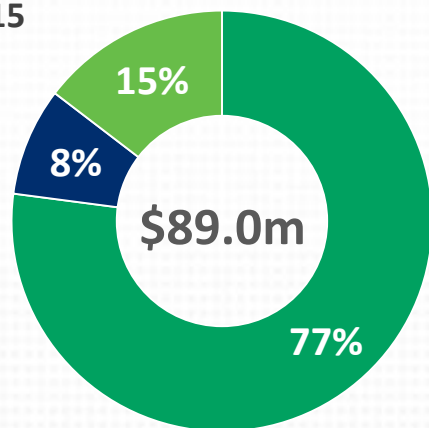
H1 FY15 revenue by Division



Margin improvement in UP and PEP

EBITDA* (\$m)	H1 FY15	H1 FY14	Δ%
University Programs	68.6	58.4	17
SAE Group	7.4	9.0	(18)
Professional and English Programs	13.0	11.0	19
Divisional EBITDA*	89.0	78.4	14
Corporate costs	(17.9)	(15.2)	18
Group EBITDA*	71.1	63.2	13

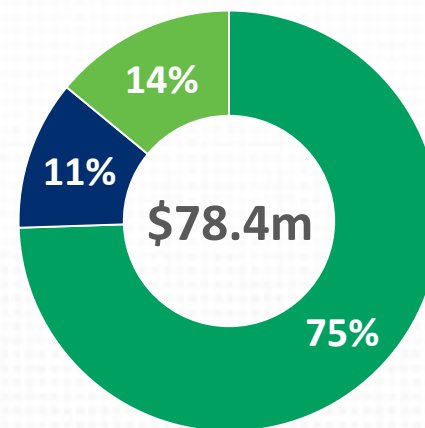
H1 FY15



EBITDA* by Division

- UP
- SAE
- PEP

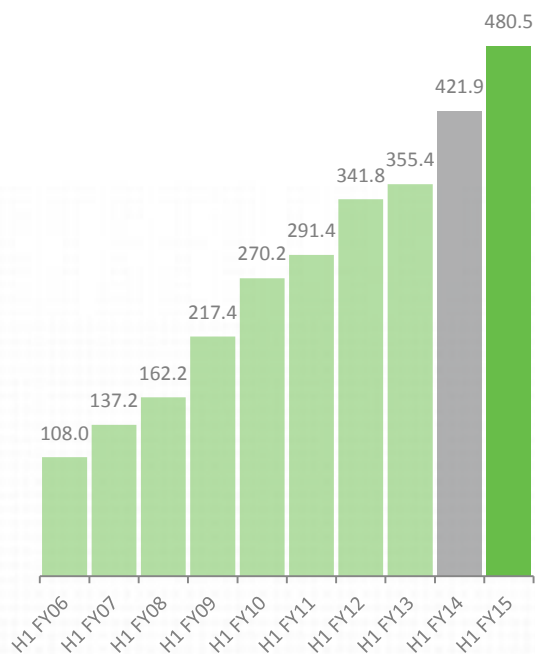
H1 FY14



Long term growth record maintained

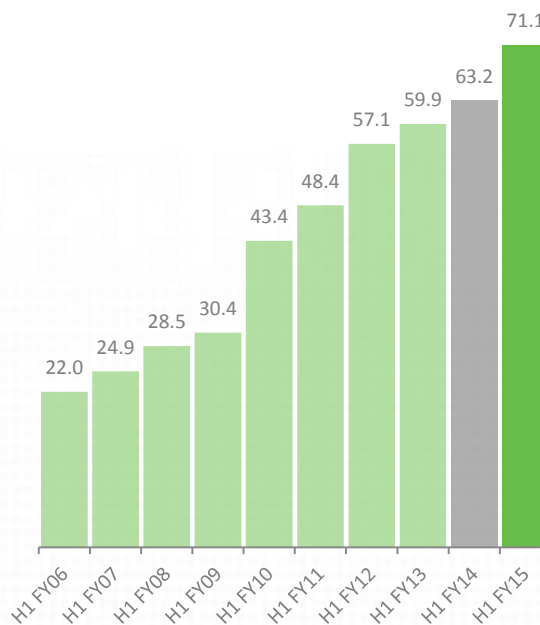


Revenue (\$m)



