

For personal use only



FY2021 HALF YEAR RESULTS PRESENTATION

iCollege Limited
(ASX:ICT)

Disclaimer

This presentation has been prepared by iCollege Limited ACN 105 012 066 (the company). This presentation contains information about iCollege Limited and its subsidiaries and is current as at 11th of February, 2021.

This presentation is being provided for the sole purpose of providing background financial and other information to enable recipients to review the business activities of the company. It is not intended as an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities. This presentation should not be relied upon as a representation of any matter that a potential investor should consider in evaluating the company. The company and its affiliates or any of its directors, agents, officers or employees do not make any representation or warranty, express or implied, as to or endorsement of, the accuracy or completeness of any information, statements, representations or forecasts contained in this presentation and they do not accept any liability for any statement made in, or omitted from, this presentation.

Prospective investors should make their own independent evaluation of an investment in the company. Nothing in this presentation should be construed as a financial product advice, whether personal or general, for the purposes of Section 766B of the Corporations Act. This presentation consists purely of factual information and does not involve or imply a recommendation or a statement of opinion in respect of whether to buy, sell or hold a financial product. The company has not considered any of your objectives, financial situation or needs.

This presentation and contents has been made available by way of an update and may not be reproduced or disclosed to third parties or made public in any way without the express written permission of the company.

Company Overview

iCollege Limited is a leading vocational training provider that comprises six businesses which deliver accredited and non-accredited vocational education and training solutions.

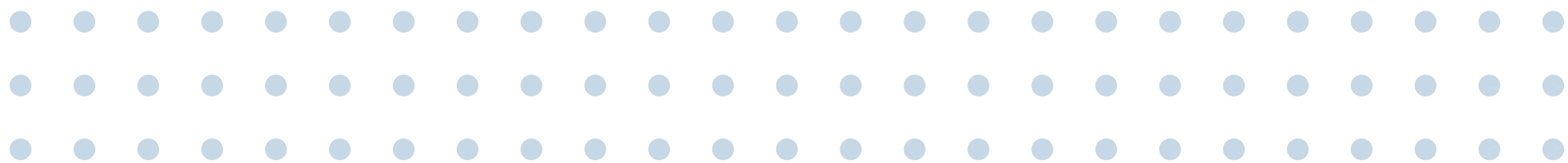
iCollege currently has:

- four registered training organisations (RTOs) based in Australia:
 - 1: **Capital Training Institute**
 - 2: **Sero Institute**
 - 3: **Celtic Training**
 - 4: **iCollege International**
- an India-based specialist IT Training business focussed on the delivery of intensive Boot Camp style training in coding: **The Hacking School***
- an English language testing business partnered with Cambridge Assessment English: **TestEd English**

iCollege currently operates 8 training campuses across 5 states and territories in Australia.

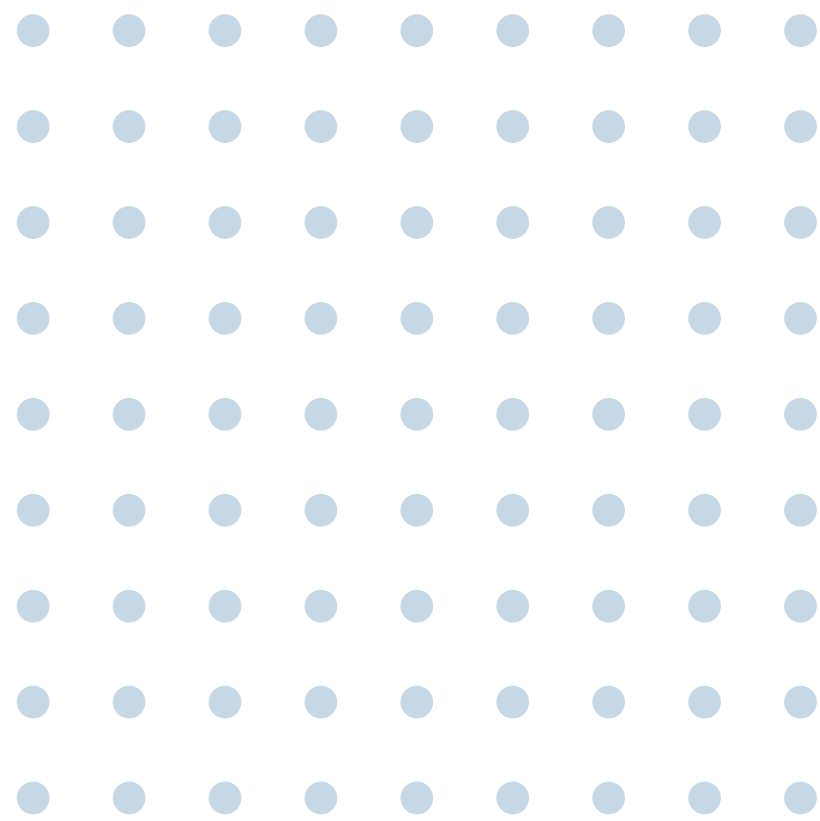


Our **Businesses**



					
 Student market	Domestic and international	Domestic	Domestic	Domestic and international	Domestic and international
 Course sector	Hospitality, business, foundation skills, community services, English language, IT	Healthcare and community services	Building and construction	English language testing	Information technology
 Locations	Brisbane, Gold Coast and Perth	Adelaide and Gold Coast	Sydney, Brisbane, Gold Coast, Canberra, Adelaide	Online	Online
 Number of courses	28	28	10	n/a	4

iCollege Strategic Advantages



1 EXPANSIVE GEOGRAPHICAL FOOTPRINT

- Adelaide, South Australia x 1 campus
- Brisbane, Queensland x 2 campuses
- Canberra, Australian Capital Territory x 1 campus
- Gold Coast, Queensland x 1 campus
- Perth, Western Australia x 2 campuses
- Sydney, New South Wales x 1 campus

2 STATE GOVERNMENT FUNDING CONTRACTS

- Celtic Training holds funding contracts in Queensland and South Australia
- Sero Institute holds funding contracts in Queensland and Western Australia
- Capital Training Institute holds funding contracts in Queensland, New South Wales and Australian Capital Territory

iCollege is the only ASX listed company to have subsidised training funding contracts across 5 states and territories

3 UNIQUE REVENUE STREAMS OF BOTH INTERNATIONAL AND DOMESTIC STUDENTS

- Pre COVID-19 revenue equally split between international and domestic students
- 4 campuses accredited to facilitate training for international students
- Current CRICOS allocation of 1300 with 800 places filled
- Diversified student cohort from over 43 countries with students from China representing less than 3% of our student base
- With border closures currently in place, ICT had the capability to swiftly pivot to a greater focus on domestic student enrollments
- Significant network of 150+ international student recruitment agents – both in Australia and overseas

4 NICHE MARKET OPERATIONS

- Sero Institute operates a corrections division delivering training inside 5 of the 11 Correctional facilities in Queensland
- The Hacking School addresses the skills shortage in IT professionals by delivering up to the minute training through boot camp style intensive training
- Sero Institute is one of the few RTOs that is accredited to deliver the Diploma and Advanced Diploma of Applied Blockchain to students in Australia
- iCollege has a preferred partnership agreement with Cambridge Assessment English (CAE) to market and distribute the Linguaskill English test in Australia

