

FY17 Quarter 1 Results

Investor Call
January 2017



Introduction



Michael Uzielli – *Group Chief Financial Officer*

- Joined Cognita on 13th June 2016
- Formerly the CFO of Heathrow Airport Holdings
- Prior to Heathrow, senior positions at British Gas, Schroders and British Airways

Q1 FY17 - Financial Highlights

Q1 YTD			
	FY16	FY17	Change
Revenue	£76.6m	£95.3m	+24.4%
Group Adjusted EBITDA	£14.7m	£19.5m	+32.7%
Group Adjusted EBITDA margin	19.2%	20.4%	+1.2 ppts
Capex	£8.5m	£17.9m	+109.8%
Net Debt*	£242.0m	£378.9m	+56.6%
Net Leverage**	4.5x	5.8x	+1.3x

All numbers included in the presentation include joint venture (JV) (St. Nicholas), unless otherwise stated

* Net Debt is shown excluding capitalised transaction costs. ** Net leverage is based on LTM Adjusted EBITDA (excluding 100% of JV) of £65.2m

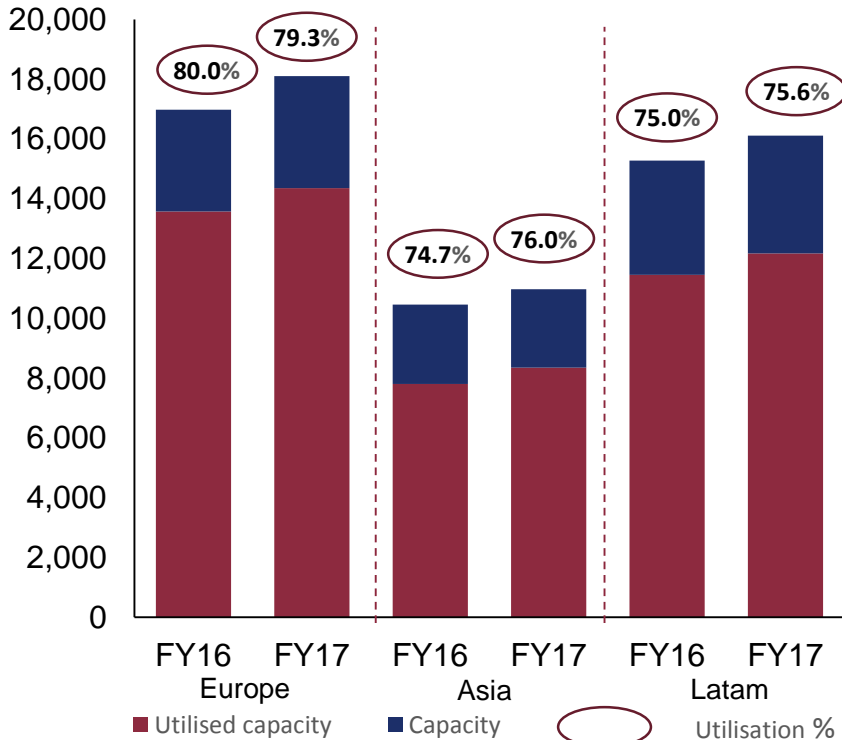
Q1 FY17 - Operational Highlights

Q1 YTD			
	FY16	FY17	Change
Students (average FTE)			
Europe	13,572	14,356	+5.8%
Asia	7,807	8,347	+6.9%
Latin America	11,457	12,177	+6.3%
Group	32,836	34,880	+6.2%
Capacity	42,702	45,189	+5.8%
Utilisation	76.9%	77.2%	+0.3%

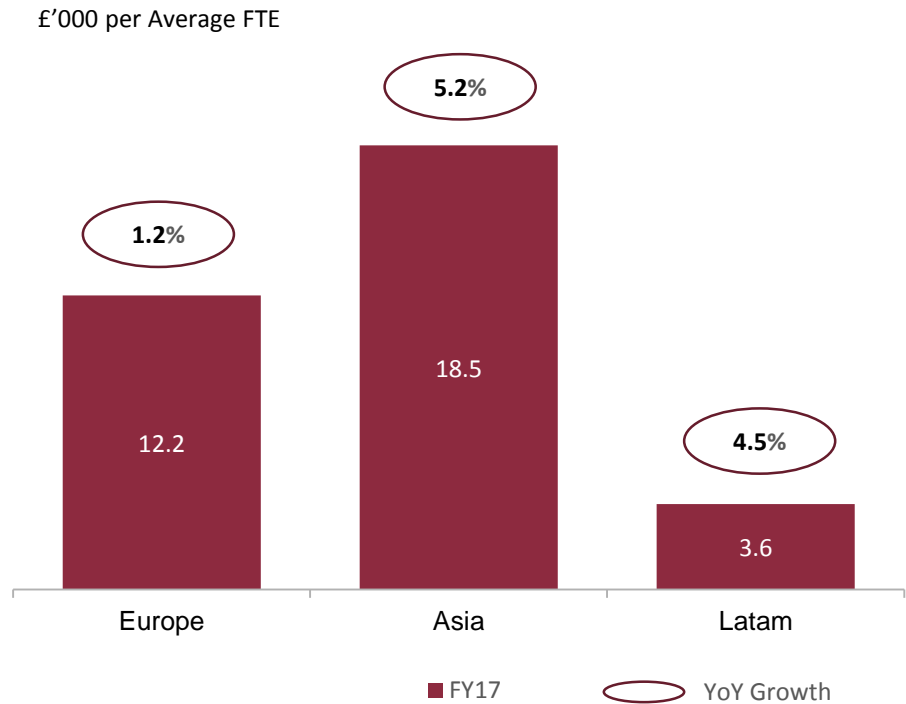
- Early Childhood Facility, Singapore and new Vietnam campus on track and on budget
- Hong Kong refurbishment in progress with anticipated September 2017 opening
- The English Montessori School in Madrid acquired and integration commenced