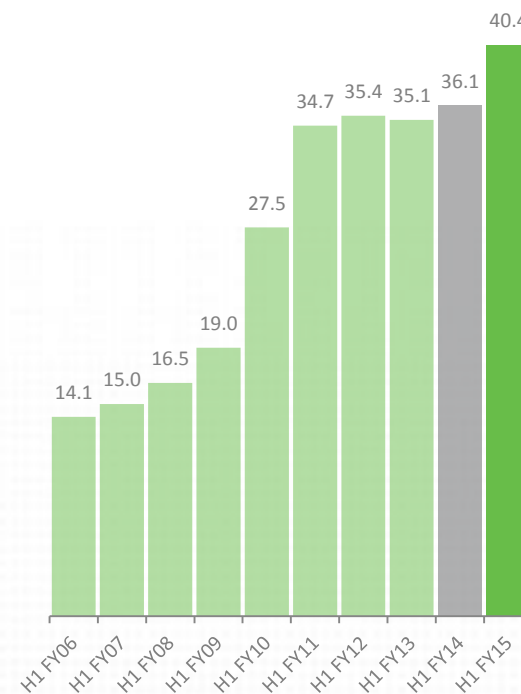
18.0%
CAGR

Underlying EBITDA* (\$m)



14.0%
CAGR

NPAT* (\$m)



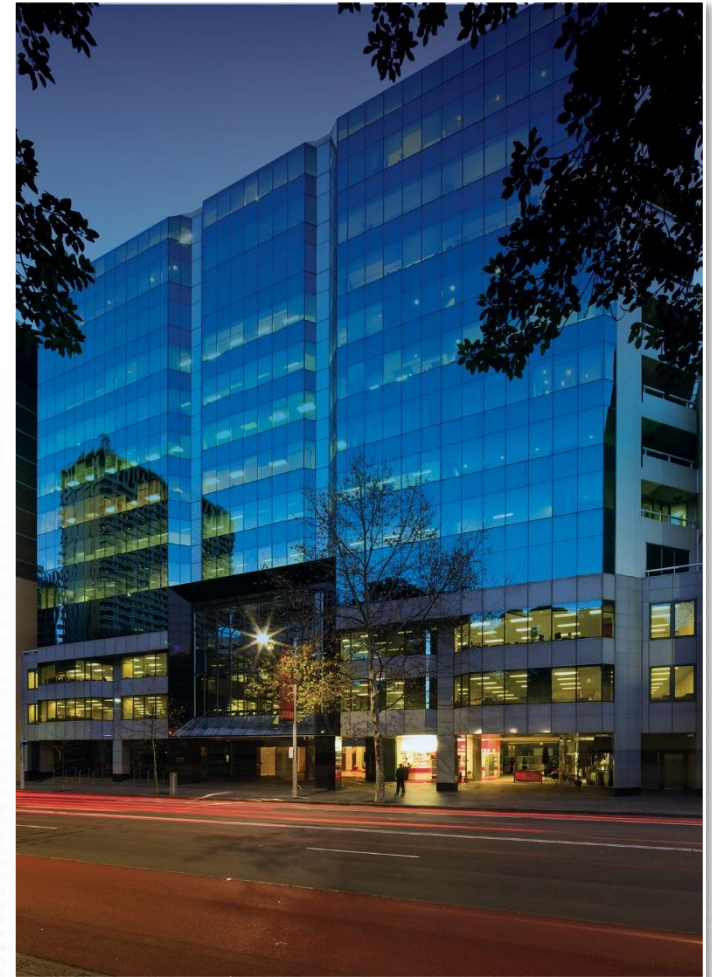
12.4%
CAGR

* excluding goodwill impairment

255 Elizabeth Street

Relocating Navitas' Sydney CBD campus from Wynyard Green to 255 Elizabeth St

- 12 year lease of an A Grade building
- Superior environmental rating
- Significant fit out required – lease incentive to cover costs
- Development approval for change of educational use granted
- Relocation to be completed by Sep 2016