H1 FY2021 Highlights

Record revenue of

\$8.8m

Up 26% on PCP and representing
77% of total FY 2020 revenue

Record operating EBITDA of

\$2.07m*

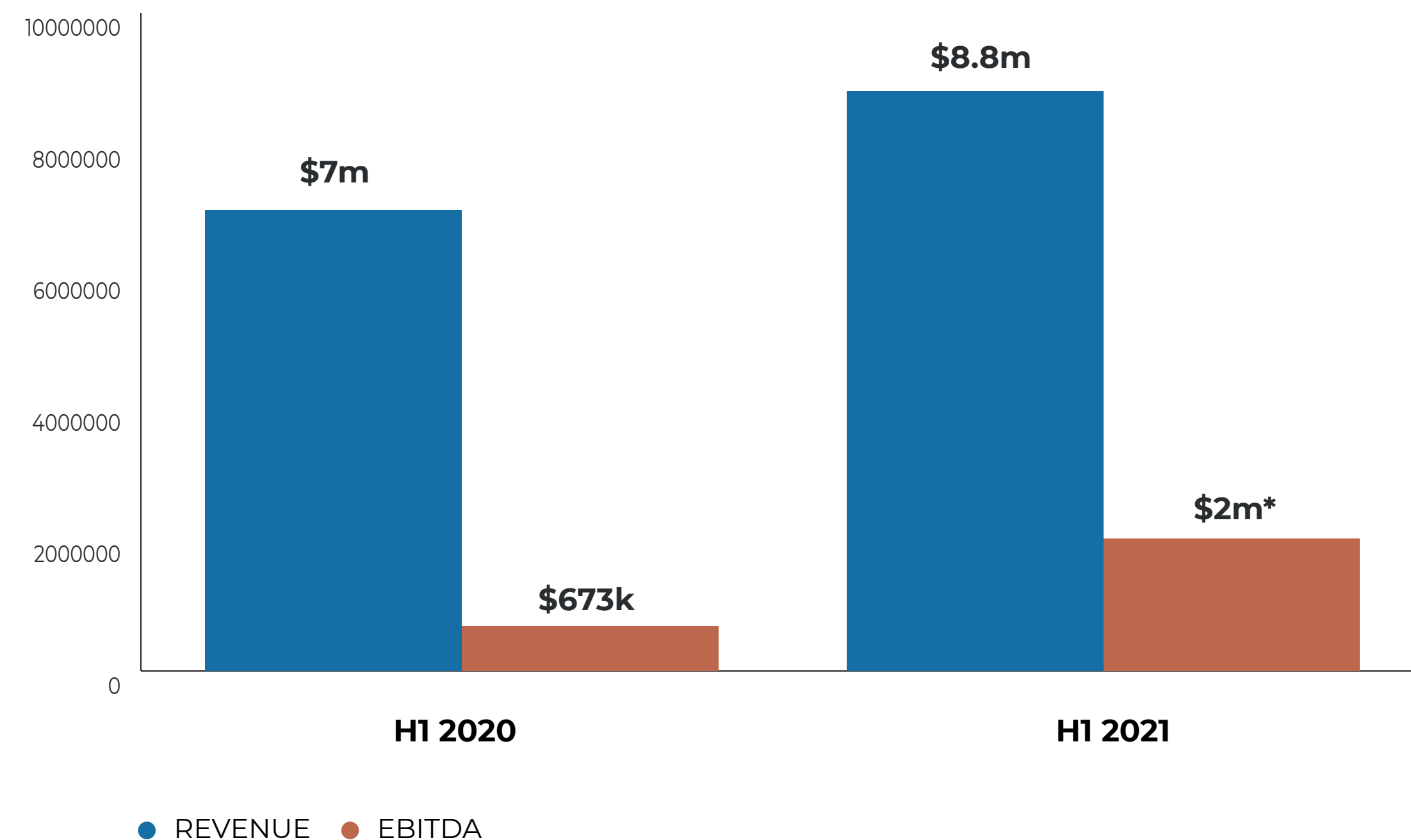
Up 198% on PCP

\$5.5m oversubscribed

share placement completed in Novemeber, 2020

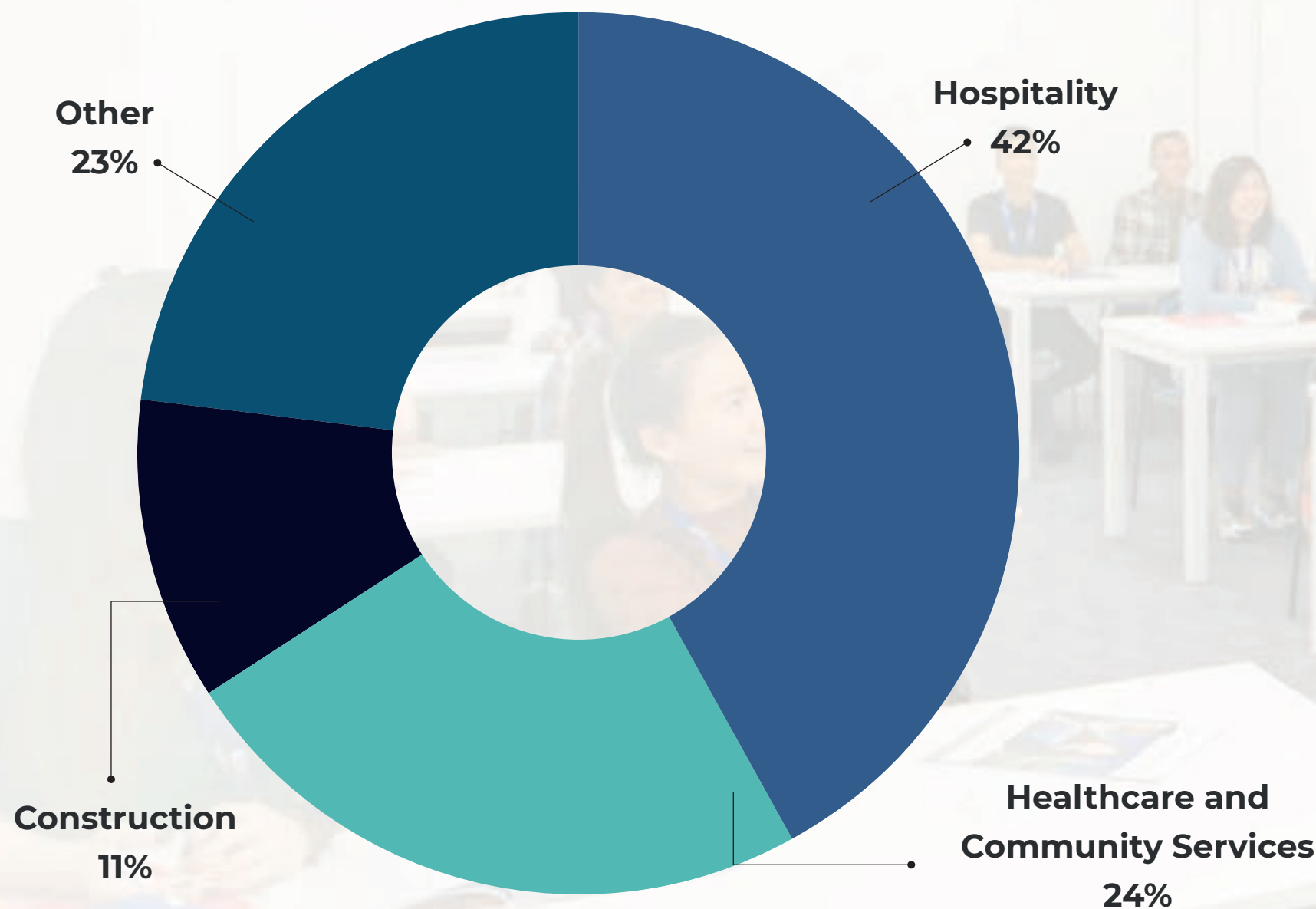
*Post adoption of AASB 16 leases standard