Continued growth in enrolments and revenue per FTE

Capacity



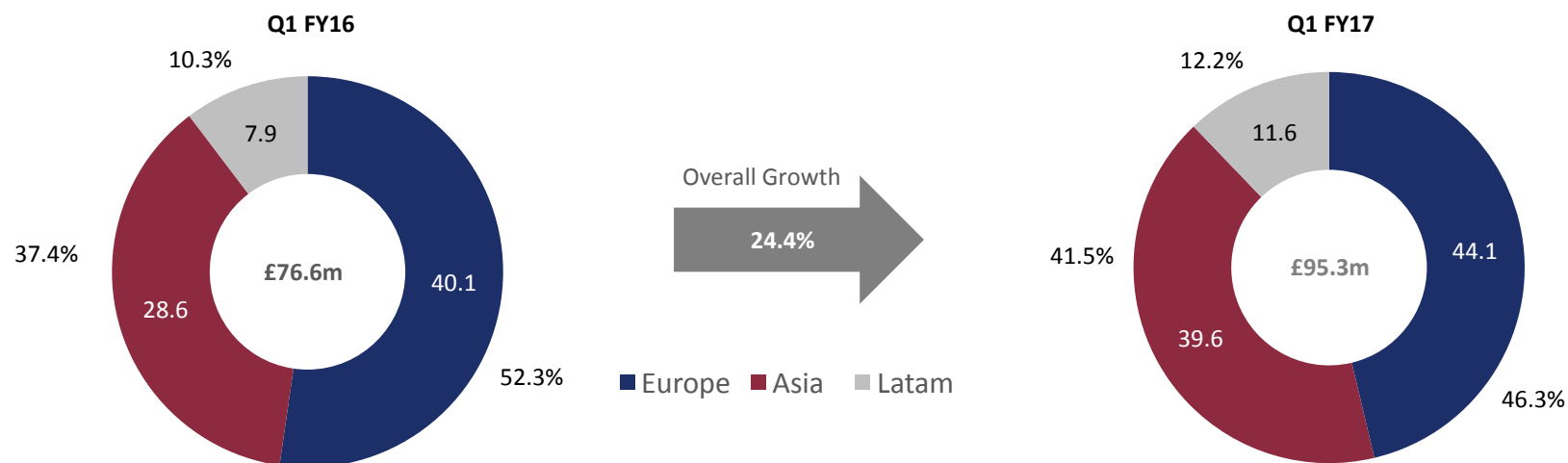
Annualised Revenue* per Average FTE Student



* Annualised Revenue growth is calculated on a constant currency basis. Revenue includes fees, discounts and other income streams

