2016 Full Year Results

Investor Call

December 2016

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

Significant strengthening of the management team

Chris Jansen – *Group Chief Executive Officer*

- Joined Cognita in October 2015
- Former CEO of the AA and senior executive roles at Centrica and British Airways

Michael Uzielli – *Group Chief Financial Officer*

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

Stuart Rolland – *Chief Executive Officer, Europe*

- Joined Cognita in March 2016
- 20 years of general management experience and people leadership for organisations including Hozelock and British Gas

Dean Villa – *Chief Operating Officer and Property Director*

- Founder member of Cognita
- Formerly Property Director for Thistle Hotels following 18 years as Development Director for Whitbread plc.

Josep Caubet – *Chief Executive Officer, Latin America*

- Joined Cognita in November 2007
- Appointed CEO, Latin America in April 2013
- Formerly Vice President of investment banking for Atlas Capital Close Brothers

Helen Thornton – *Group Director of Human Resources*

- Joined Cognita in October 2016
- 20 years in senior HR positions for organisations including British Airways, GNER and National Express East Coast

Michael Drake – *Chief Executive Officer, Asia*

- Joined Cognita in October 2016
- Formerly Regional Managing Director for TNT (Asia, Middle East and Africa)

Kevin Mercer – *Group General Counsel*

- Joined Cognita in November 2015
- Formerly Regional General Counsel for Ciena Corporation (EMEA, Russia and CIS)

2015/16 - Financial Highlights

Year Ended 31 August			
	2015	**2016**	**Change**
Revenue	£300.6m	£330.9m	+10.1%
Group Adjusted EBITDA	£53.5m	£61.4m	+14.8%
Group Adjusted EBITDA margin	17.8%	18.6%	+0.8 ppts
Capex	£42.0m	£59.4m	+41.5%
Net Debt*	£247.5m	£352.6m	+42.4%
Net Leverage**	4.8x	5.9x	+1.1x

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 £60.2m

2015/16 - Operational Highlights

Year Ended 31 August			
	2015	2016	Change
Students (ave FTE)			
Europe	13,642	13,817	+1.3%
Asia	7,310	7,930	+8.5%
Latin America	10,812	11,848	+9.6%
Group	**31,764**	**33,595**	**+5.8%**
Capacity	42,063	43,544	+3.5%
Utilisation	75.5%	77.2%	+1.7%

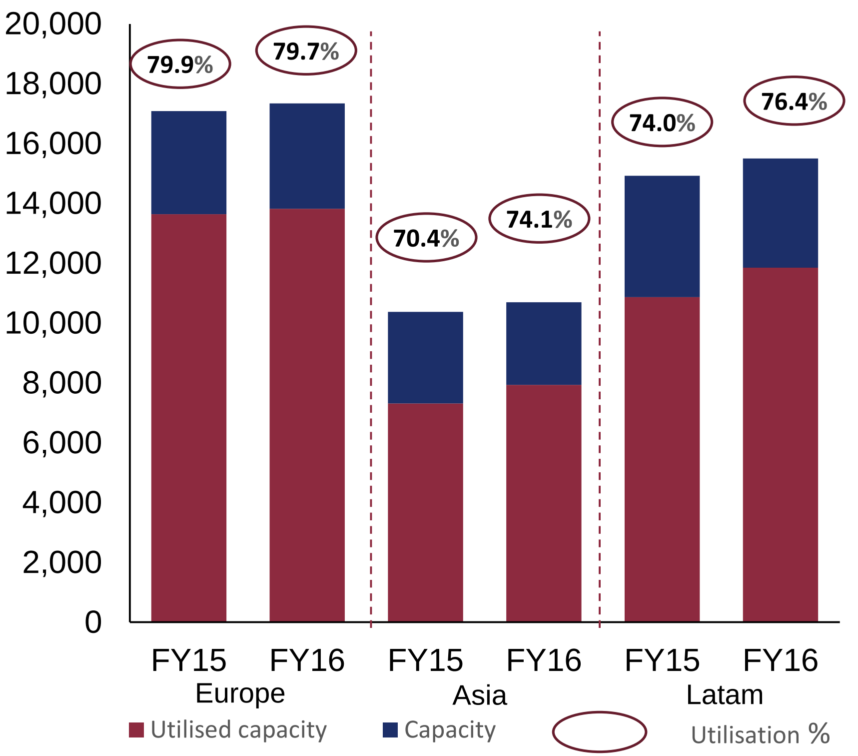
- Early Childhood Facility, Singapore on track and on budget
- Refurbishment and marketing in Hong Kong underway, education licence secured
- Construction ongoing on new campus in Vietnam