Financial Highlights



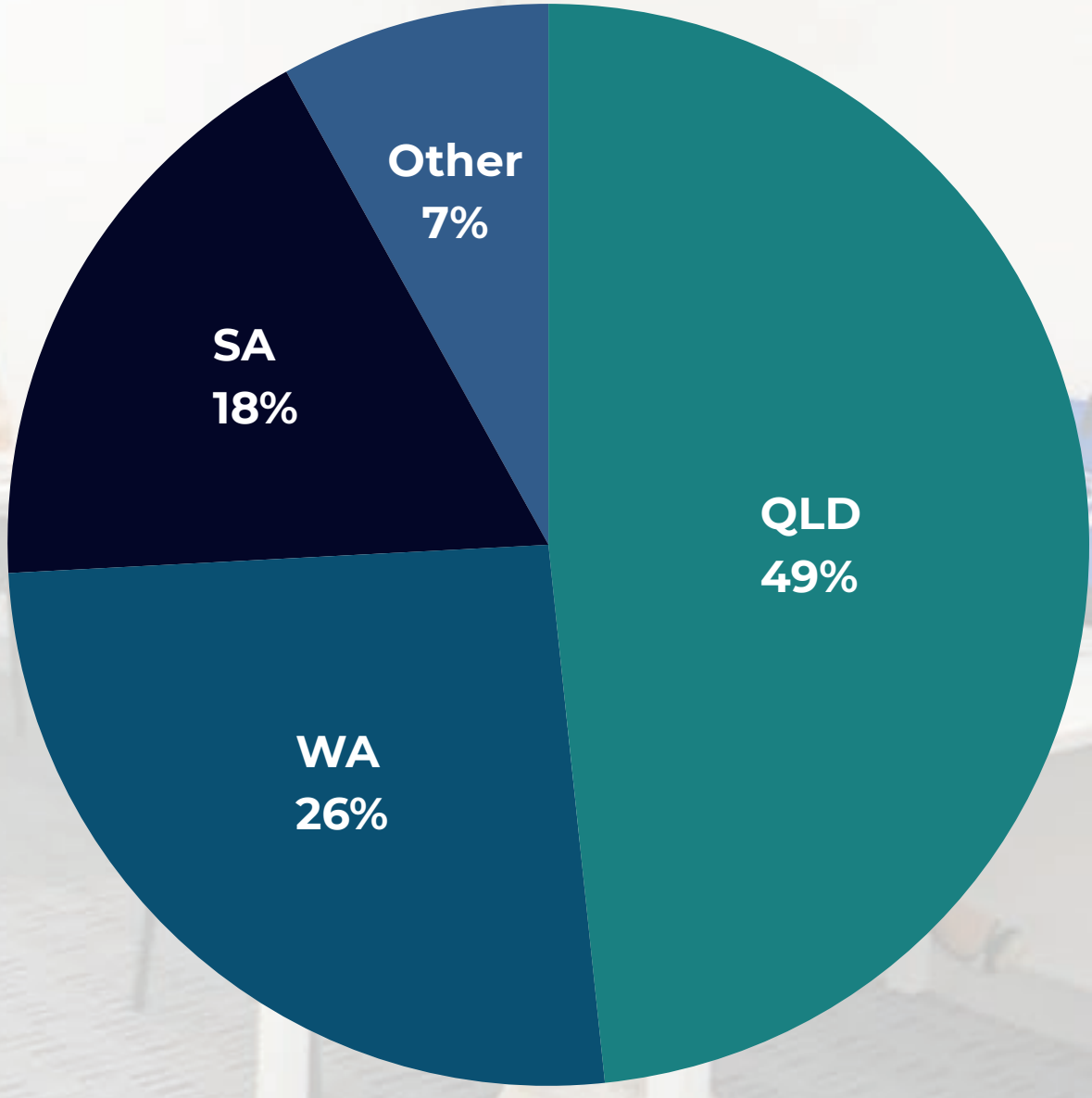
Revenue Breakdown

By Course Type



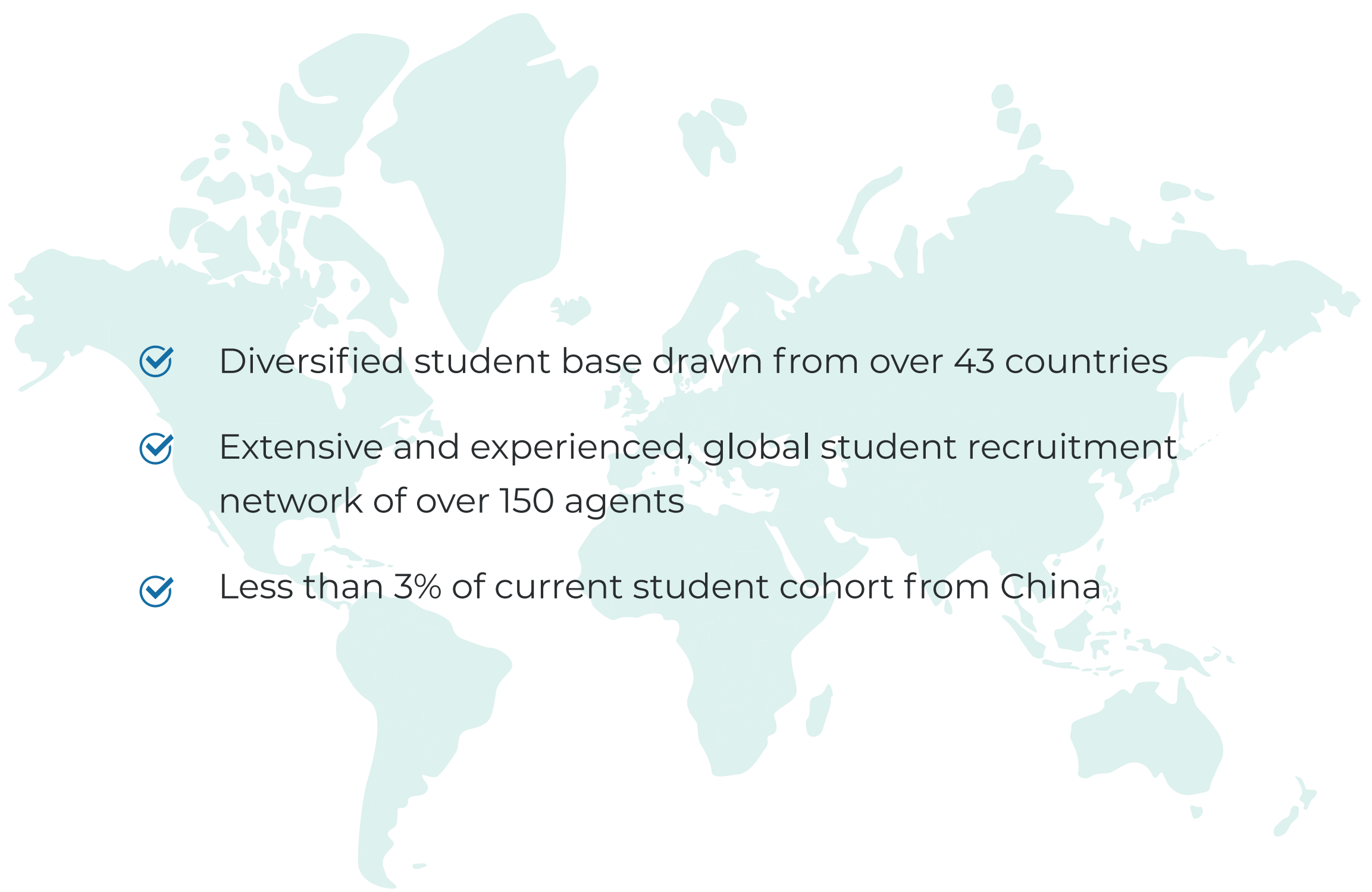
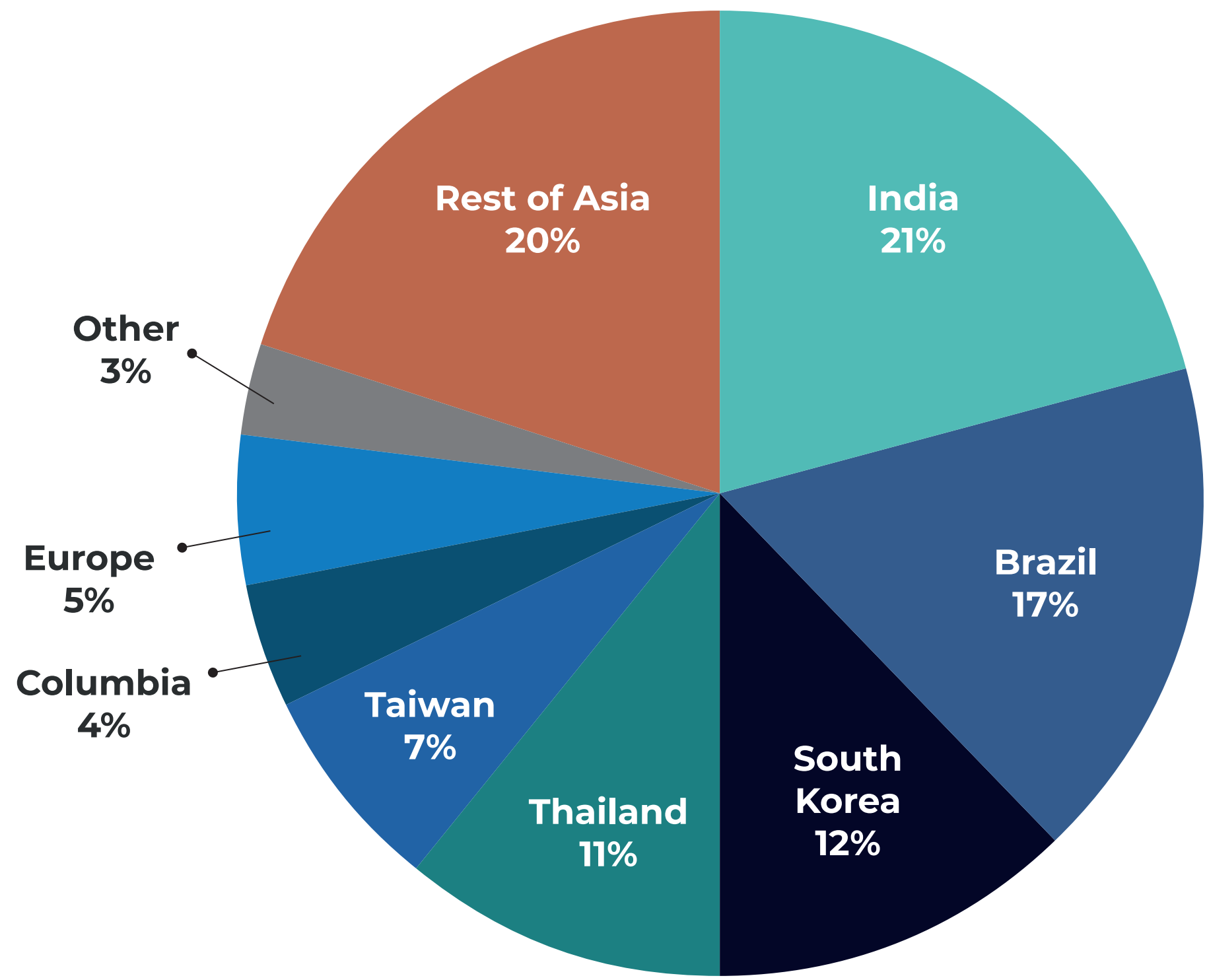
- Strong enrolment growth continuing in healthcare and community services sector
- Continued steady enrolments across hospitality and building and construction sectors