Revenue growth across all regions

Revenue

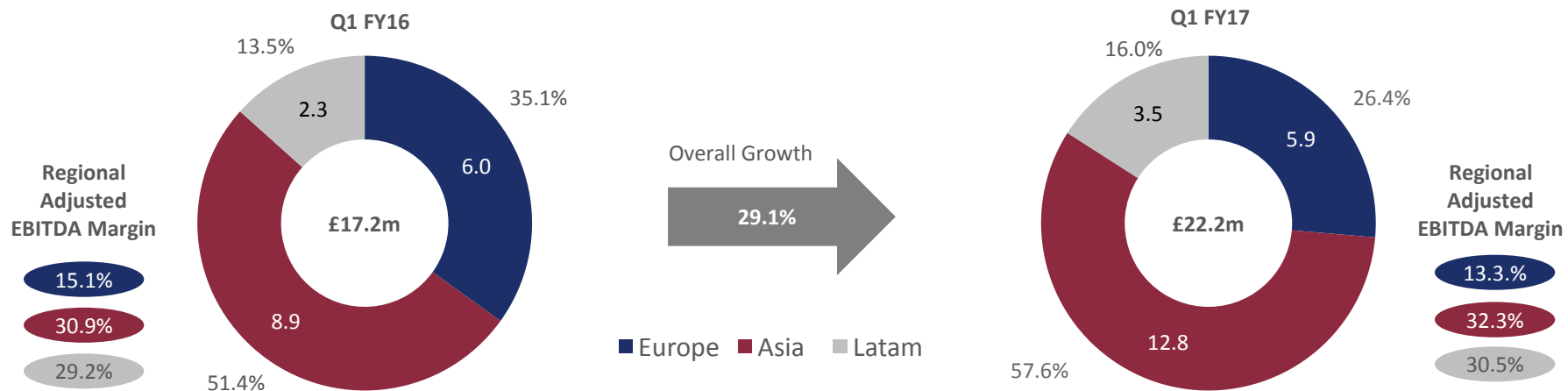


Revenue Growth YoY			
	Actual (%)	Constant Currency (%)	Organic (%) *
Europe	10.1%	7.1%	4.6%
Asia	38.2%	12.5%	11.2%
Latam	46.6%	11.5%	10.5%
Group	24.4%	9.8%	7.9%

* Calculated on a constant currency basis and excludes acquisitions and divestments

Regional Adjusted EBITDA grew by double digits year on year

Regional Adjusted EBITDA*



EBITDA Growth YoY			
	Actual (%)	Constant Currency (%)	Organic (%) **
Europe	(3.1%)	(7.1%)	(16.1%)
Asia	44.9%	17.9%	18.2%
Latam	53.1%	19.9%	20.3%
Regional	29.1%	10.2%	7.1%

- Europe Q1 impacted by Spain capacity expansion and investment to support educational provision

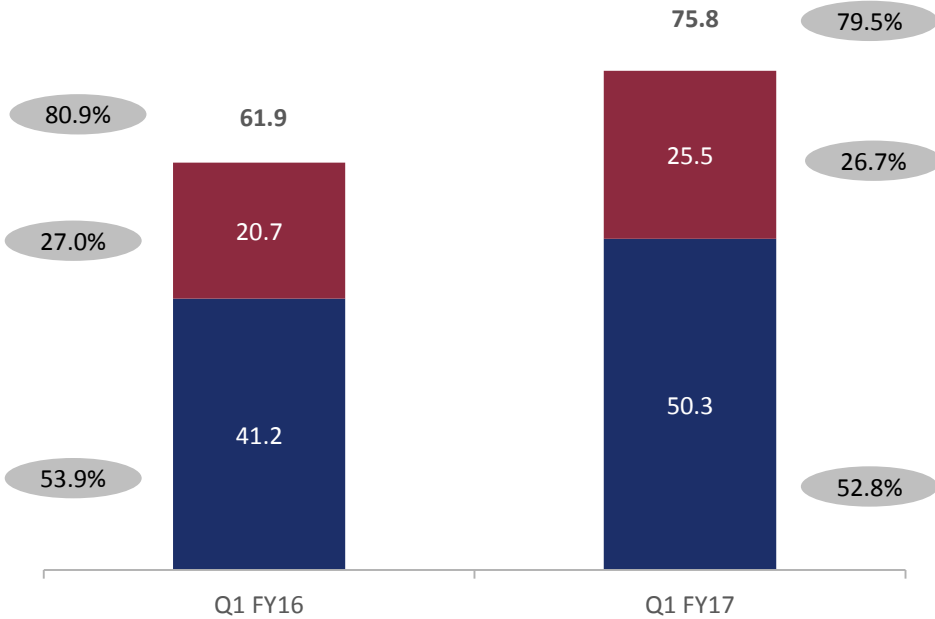
* Regional Adjusted EBITDA is calculated as Group Adjusted EBITDA of £22.2m (Q1 FY16: £17.2m) before Group Central Costs of £2.7m (Q1 FY16: £2.5m)