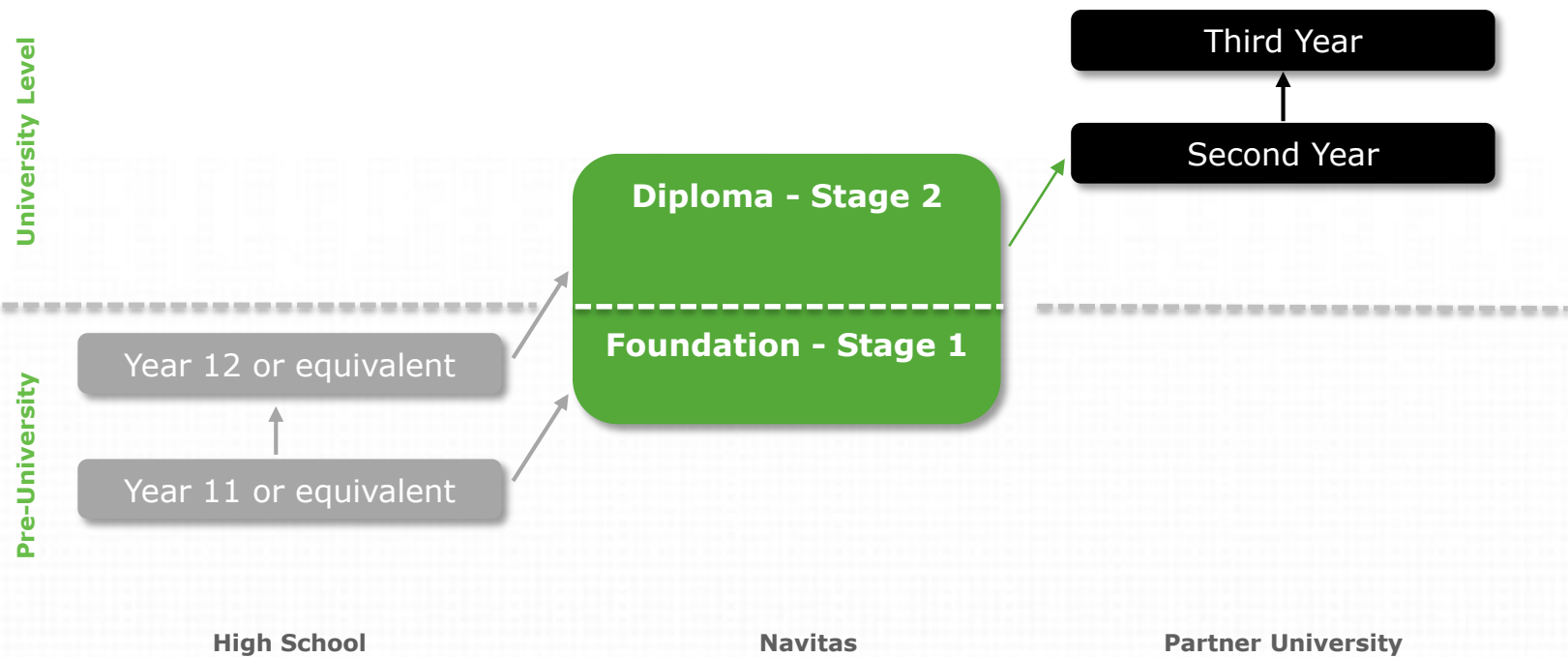
A photograph of two students, a young woman with long brown hair wearing a blue jacket and a young man with short black hair wearing a yellow shirt, sitting on a green sofa in a library or study area. They are looking at a notebook and a piece of paper together. The man is holding a green pen. In the background, other students are visible sitting at tables. A large green circle is overlaid on the left side of the image, containing the text 'University Programs'.

University Programs

A pathway to university

Undergraduate

- Study with Partner University
- Study with Navitas College



Stage 1 involves a tertiary preparation program & may include a tailored Foundation Program and/or English language preparation