Diversified, global portfolio and robust education sector provides resilience vs Brexit uncertainty

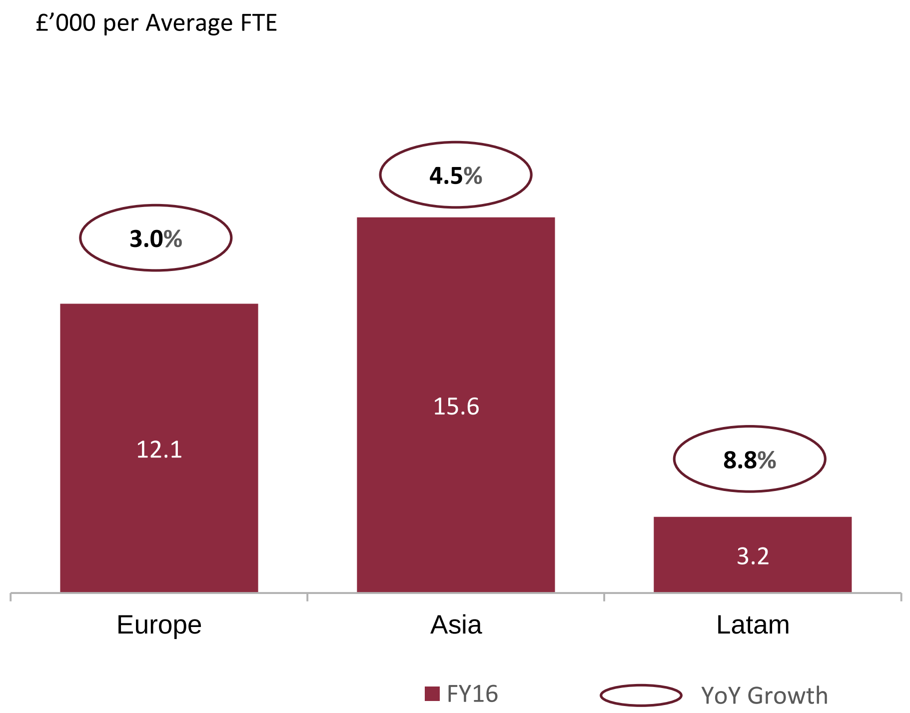
- **Weaker sterling**
  - 58% of Group revenue and 82% of EBITDA in non-sterling currencies
  - Forward exchange contracts in place to cover Senior Secured Note repayments
  - Broadly neutral impact on net leverage
- **Student and staff recruitment and retention**
  - Potential impact on London's status as a financial centre
  - Visa requirements for students and staff may change
  - UK schools should be more affordable and competitive internationally
- **Regulatory environment to be clarified**
  - Use of British qualifications for Spanish university entrance
  - Impact on Spanish students applying to British universities