** Calculated on a constant currency basis and excludes acquisitions and divestments

Continued cost discipline and EBITDA growth

Underlying Operating Costs

£'m



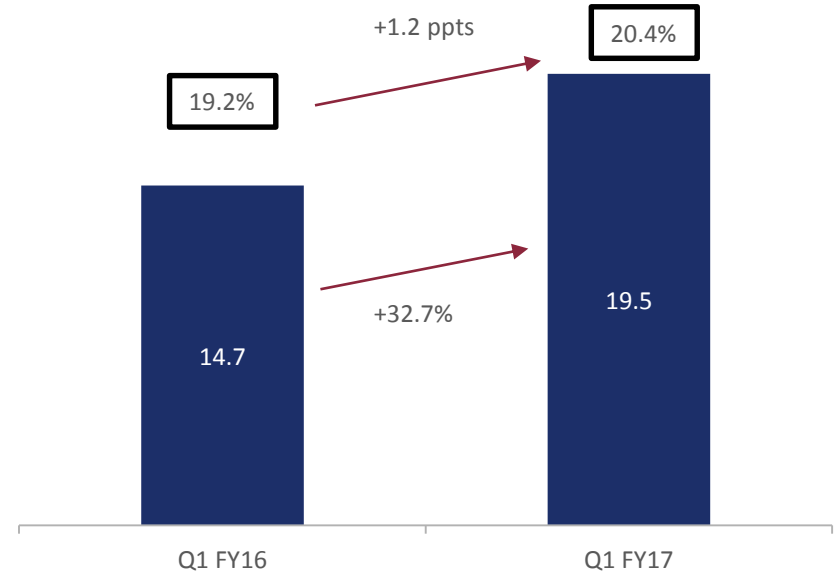
■ Staff Costs

■ Other Op. Costs

○ Costs % Group Revenue

Group Adjusted EBITDA

£'m



□ Group Adjusted EBITDA Margin

Operating Cash Flow remains robust

Cash Flow Summary		
	Q1 FY16 (£'m)	Q1 FY17 (£'m)
Adjusted EBITDA	14.3	19.3
Non-underlying costs with cash impact	(1.0)	(1.6)
Other movements (inc. working capital)	6.0	8.3
Net cash from operating activities	19.3	26.0
Operating capital expenditure	(1.0)	(2.3)
Operating free cash flow (OFCF)	18.3	23.7
OFCF/Adjusted EBITDA %	128%	123%
Acquisitions	(0.0)	(16.3)
Development capital expenditure	(7.5)	(15.6)
Interest received and proceeds from sale of PPE	0.3	0.8
Unlevered free cash flow	11.1	(7.4)
Taxation paid	(0.3)	(1.0)
Interest paid	(0.9)	(3.7)
Levered free cash flow	9.9	(12.1)
Net proceeds from financing activities	(0.7)	26.9
Net cash (outflow)/inflow for the period	9.1	14.8

Operating Cash Flow

- EBITDA growth and working capital movements drive cash flow
- Strong cash conversion at 123% for Q1 FY17

Investing Cash Flow

- Development capex driven by the Singapore Early Childhood Facility
- Acquisition of school in Spain and Chile 49% minority interest purchase

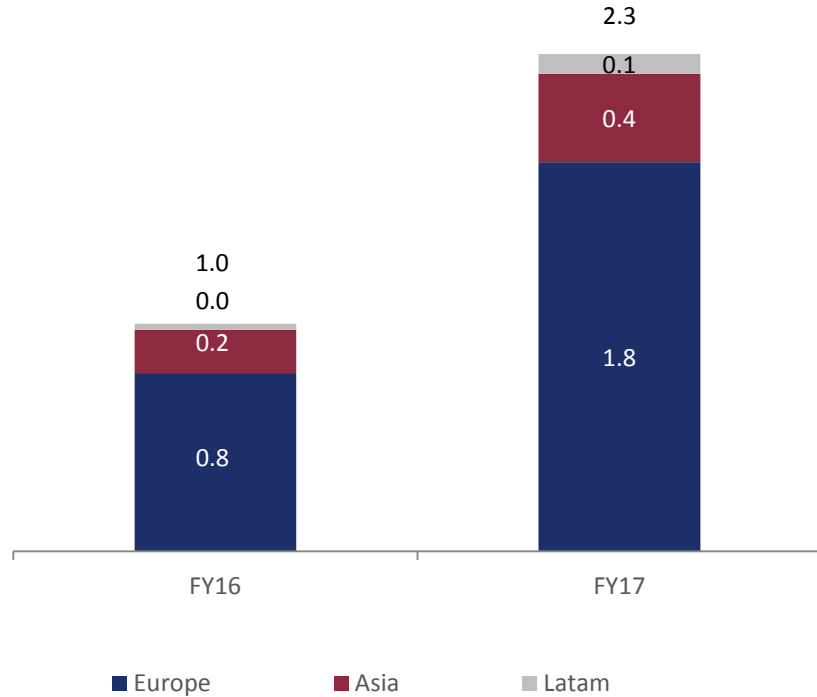
Financing Cash Flow

- Proceeds from Loan Note issuance (£47m)
- RCF repayment (£20m)

Higher development capex

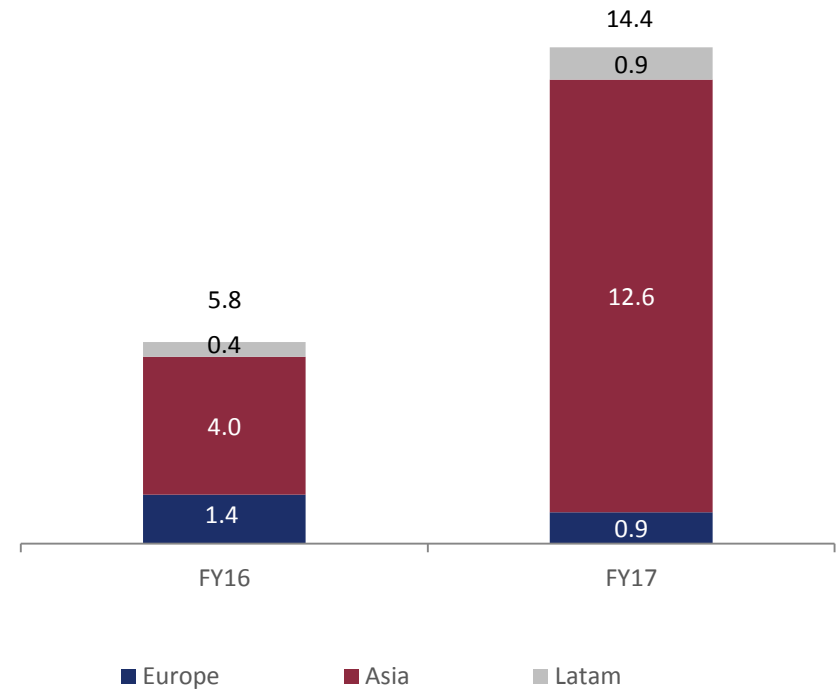
Operating Capex

£'m



Development Capex

£'m



- Q1 FY17 development capex includes £10.4m (2016: £2.9m) for Singapore Early Childhood Facility