By Location



- Strong enrolment growth continuing in WA and SA markets
- The company is actively investigating new training opportunities in VIC and NSW

International Student Diversity



- ✓ Diversified student base drawn from over 43 countries
- ✓ Extensive and experienced, global student recruitment network of over 150 agents
- ✓ Less than 3% of current student cohort from China

Operational **Highlights**



Senator the Hon Michaelia Cash- Minister for Employment, Skills, Small and Family Business attending iCollege's new Perth healthcare and community services campus for the launch of the first infection control training class

Record student growth

- ✓ Strong enrolment growth across healthcare, community services, hospitality and building and construction courses
- ✓ Seamless switching between online and face-to-face delivery models in order to effectively deal with restrictions while ensuring maintenance of quality training and student progression
- ✓ Enrolments commenced in newly announced \$1bn Job Trainer program
- ✓ New Perth healthcare and community services campus open in August 2020

Development of Infection control training skill set with enrolments and training commenced with significant partners

- ✓ Commitment received from Aegis Aged Care Group to train 3,300 staff in infection control skill set
- ✓ iCollege and the Pharmacy Guild of Australia jointly developed a retail pharmacy specific infection control skill. This customised training has been made available to all 5,800 member pharmacies

Engagement with Government

- ✓ Significant, meaningful and ongoing engagement with state and federal government in various areas including:
 - International student return to Australia
 - Infection control training
 - Education industry support and stimulus
 - JobTrainer program and other training initiatives

Growth **Strategy**

Proven organic growth initiatives

- ✓ Expansion of course offerings to both domestic and international cohorts
- ✓ Ongoing training focus in skill shortage, high demand industries
- ✓ Expansion of geographical footprint and establishment of additional state funded training contracts
- ✓ Vocational Training Industry engagement and thought leadership
- ✓ Continued government engagement in order to contribute to positive change and provide input into significant industry issues

Synergistic and complementary expansion program

- ✓ Innovative expansion of online delivery capabilities
- ✓ Exploration of accretive acquisition targets that align with company values and goals

Preparation for international student growth

- ✓ Ongoing engagement and expansion of international student-agent network
- ✓ Diversification of courses available to international students

For personal use only

Growth Drivers

Hospitality



Current Locations:

Queensland and Western Australia

Student Cohorts:

Domestic and International (CRICOS)
Certificate II to Advanced Diploma

Outcomes:

Immediate employment opportunities
and further work visa rights for
international students

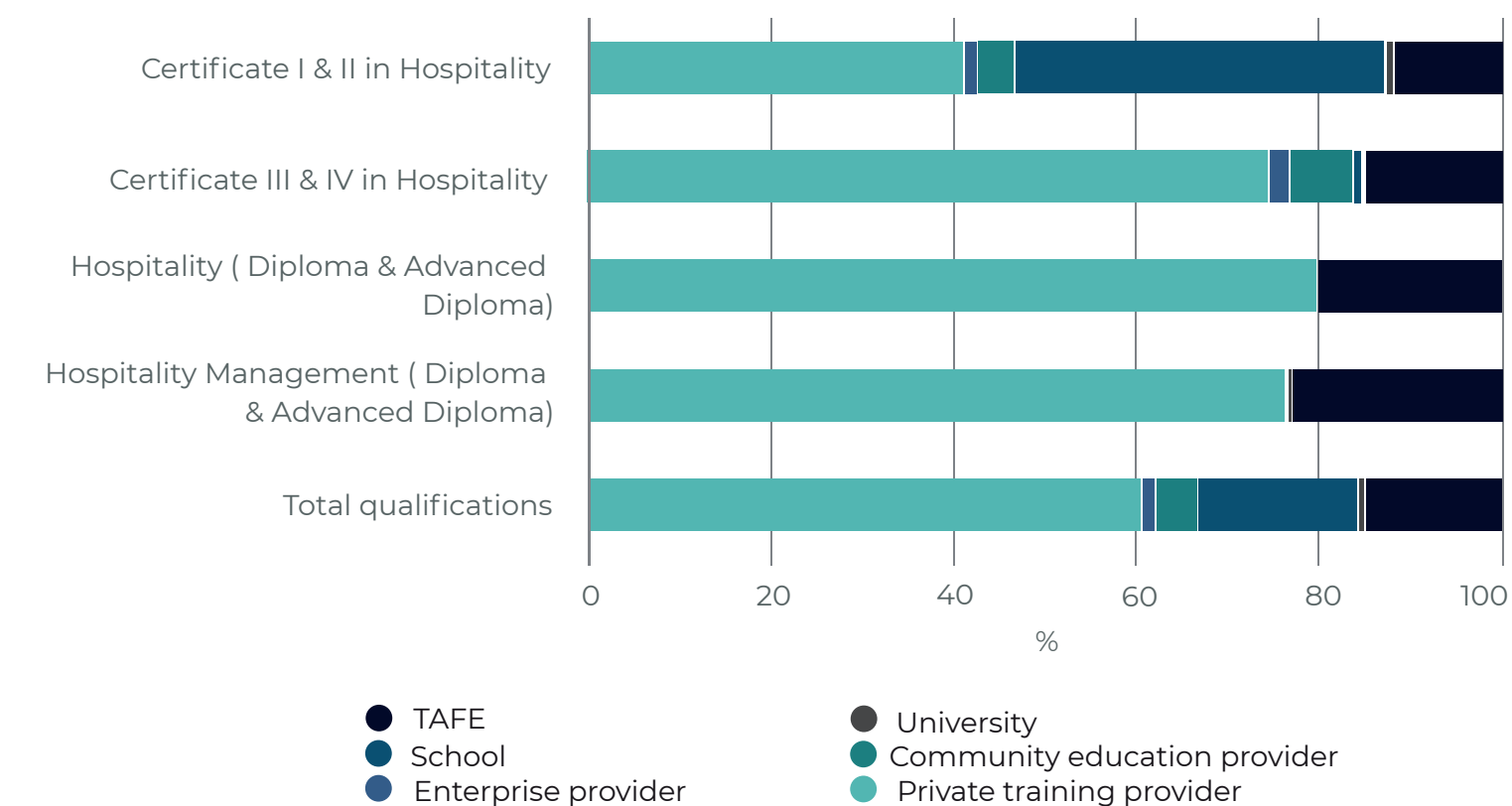
VET-related Occupations*

Occupations as a proportion of the Food and Beverage services industry workforce, and the projected employment growth for each occupation to 2024



Training provider type

Hospitality qualifications: proportion of program enrolments by provider type, 2019



- The hospitality industry in Australia delivers strong employment outcomes with ongoing growth projected through to 2024
- 60% of all hospitality training is delivered by private providers positioning Sero Institute for continued organic growth
- The Sero Institute brand is well regarded in terms of delivering quality training and employment-ready graduates
- Sero Institute enjoys many significant industry partnerships providing for a practical training placement rate of 100% with industry including 5 star hotel chains

* <https://nationalindustryinsights.aisc.net.au/industries/tourism-travel-and-hospitality/hospitality>

Healthcare and Community Services



Current Locations:

Queensland, South Australia
and Western Australia

Student Cohorts:

Domestic only – Skill Sets,
Certificate III to Diploma

Outcomes:

Immediate employment opportunities

Aged and disability support worker

Ranked #3

as the most needed workers in
Australia in 2020**



It is projected that there will
be **245,100 workers** in the
aged care industry by 2023***