Continued growth in enrolments and revenue per FTE

Capacity



Annualised Revenue* per Average FTE Student

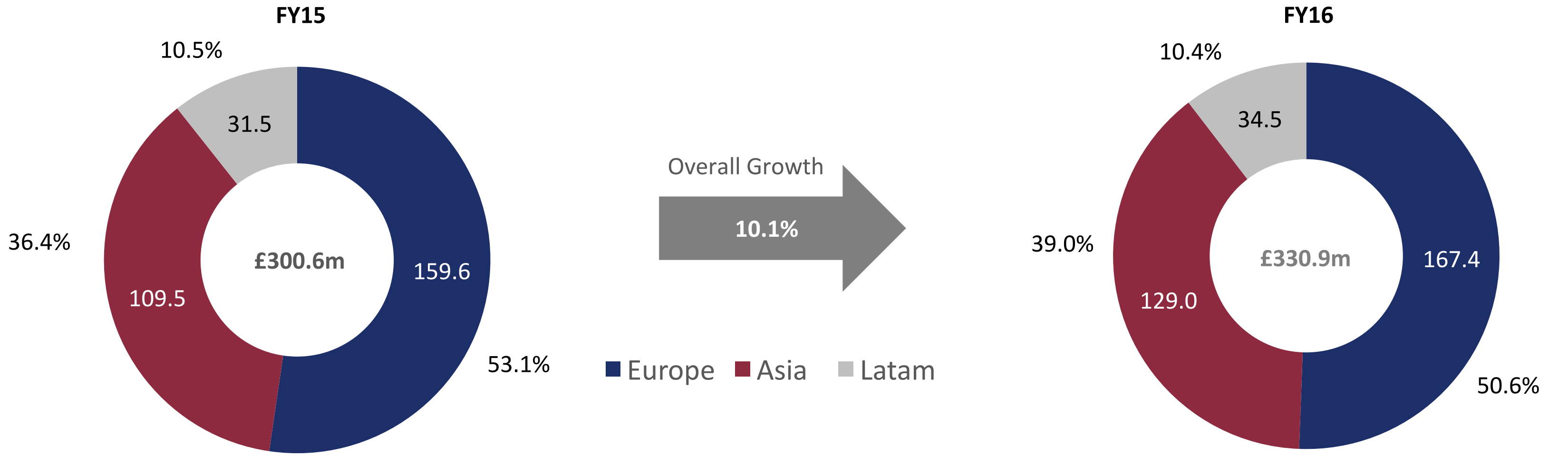


- Enrolment growth of 200 FTEs from Q3 to Q4 2016 driven by new Latam syllabus +126