Early Childhood Facility, Singapore

All in Singapore dollars	FY17
Total expected capital investment	\$209m
Total project expenditure to date	\$100m
FY17 project expenditure (prior years)	\$112m (\$81m)
Opening date	August 2017
Capacity	2,100



Construction

- On schedule, on time and on budget
- Bespoke Early Years furniture, fixtures and equipment identified and sourced
- Construction completion by June 2017

Academics

- STEMI programme structured curriculum, based on early years research
- Specially designed learning spaces to include sensory and creativity zones

Marketing and Admissions

- Marketing suite completed September 2016
- Current parents informed and engaged
- Ongoing programme of marketing activity

Operations

- New Campus Manager appointed
- Detailed plans for transition of students to new campus being developed

Stamford American School, Hong Kong

Refurbishment

- Enabling works continue on track
- Main works due to commence early 2017

Academics

- Experienced Head appointed from Stamford American International School (Singapore)
- Teacher recruitment underway

Marketing and Admissions

- Global Mentor sessions with the media and Parent outreach/interaction programs
- Admissions interviews ongoing, acceptance letters being sent out

Operations

- Provisional education licence obtained
- Recruitment in progress for operations team

All in Hong Kong dollars	FY17
Total expected capital investment*	\$448m
Total project expenditure to date	\$33m
FY17 project expenditure (FY16)	\$219m (\$17m)
Opening date	September 2017
Capacity	800-1,100

* excludes HKD \$738m for acquisition of property in April 2016



ISHCMC, Vietnam – New Secondary School campus

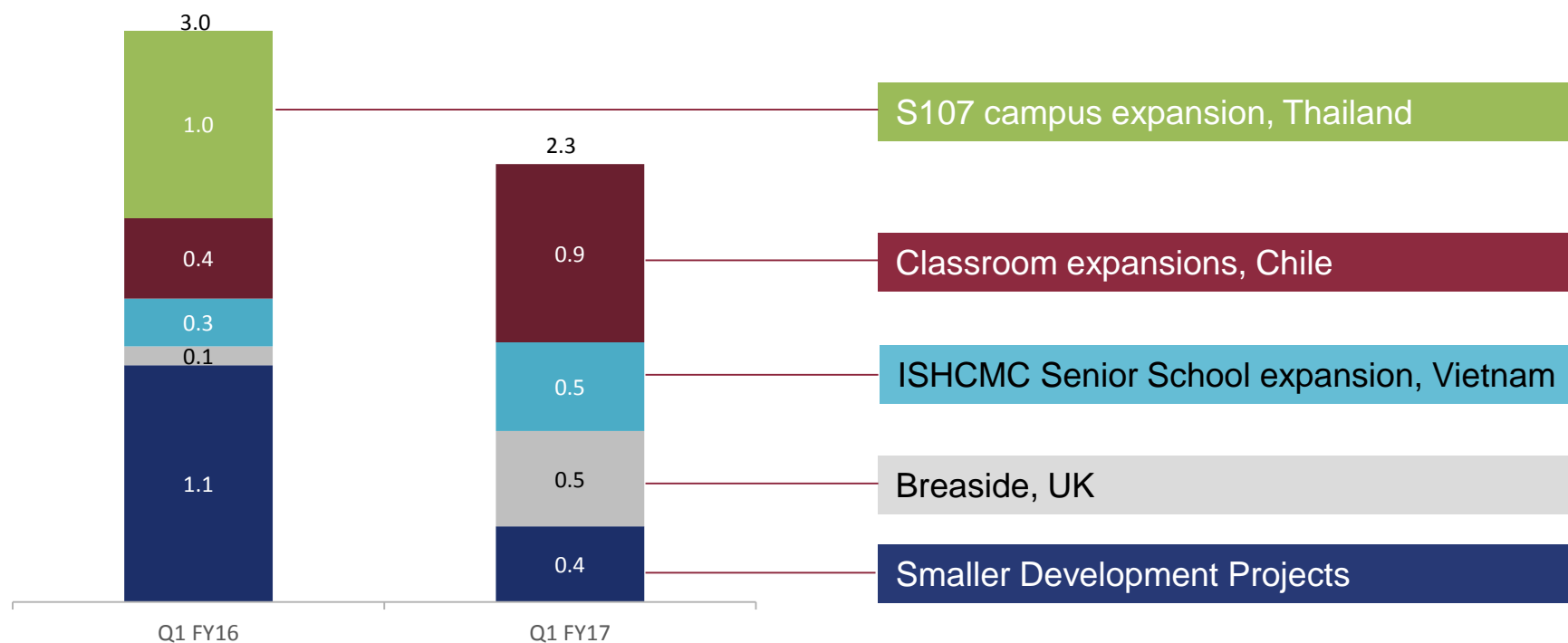


- New secondary school campus for International School Ho Chi Minh City
- Adding capacity of circa 900, doubling existing school capacity
- Total expected capital investment VND 353m
- On track to open in first semester of 2017-18