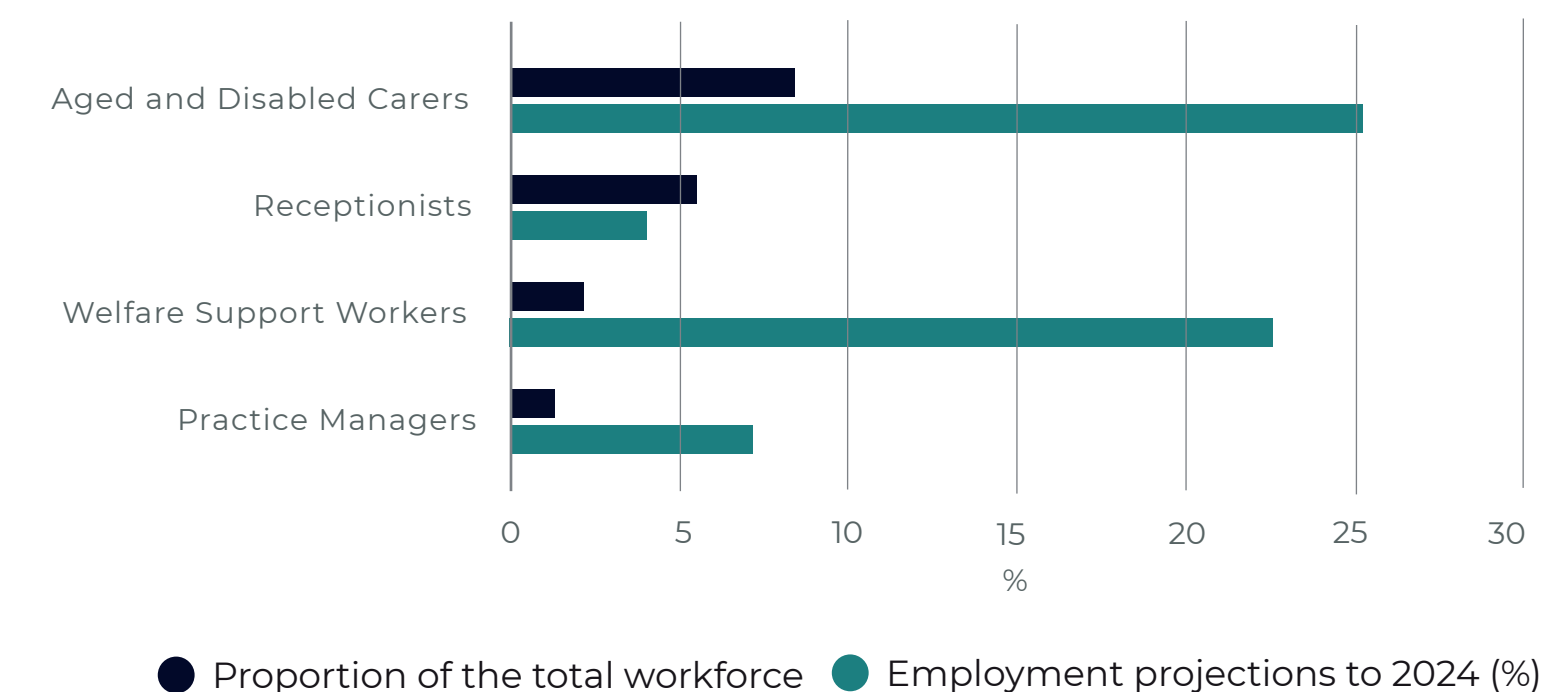
- Significant increases in employment opportunities in aged care, disability care and mental health are projected through to 2024
- Strong industry partnerships in place to ensure students undertake practical training with reputable aged care providers
- Expansion of course offerings to include skill sets and short courses designed to increase the knowledge and employability of graduates

* <https://nationalindustryinsights.aisc.net.au/industries/health> | ** www.seek.com

*** <https://www.joboutlook.gov.au/occupations/aged-and-disabled-carers?occupationCode=4231>

VET-related Occupations*

Occupations as a proportion of the health care and Social Assistance industry workforce
and the projected employment growth for each occupation to 2024



Building and Construction



Current Locations:

Queensland, New South Wales
and The Australian Capital Territory

Student Cohorts:

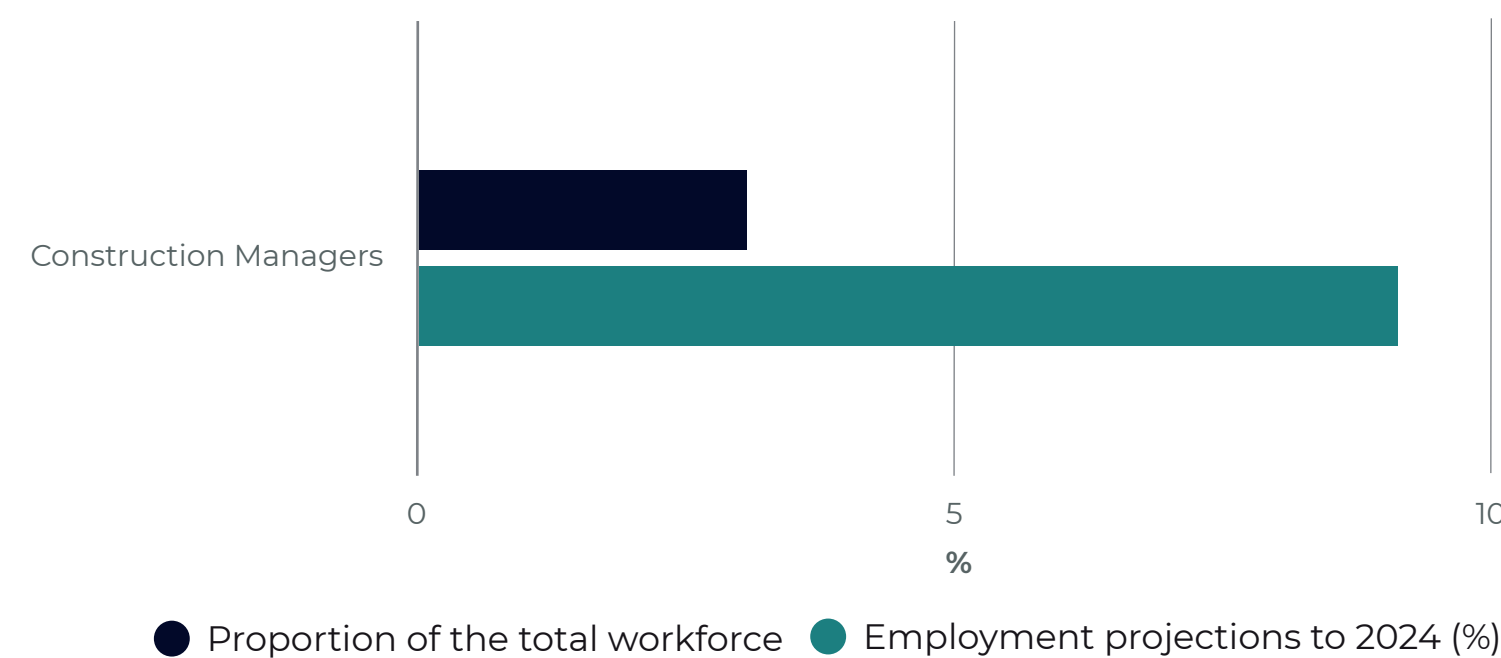
Domestic only –
Certificate IV to Advanced Diploma

Outcomes:

Immediate employment opportunities

VET-related Occupations*

Occupations as a proportion of the Building Structure Services industry workforce,
and the projected employment growth for each occupation to 2024



- Building and construction industry growth driven by major infrastructure projects and stimulus initiatives
- Employment opportunities are projected to increase exponentially until 2024
- Capital Training Institute is a strong and established brand delivering quality industry relevant short courses as well as Certificate IV through to Advanced Diploma courses in building and construction

* <https://nationalindustryinsights.aisc.net.au/industries/construction>

** <https://www.joboutlook.gov.au/industries/industry-profiles?industryCode=E>



358,000
Building and Construction
businesses in Australia.