Stage 2 is the equivalent of the first year of the university degree

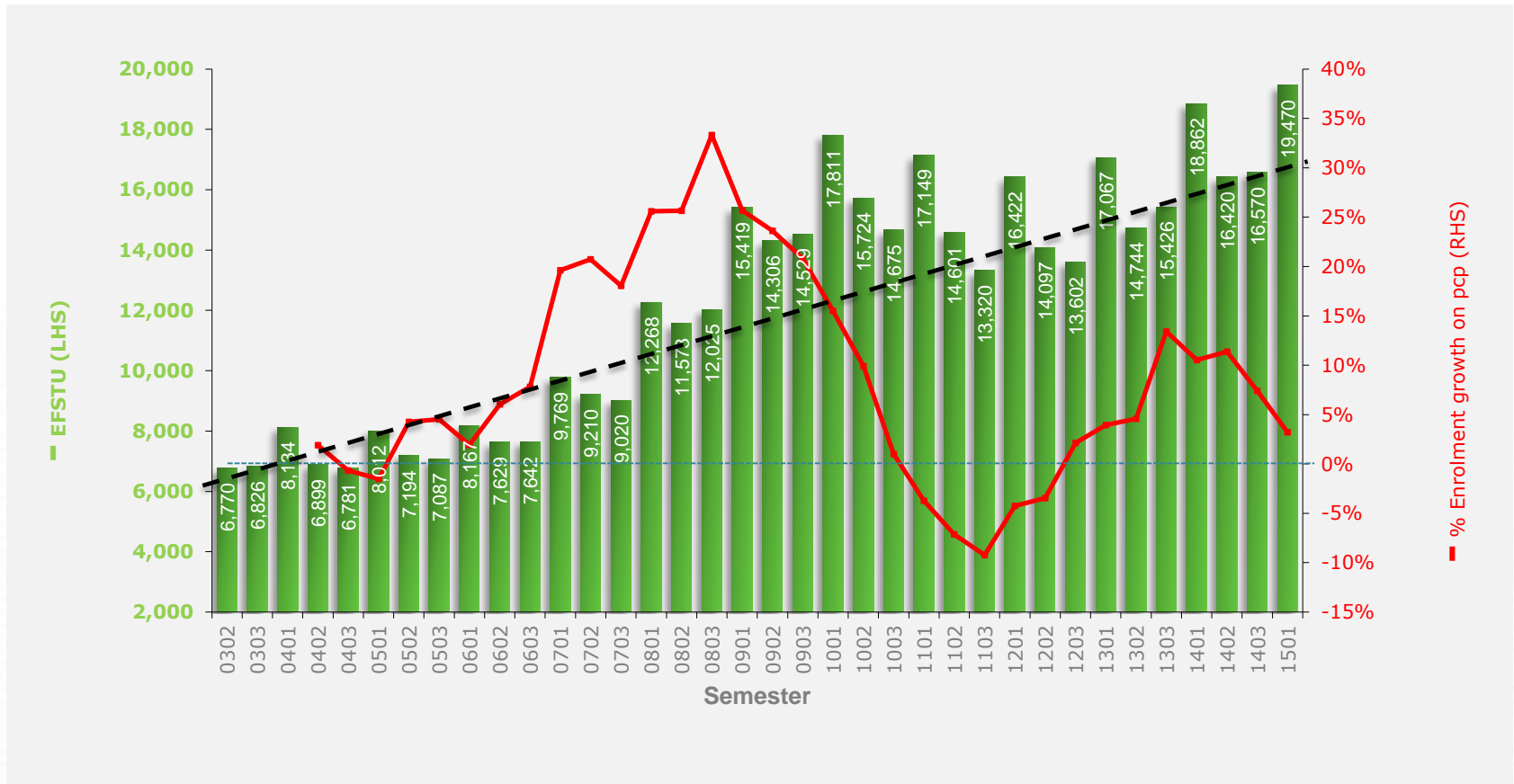
Key priority: Successful Student Outcomes

- Extensive monitoring of pass and progression rates, student satisfaction and conversion rates
- Benchmarking between pathway programs and partner university
- Over 90% of graduating pathway students transfer to the partner university
- Over 95% of pathway program students transitioning to the partner university graduate with a degree
- Tracer studies indicate academic performance is as good as, and in some cases better, than direct entry students



Record of long run growth


University Programs Equivalent Full Time Students Units (EFTSU): Semester enrolments



- 3% semester 1 2015 EFTSU growth against pcp
- Short term declining growth trend – some volatility following regulatory change in UK and Aus
- Canada up 16%, US up 15%, Aus/NZ up 1%, UK up 1%



US

- 
- 6th US college, Navitas at Florida Atlantic University, opened in Jan 2015
 - Renewal of all three University of Massachusetts agreements for 5-10 years
 - Strong business development pipeline



UK

- 10th UK college announced, in partnership with University of Northampton, to open in Oct 2015



Australia

- Joint venture with the University of Western Sydney, to open in Oct 2015
- 51% share of University of Canberra College acquired late May, operating under the joint venture model - 14th Australian college

- First NSW initiative following non-renewal of Macquarie University contract
- Utilises joint venture model
- To open in October 2015
- Parramatta CBD based
- Western Sydney region currently underserved for international students
- Programs include Business, Communications, Engineering and IT
- On successful completion students eligible to continue studies at UWS
- Focused on international students, will not compete with existing UWS domestic pathway program
- UWS currently enrolls 40,000 students with diploma fees between \$18,600 – \$22,900



- Discussions commenced following non-renewal of Macquarie University contract
- Navitas acquired 51% of the operational and profitable college for \$4.9m
- Utilises joint venture model
- Acquisition completed 29 May 15
- UCC located on campus
- UCC founded in 1998 and now provides pathway, diploma and English courses to international and domestic students
- Programs include Business, Communications, Science and IT
- On successful completion students eligible to continue studies at UC
- UC partnering with Navitas to increase student access to the university via new markets and programs



Exploring a new model - JV

50:50 joint venture – a first for Navitas

- No royalty
- Risks and rewards shared equally
- Lower number of students to breakeven
- Joint governance
- Enhanced collaboration and partner “skin in the game”
- No expiry but exit mechanism based on independent valuation
- Equity accounting to be used for earnings

New business development to focus on joint venture model while retaining flexibility to meet needs of partners and Navitas





Questions?

Corporate snapshot

376.3m

Shares on issue

\$1.78b

Market Capitalisation

\$4.74

Share Price

31 May 2015

ASX100

NVT

52 wk range

\$4.26 - \$7.88

LTM dividend

19.5cps