Other Development Capex

Other Development Projects*

£'m



* Excludes Hong Kong School and Early Childhood Facility, Singapore

Net Debt and Leverage – Cognita Bondco Group

	Q1 FY17 (£'m)
Cash	(73.7)
Senior Secured Notes (SSN)	325.0
SSN Accrued Interest	8.3
Revolving Credit Facility (RCF)	25.7
Finance Leases	3.4
Net Senior Secured Debt	288.7
Local bank debt (inc. accrued interest)	90.2
Net Debt	378.9

The table above excludes capitalised transaction costs

	Q1 FY17	Q1 FY17 Pro forma
LTM Adjusted EBITDA (£'m)	65.2	68.7
Net senior leverage	4.4x	4.2x
Total net leverage	5.8x	5.5x
Interest cover	2.2x	2.3x

Pro forma measures

- Pro forma adjusted EBITDA is LTM adjusted EBITDA plus 50% share of the Joint Venture and the full year impact of the pro forma adjustments
- Adjusted cash pay interest expense is £30.0m being LTM net interest expense, adjusted for the private placement of £45m Senior Secured Loan Notes in October 2016 and the RCF upsizing to £100m in September 2016.

Outlook – Organic growth to be boosted by investments

Business as usual/organic

- Continued growth across the group

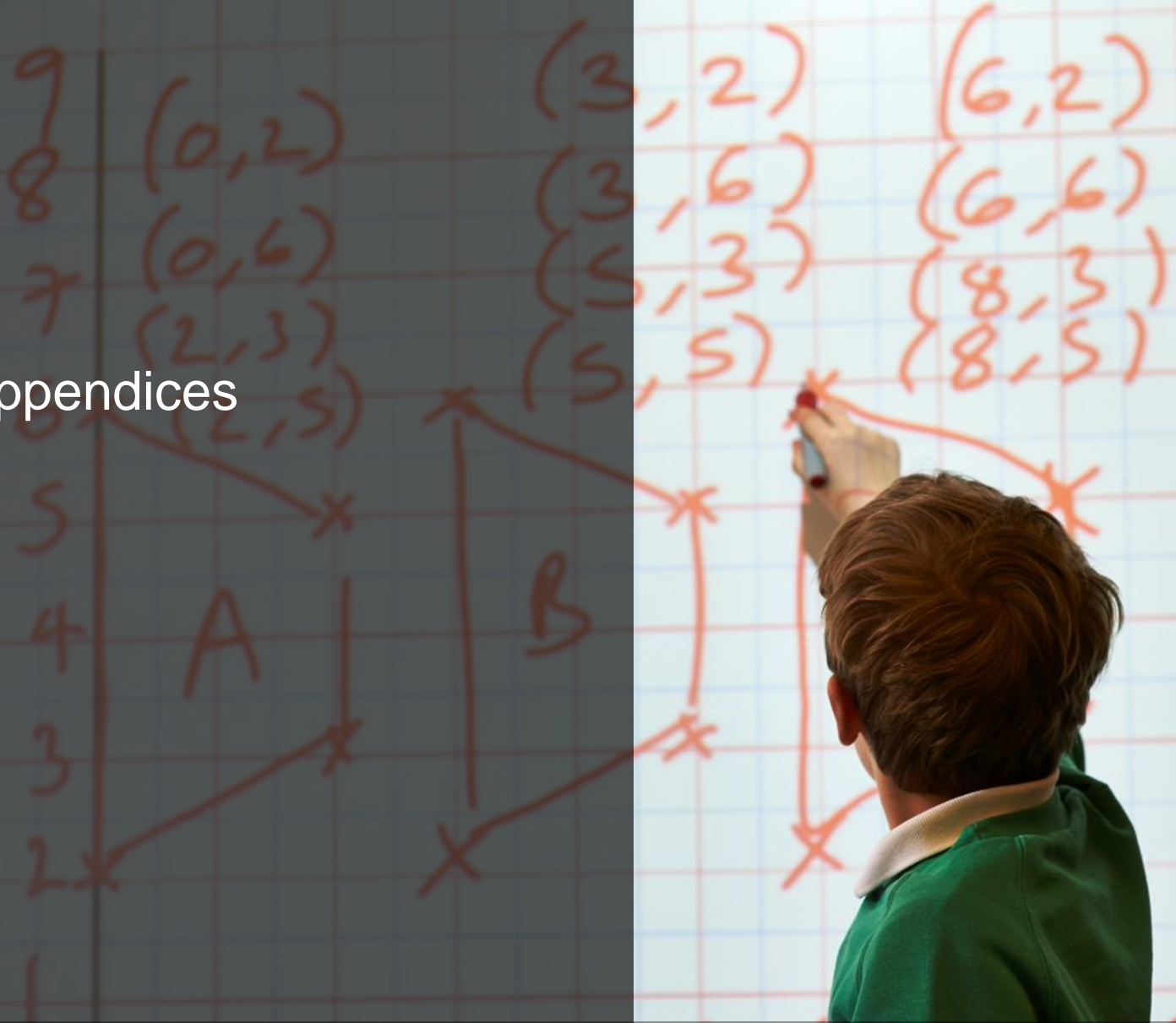
Expansions

- Development of Early Childhood Facility, Singapore continues to run to schedule
- Hong Kong refurbishment on track with school to open in September 2017
- ISHCMC and Spain expansion projects on schedule for Autumn 2017 openings
- GayLussac expansion started December 2016 and on schedule for 2018 opening

Acquisitions

- Usual pipeline of acquisitions and activity

Appendices



EBITDA Reconciliation

EBITDA		
	Q1 FY16 (£'m)	Q1 FY17 (£'m)
Group EBITDA (includes 100% of joint venture)	14.3	19.2
Share Based Payments (non-cash)	0.4	0.3
Group Adjusted EBITDA (includes 100% of joint venture)	14.7	19.5
Less: Joint Venture (100%)	(0.4)	(0.2)
Adjusted EBITDA (excludes 100% of joint venture)	14.3	19.3

Group EBITDA is calculated excluding the following non-underlying costs:

- Acquisition and business exploration costs of £0.4m Q1 FY17 (FY16: £0.8m) incurred on business development.
- Restructuring and one-off advisory costs of £0.3m Q1 FY17 (FY16: £0.2m) related to one-off redundancy payments and restructuring costs.
- Pre-opening costs in Asia of £0.9m in Q1 FY17

Cognita Schools

Cognita Group (67) *		