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

Revenue growth across all regions

Revenue

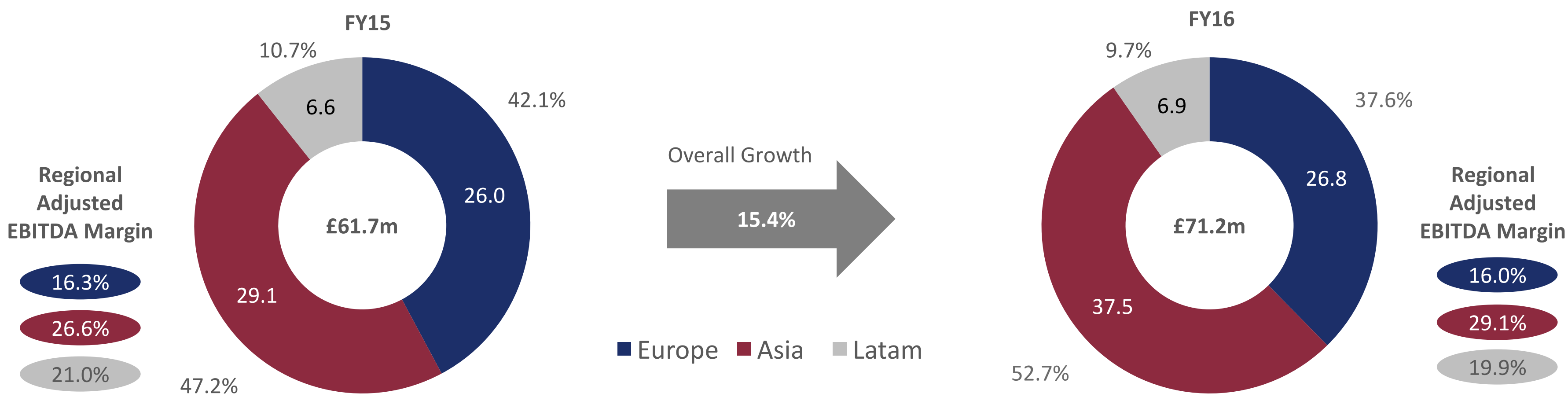


Revenue Growth YoY			
	Actual (%)	Constant Currency (%)	Organic (%) *
Europe	4.9%	4.4%	4.8%
Asia	17.7%	13.3%	13.2%
Latam	9.8%	19.2%	12.3%
Group	**10.1%**	**9.2%**	**8.5%**

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

Regional Adjusted EBITDA grew by over 15%

Regional Adjusted EBITDA*

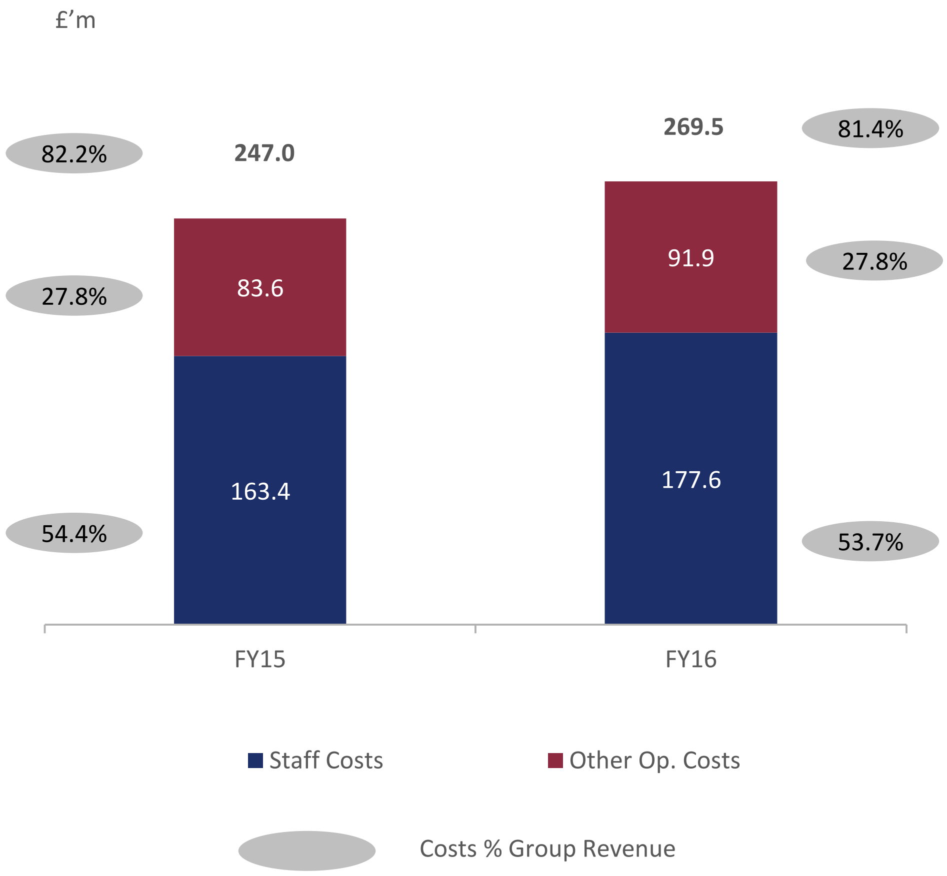


EBITDA Growth YoY	Actual (%)	Constant Currency (%)	Organic (%) **
Europe	3.0%	2.4%	9.7%
Asia	28.9%	24.0%	24.3%
Latam	4.6%	12.1%	11.8%
Regional	**15.4%**	**13.6%**	**17.0%**