118,800 new jobs
are projected to be added to
the industry by May 2023**

Specialist **Niche** Market Offerings



Current Locations:

Queensland, Western Australia, South Australia
New South Wales, Australian Capital Territory

Student Cohorts:

Domestic only – Foundation Skills within
Correctional Facilities & Infection Control Skill Set

Outcomes:

Employment opportunities, ensuring safe workplace
practices and compliance with statutory requirements

Sero Institute Corrections

- Through its corrections group, Sero Institute delivers foundation skills, business and hospitality training inside 5 of Queensland's 11 Correctional facilities
- The training assists in the preparation for release of inmates by providing basic job ready skills and nationally accredited qualifications
- Research has proved that the provision of training to incarcerated persons reduces recidivism rates

Infection Control Training Skill Set was released jointly by the Federal and State Governments during the height of the COVID-19 pandemic in 2020. iCollege has begun the rollout of this training providing participants with the tools and knowledge required to undertake their duties in a safe manner.

● The Pharmacy Guild of Australia

- Partnership with the Guild to make infection control training available to their 5,800 community pharmacy members
- Customisation of Infection Control training to include pharmacy specific procedures
- Renewed interest in infection control with many states grappling with further COVID-19 outbreaks
- With pharmacies providing essential services infection control remains at the forefront of delivering services in the safest possible manner

● Aegis Aged Care:

- Sero institute was chosen as the training partner to deliver Infection Control training to all 3,300 staff across 27 quality care facilities
- Significant resources are in place to provide all staff with a baseline understanding of infection control practices
- Both Sero and Aegis have an ongoing commitment to ensuring staff fully understand the risks associated with infection while providing care for one of the most at risk sectors of the population

JobTrainer

The Australian Government is partnering with state and territory governments to establish a new \$1 billion Job Trainer Fund.

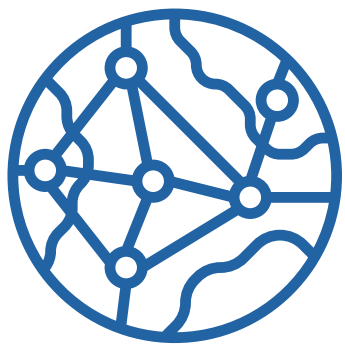
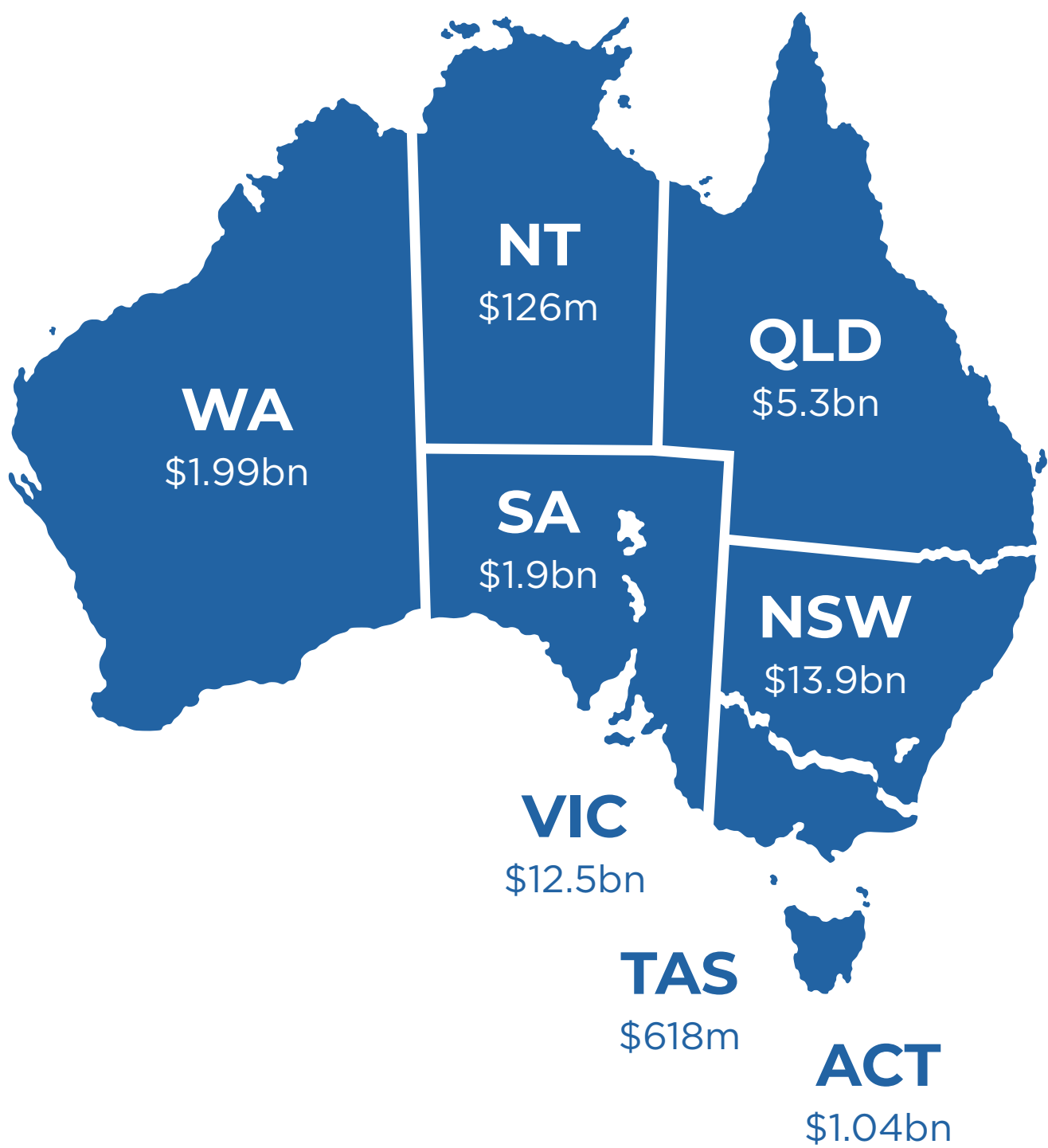
- Additional 340,700 training places
- Free or low fee courses
- Targeted at school leavers and job seekers
- Designed to develop a “job ready” workforce
- Administered through state funding contracts
- ICT currently holds funding contracts in 5 of the 8 states and territories

International Student Market

International education is currently
Australia's fourth largest export at
\$39.6 Billion



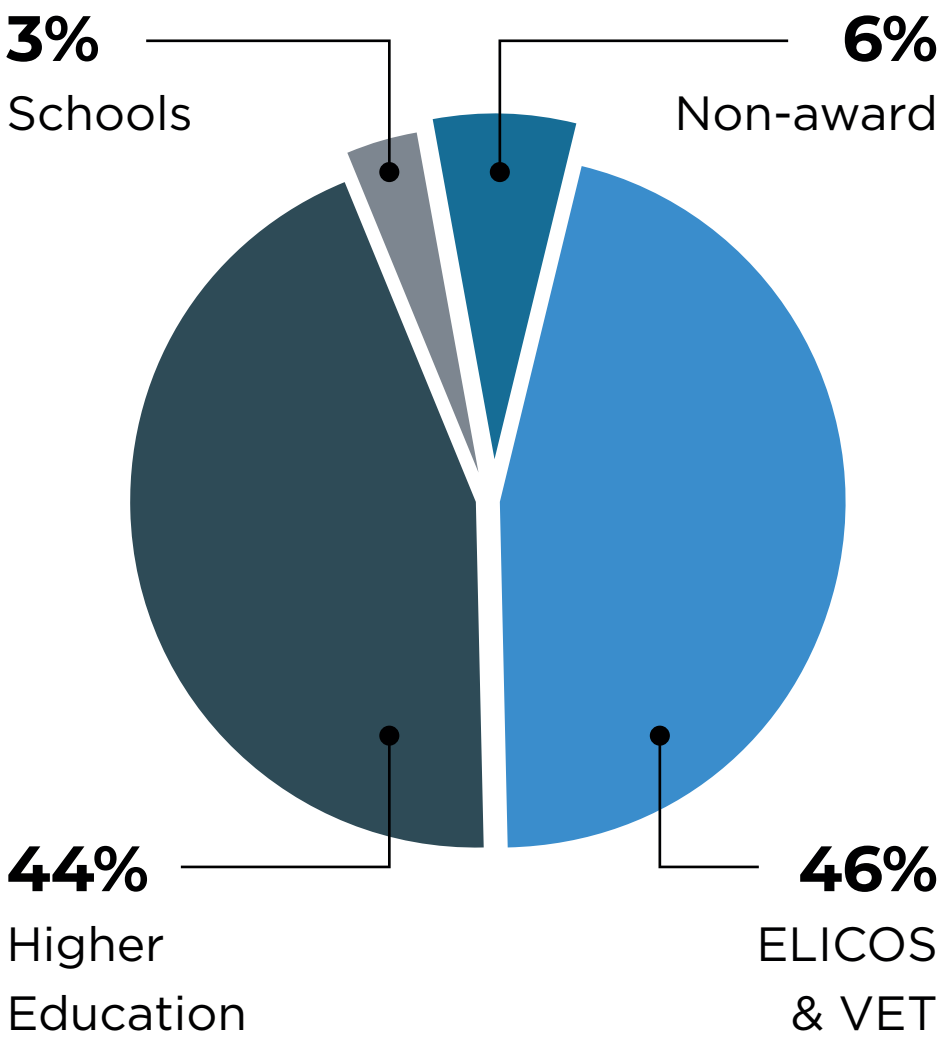
International Education Value By State



International education
supports more than
250,000
jobs across the Australian economy