Asia (9) * Singapore (2) Australian International School (AIS) Stamford American International School (SAIS) Vietnam (3) International School Ho Chi Minh City (ISHCMC) American Academy (AAVN) International School Saigon Pearl Thailand (4) St Andrews International School Sathorn St Andrews International School Green Valley St Andrews International School Sukhumvit 107 St Andrews International School Bangkok Dusit	Europe (46) United Kingdom (41) Akeley Wood Schools (2) Breaside Preparatory School Charterhouse Square School Clifton Lodge School Colchester High School Cumnor House School for Boys Cumnor House School for Girls Downsends Schools (4) Duncombe School Glenesk School Hendon Preparatory School Huddersfield Grammar School Hydesville Tower School King's School and Nursery Kingscourt School Long Close School Meoncross School Milbourne Lodge Preparatory School North Bridge House Schools (5) Oakfields Montessori School Oakleigh House School Oxford House School Polam School Quinton House School Sackville School Salcombe Preparatory School Southbank International School (3) St Clare's School St Margaret's Preparatory School St Mary's School St Nicholas Preparatory School	Latin America (12) Brazil (2) Escola Cidade Jardim/PlayPen Instituto GayLussac Chile (10) Colegio Manquecura, Ciudad de los Valles Colegio Manquecura, Ciudad del Este Colegio Manquecura, Valle Lo Campino Colegio Pumahue, Chicureo Colegio Pumahue, Chicauma Colegio Pumahue, Curauma Colegio Pumahue, Huechuraba Colegio Pumahue, Peñalolén Colegio Pumahue, Puerto Montt Colegio Pumahue, Temuco
Europe (46) Spain (5) British School of Barcelona (Castelldefels, Sitges) Hastings School, Madrid El Limonar International School, Murcia El Limonar International School, Villamartin The English Montessori School, Madrid		

* The school property purchased in Hong Kong will not be an operational school until September 2017. This school is therefore excluded from this list.

Key Terms, Definitions and Ratios

AIS	Australian International School
SAIS	Stamford American International School
FTE	Full time equivalent students or staff
SSN	Senior Secured Notes
RCF	Revolving Credit Facility
Organic	at constant currency excluding acquisitions/divestments
FY	Financial Year
Period	3 months ended 30 November
YoY	YTD comparison i.e. 3 months ended 30 November 2017 compared to 3 months ended 30 November 2016

Share based payment charges are non-cash expenses associated with the management incentive plan awards

Adjusted EBITDA is calculated as Group Adjusted EBITDA less joint venture

Regional Adjusted EBITDA is calculated as Group Adjusted EBITDA before Group Central Costs

Unless otherwise indicated Group EBITDA and Group Adjusted EBITDA measures include 100% of the joint venture (JV), St. Nicholas Preparatory School

Pro forma adjusted EBITDA is LTM adjusted EBITDA adjusted for 50% share of the Joint Venture and the full year impact of the pro forma adjustments made in line with the terms of the indenture