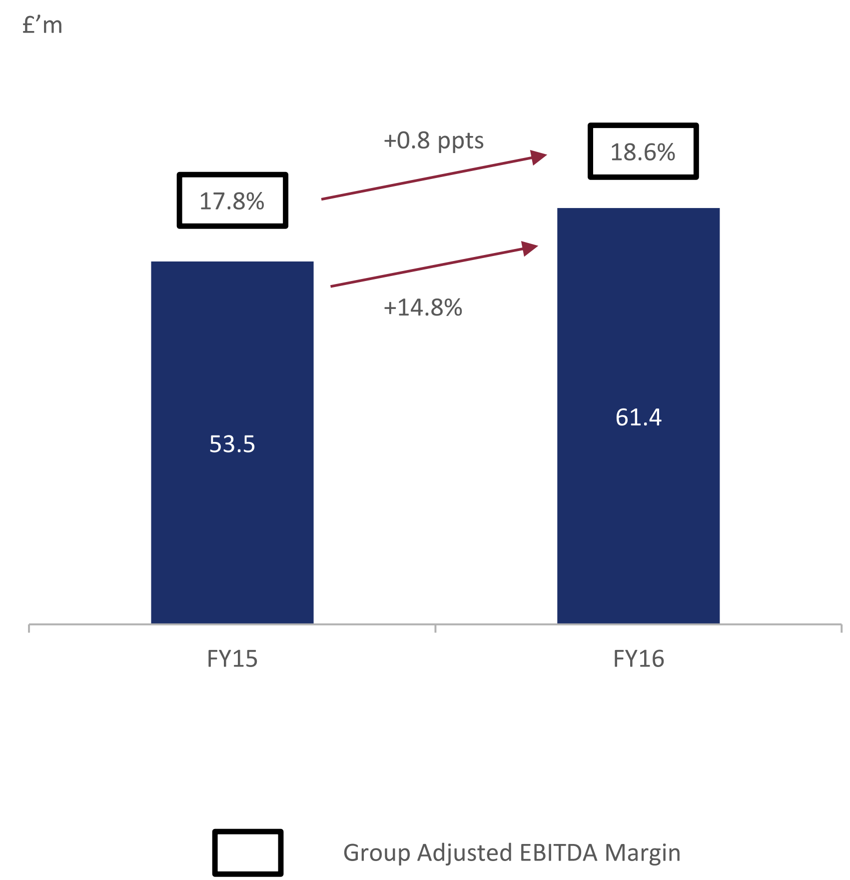
* Regional Adjusted EBITDA is calculated as Group Adjusted EBITDA of £61.4m (2015: £53.5m) before Group Central Costs of £9.8m (2015: £8.2m)
** Calculated on a constant currency basis and excludes acquisitions and divestments

Cost discipline and EBITDA growth

Underlying Operating Costs



Group Adjusted EBITDA



Operating Cash Flow remains robust

Cash Flow Summary		
	FY 2015 (£'m)	FY 2016 (£'m)
Adjusted EBITDA	52.1	60.2
Non-underlying costs with cash impact	(10.5)	(11.7)
Other movements (inc. working capital)	7.3	9.8
Net cash from operating activities	48.9	58.3
Operating capital expenditure	(14.8)	(16.4)
Operating free cash flow (OFCF)	34.1	41.9
OFCF/Adjusted EBITDA %	65%	70%
Acquisitions (inc. Hong Kong)	(17.5)	(75.7)
Development capital expenditure	(24.1)	(30.5)
Interest received and proceeds from sale of PPE	1.4	1.3
Unlevered free cash flow	(6.1)	(63.0)
Taxation paid	(3.0)	(5.8)
Interest paid	(18.1)	(29.7)
Levered free cash flow	(27.2)	(98.5)
Net proceeds from financing activities	13.5	75.4
Increase in loan from Cognita Bondco Parent Ltd.	6.6	-
Net cash (outflow)/inflow for the period	(7.1)	(23.1)

Operating Cash Flow

- Working capital movements drive cash flow
- Strong cash conversion at 70% for FY16 (97% before operating capex)