664,219
International students
currently studying in Australia**

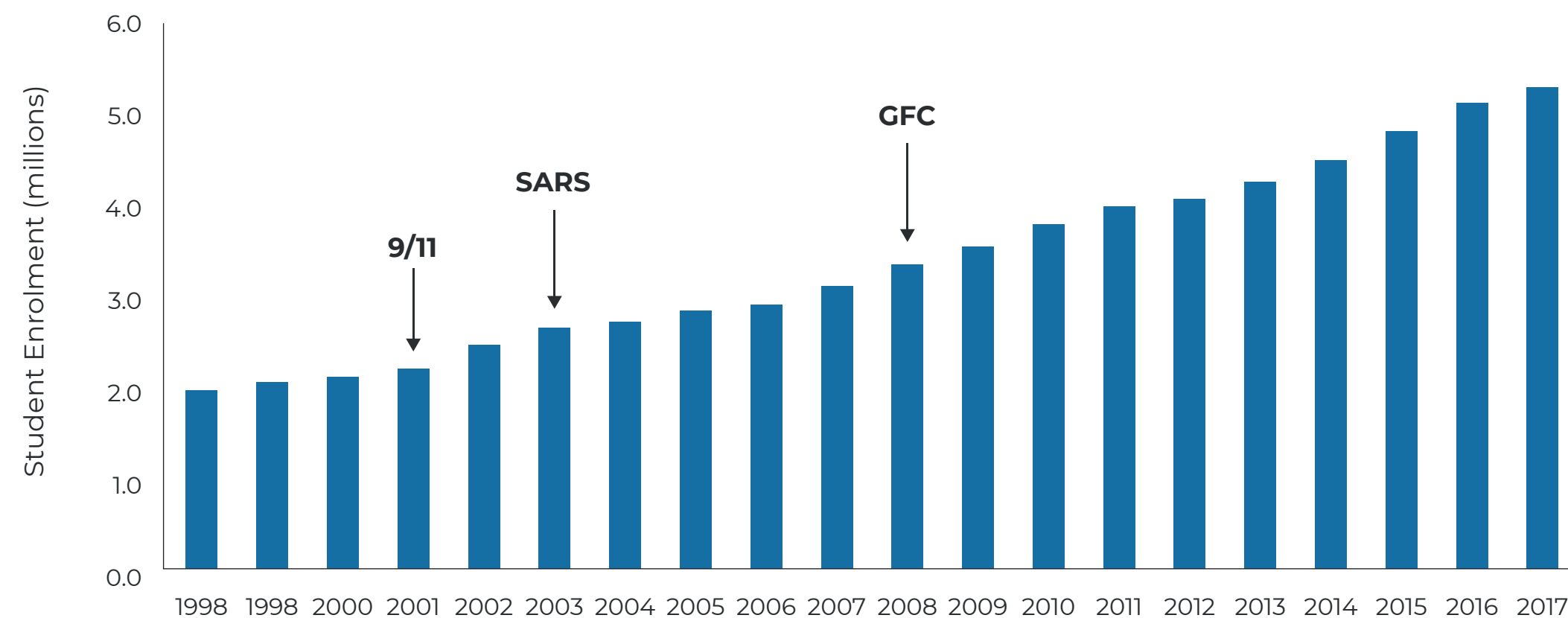


internationaleducation.gov.au**

International Student Market



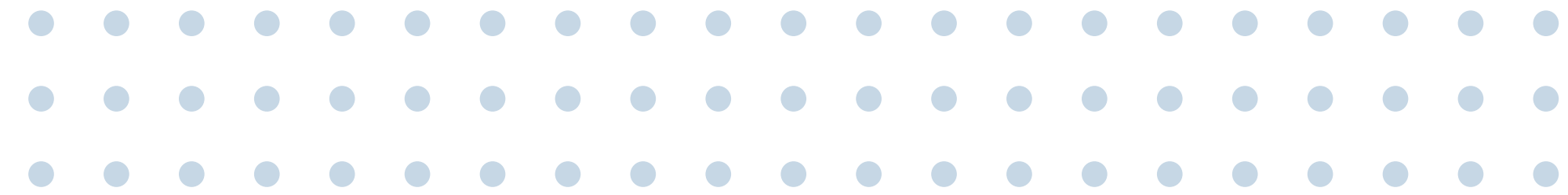
Global international student enrolments



Source : UNESCO Institute for statistics

- ✓ Historically, the International student education sector has proven to be incredibly robust, rebounding extremely well post significant occurrences including 9/11, SARS and the Global Financial Crises (GFC)
- ✓ Australia is currently ranked as the third most popular education destination for international students behind the USA and UK. Given Australia's success in containing the pandemic and the relative safety, it is reasonable to expect an increase in international students preferring Australia as their education destination of choice over other countries
- ✓ The COVID-19 vaccine rollout will likely have a significant impact on the international education sector. This is expected to be a driver for a planned and safe relaxation of Australia's borders

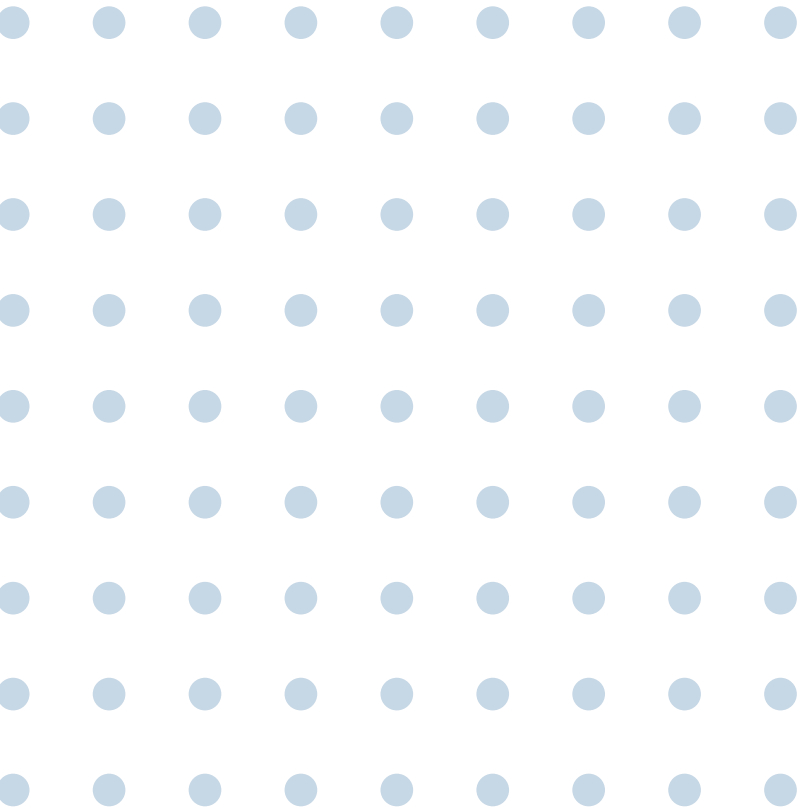
Future Outlook



- Continued delivery of strong revenues and record EBITDA FY2021
- Increase in operating margin as fixed costs remain relatively stable
- Ongoing growth of new enrolments in HIGH DEMAND SKILL SHORTAGE industries
- Expansion of geographical footprint into new and lucrative training markets – current focus on Victoria and New South Wales
- Delivery and execution of accretive acquisition strategy aligned to growth drivers

Appendices

Our Board



Simon Tolhurst

Chairman

Appointed : Oct 2017

- Bachelor of Laws • Master of Laws (Hons)
- Grad Dip Legal Practice
- Solicitor of Supreme Court, Queensland
- Solicitor High Court of Australia

Simon is a Partner in HWL Ebsworth’s Brisbane office and has over 25 years of legal practice

Named in The Australian Financial Review’s Best Lawyers™ as one of Australia’s best lawyers in the Litigation category