Group EBITDA is calculated as profit/(loss) on ordinary activities before taxation, before net interest, depreciation and amortisation and impairments of tangible and intangible fixed assets and non-underlying income/(expenses)

Non-underlying income/(expenses) includes acquisition, business exploration expenses and restructuring and exceptional advisory costs, loss on disposal of fixed assets, school pre-opening losses and non-cash share based payment expense

Group Adjusted EBITDA is calculated as Group EBITDA before share based payment charges

Net Senior Leverage (NSL)

$\frac{\text{Net Senior Secured Debt}}{\text{LTM Adjusted EBITDA}}$

Total Leverage

$\frac{\text{Net Debt}}{\text{LTM Adjusted EBITDA}}$

Interest Cover

$\frac{\text{LTM Adjusted EBITDA}}{\text{Adjusted cash pay interest expense}}$

Important Information

- Any information in this presentation that is not a historical fact is a “forward-looking statement”. Such statements may include opinions and expectations regarding Cognita Bondco Parent Limited (the ‘Company’) and its future business, Management’s confidence and strategies as well as details of Management’s expectations of global economic and regulatory trends.
- Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's and/or its Management control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. While the Company believes that its assumptions concerning future events are reasonable, there are inherent difficulties in predicting certain important factors that could impact the future performance or results of the Company’s business. Accordingly, such statements should not be regarded as representations as to whether such anticipated events will occur nor that expected objectives will be achieved. The Company expressly disclaims any intention or obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.
- In this presentation, the Company makes references to Group EBITDA, Group Adjusted EBITDA, Adjusted EBITDA, Regional Adjusted EBITDA and EBITDA margin, which are not defined under International Financial Reporting Standards, as issued by the International Accounting Standards Board and as adopted by the European Union (“IFRS”). The items excluded from Group EBITDA, Group Adjusted EBITDA, Adjusted EBITDA, Regional Adjusted EBITDA and EBITDA margin are significant in assessing the Company’s operating results and liquidity. Group EBITDA, Group Adjusted EBITDA, Adjusted EBITDA, Regional Adjusted EBITDA and EBITDA margin have limitations as analytical tools and should not be considered in isolation from, or as a substitute for, analysis of the Company’s results as reported under IFRS. Other companies in the Company’s industry and in other industries may calculate Group EBITDA, Group Adjusted EBITDA, Adjusted EBITDA, Regional Adjusted EBITDA and EBITDA margin differently from the way that the Company does, limiting their usefulness as comparative measures.
- Cognita Bondco Parent Limited is a new company and as such does not have comparative figures for the prior year. Management have included the results of Cognita Holdings Limited to assist the reader of this presentation.

Disclaimer

We have prepared this document solely for informational purposes. You should not definitively rely upon it or use it to form the definitive basis for any decision, contract, commitment or action whatsoever, with respect to any proposed transaction or otherwise. You and your directors, officers, employees, agents and affiliates must hold this document and any oral information provided in connection with this document in strict confidence and may not communicate, reproduce, distribute or disclose it to any other person, or refer to it publicly, in whole or in part at any time except with our prior written consent. If you are not the intended recipient of this document, please delete and destroy all copies immediately.

We have prepared this document and the analyses contained in it based, in part, on certain assumptions and information obtained by us from the recipient, its directors, officers, employees, agents, affiliates and/or from other sources. Our use of such assumptions and information does not imply that we have independently verified or necessarily agree with any of such assumptions or information, and we have assumed and relied upon the accuracy and completeness of such assumptions and information for purposes of this document. Neither we nor any of our affiliates, or our or their respective officers, employees or agents, make any representation or warranty, express or implied, in relation to the accuracy or completeness of the information contained in this document or any oral information provided in connection herewith, or any data it generates and accept no responsibility, obligation or liability (whether direct or indirect, in contract, tort or otherwise) in relation to any of such information. We and our affiliates and our and their respective officers, employees and agents expressly disclaim any and all liability which may be based on this document and any errors therein or omissions therefrom. Neither we nor any of our affiliates, or our or their respective officers, employees or agents, make any representation or warranty, express or implied, that any transaction has been or may be effected on the terms or in the manner stated in this document, or as to the achievement or reasonableness of future projections, management targets, estimates, prospects or returns, if any. Any views or terms contained herein are preliminary only, and are based on financial, economic, market and other conditions prevailing as of the date of this document and are therefore subject to change. We undertake no obligation or responsibility to update any of the information contained in this document. Past performance does not guarantee or predict future performance.

This document and the information contained herein do not constitute an offer to sell or the solicitation of an offer to buy any security, commodity or instrument or related derivative, nor do they constitute an offer or commitment to lend, syndicate or arrange a financing, underwrite or purchase or act as an agent or advisor or in any other capacity with respect to any transaction, or commit capital, or to participate in any trading strategies, and do not constitute legal, regulatory, accounting or tax advice to the recipient. We recommend that the recipient seek independent third party legal, regulatory, accounting and tax advice regarding the contents of this document. This document does not constitute and should not be considered as any form of financial opinion or recommendation by us or any of our affiliates.