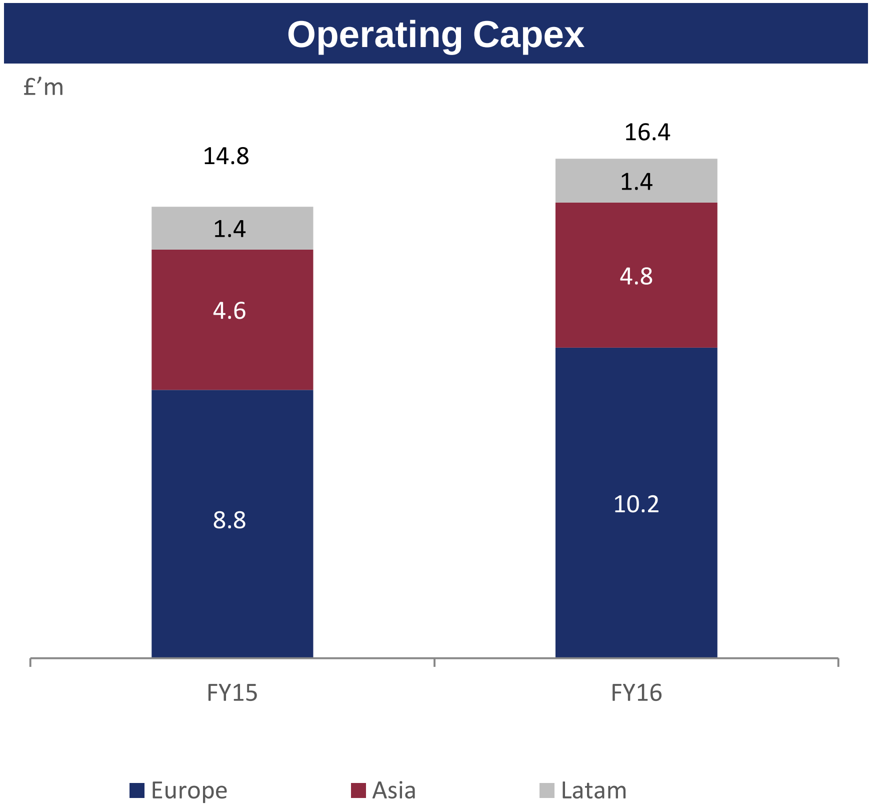
Investing Cash Flow

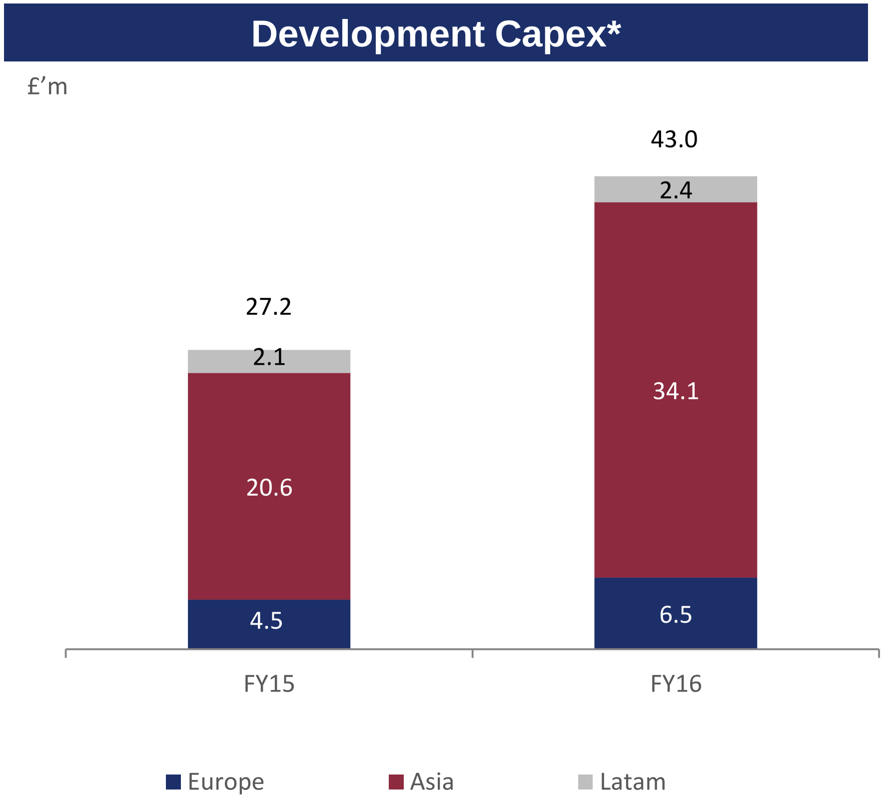
- Development capex driven by the Singapore Early Childhood Facility
- Thailand and Spain acquisitions and deferred consideration payments for Brazil
- Hong Kong property acquisition