Recognised in Doyle’s Guide as a Leading Commercial Litigation & Dispute Resolution Lawyer

Member of the HWL Ebsworth National Competition Law and Anti-Trust Group that was recently recognised as a leading firm by both Chambers and Legal 500

Experience includes directorships on a number of private companies including those in the transport industry, oil & gas industry and coal industry

A cricket tragic and was a member of the successful Australian Lawyers cricket team that won the Lawyers World Cup cricket tournament in Sri Lanka in 2017

Ashish Katta

Managing Director

Appointed : Aug 2017

- Bachelor of Technology
- MBA (International Management)
- Certificate IV in Training and Assessment

Ashish began his career in the education industry in 2011, growing his experience across various roles including trainer, training manager, operations manager and general manager

In 2015, Ashish founded Sero Institute which was acquired by iCollege in 2018 as part of the Manthano acquisition

Ashish brings to iCollege a vast network and extraordinary level of experience in the vocational education sector

Badri Gosavi

Executive Director & CFO

Appointed : May 2018

- Bachelor of Business Accounting & Finance (Hons)

Finance specialist & entrepreneur

Accomplished restaurateur having successfully developed multiple restaurant and takeaway business concepts

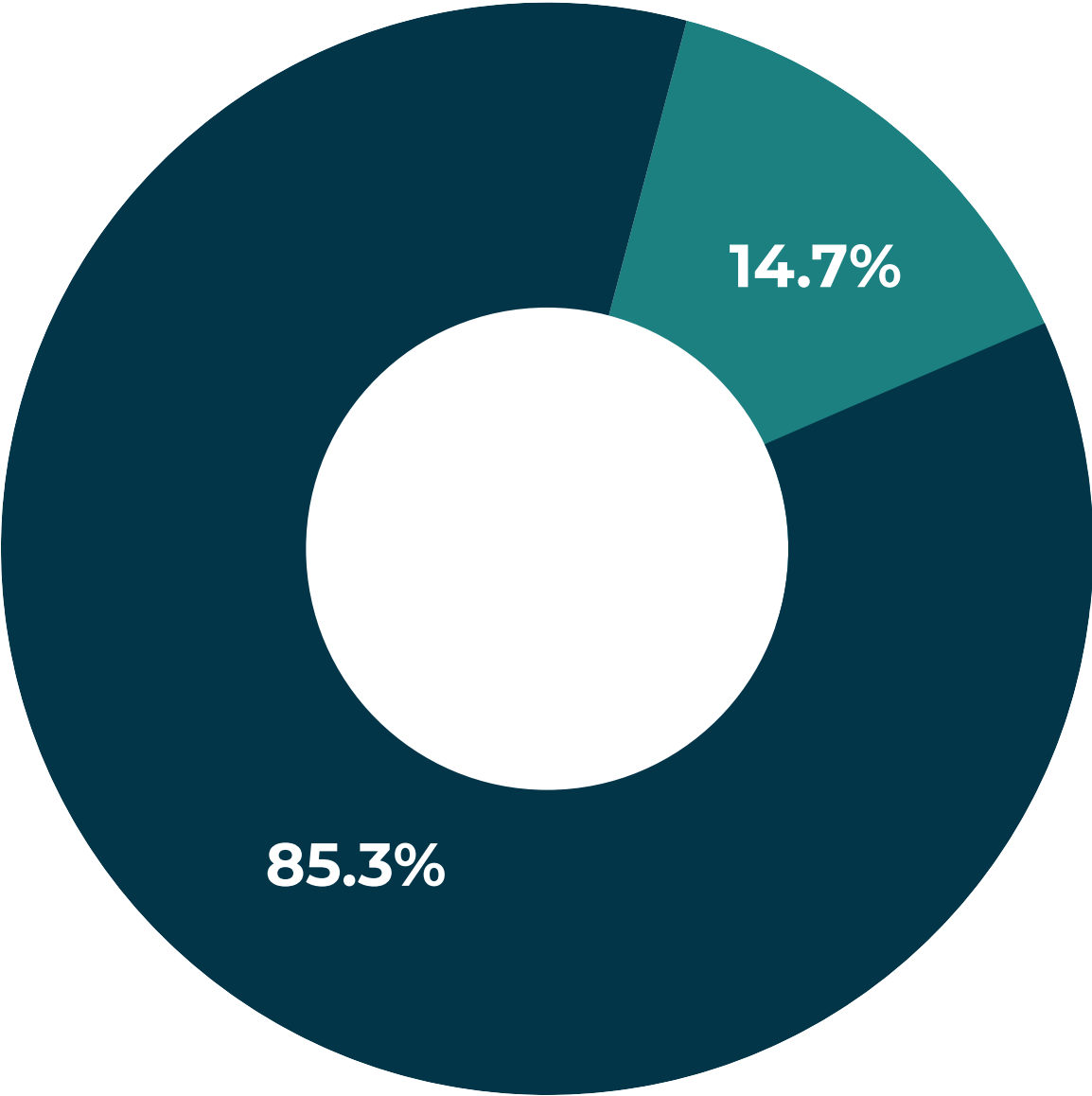
Mining interests in Zambia in joint venture with MMG & Rio Tinto

Badri has dual qualifications in finance & accounting from Edith Cowan University in Perth

Badri came to Australia as an international student and has walked the pathway to success

Capital Structure

Shareholder Breakdown



● Others ● Board & Management

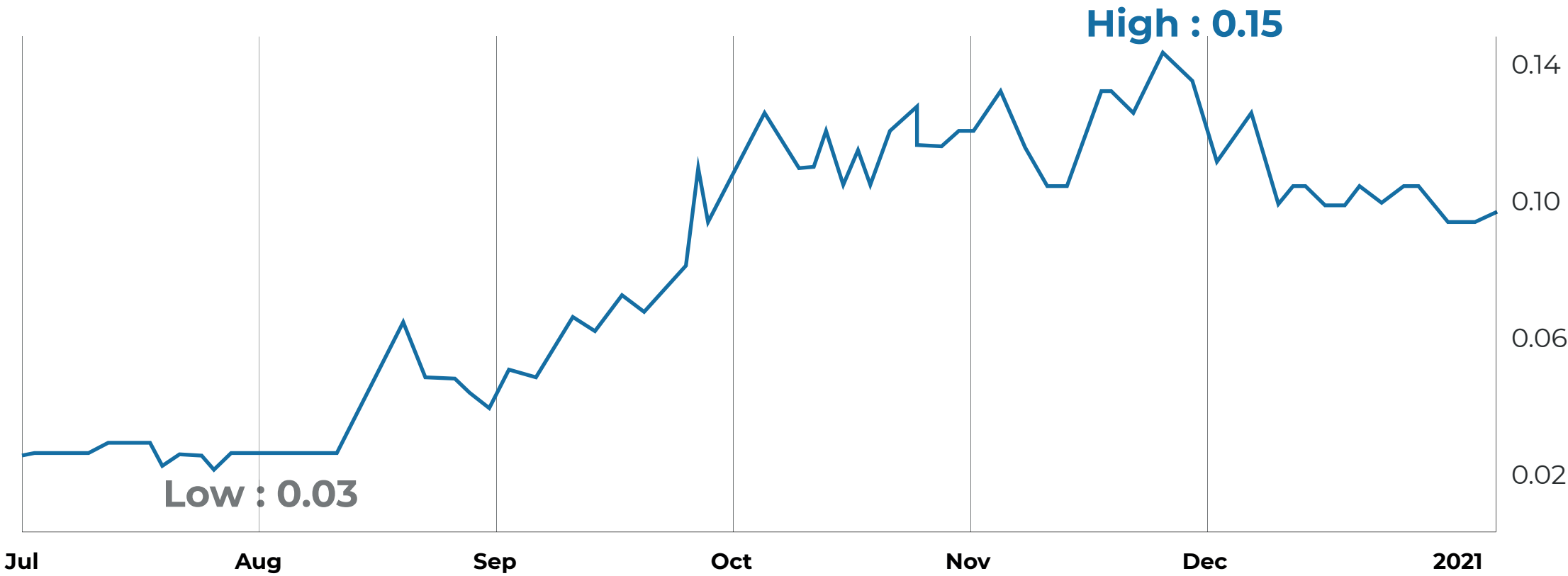
iCollege Limited

Board and Management	85,980,094	14.7%
Others	495,584,555	85.3%
Total	581,564,649	100%

Options

10,000,000 options exercisable at \$0.05 expiring in July 2023
12,000,000 options exercisable at \$0.15 expiring in November 2023

Share price HY 2021 chart



Thank You

iCollege Limited
(ASX:ICT)