Financing Cash Flow

- Hong Kong local debt draw down (£39m)
- RCF draw down (£65m)
- Offset by RCF repayments, local debt movements in Latam and transaction costs

Higher development capex





- FY16 development capex includes £27m (2015: £15m) for Singapore Early Childhood Facility

* Development capex excludes £65m for HK property acquisition in April 2016

Early Childhood Facility, Singapore

All in Singapore dollars	FY16
Total expected capital investment	$209m
Total project expenditure to date	$85m
FY16 project expenditure (FY15)	$55m ($30m)
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

Refbishment

- Enabling works continue on track
- Main works due to commence Q1-17

Academics

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

  (1) Personalised learning;

  (2) Conservative standards-based core;

  (3) Modern relevant inquiry-based methods

Marketing and Admissions

- Full media launch in October 2016
- First student acceptance letters being sent out

Operations

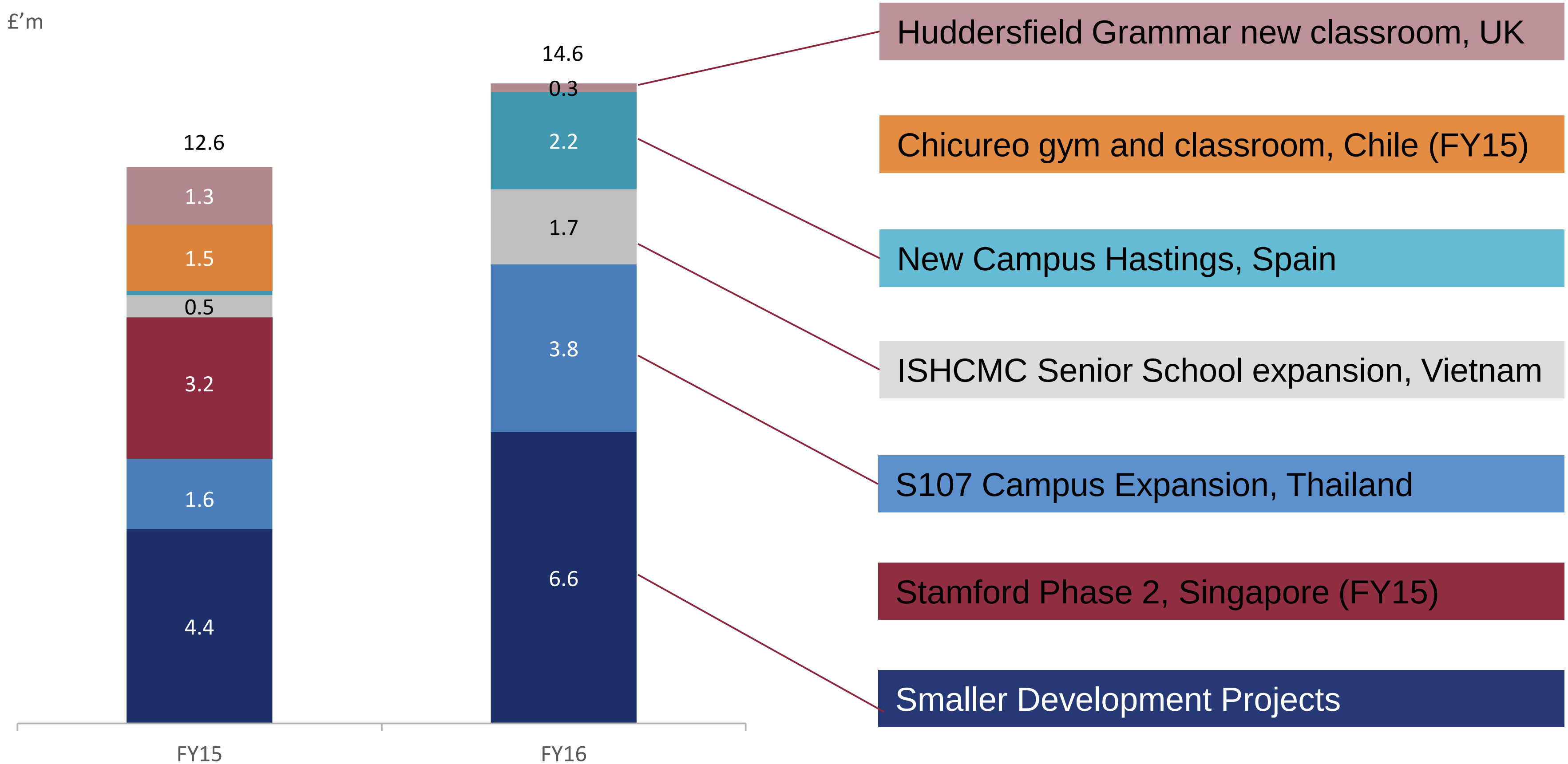
- Provisional education licence obtained
- Recruitment in progress for operations team

All in Hong Kong dollars	FY16
Total expected capital investment*	$448m
Total project expenditure to date	$17m
FY16 project expenditure (FY15)	$17m ($0m)
Opening date	September 2017
Capacity	800-1,100

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

Other Development Capex

Other Development Projects*



*Excludes Hong Kong School and Early Childhood Facility, Singapore

Other Development Capex – Asia expansion

Vietnam

- New campus for ISHCMC
- Adding capacity of c.900

Thailand

- Expansion in S107 completed August 2016
- Opened to students with capacity of c.350

Other Development Capex – Spain

Hastings

- Expansion of Hastings School, Madrid
- Opened to students in September 2016
- Adding capacity of c.450

The English Montessori School

- Acquisition of The English Montessori School
- Located near Madrid city centre
- Adds c.1,000 seats, expansion planned

Other Development Capex – United Kingdom

Breaside

- Replacement of kindergarten
- Four new reception classrooms and music room
- Creation of dance and drama space

Milbourne Lodge

- New classroom block and changing rooms
- Specially designed science lab
- Completed January 2016

Other Development Capex – Latin America

Brazil

- GayLussac construction commencing Dec 2016 (c.£3m)
- 9 classrooms, additional capacity of c.260
- New restaurant, arts classroom, reading room, covered playground, football field

Chile

- Ten new classrooms across four schools, creating additional capacity of over 300
- New gym complex at Curauma

Net Debt and Leverage – Cognita Bondco Group

	FY 2016 (£'m)
Cash	**(61.0)**
Senior Secured Notes (SSN)	280.0
SSN Accrued Interest	0.5
Revolving Credit Facility	45.6
Finance Leases	3.4
Net Senior Secured Debt	**268.5**
Local bank debt (inc. accrued interest)	84.1
Net Debt	**352.6**

The table above excludes capitalised transaction costs

	FY 2016	FY 2016 Pro forma
LTM Adjusted EBITDA (£'m)	60.2	64.6
Net senior leverage	4.5x	4.2x
Total net leverage	5.9x	5.5x
Interest cover	2.2x	2.4x

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 £26.8m being LTM net interest expense, adjusted for the August 2016 Bond and RCF refinancing

Outlook – Organic growth to be boosted by investments

Business as usual/organic

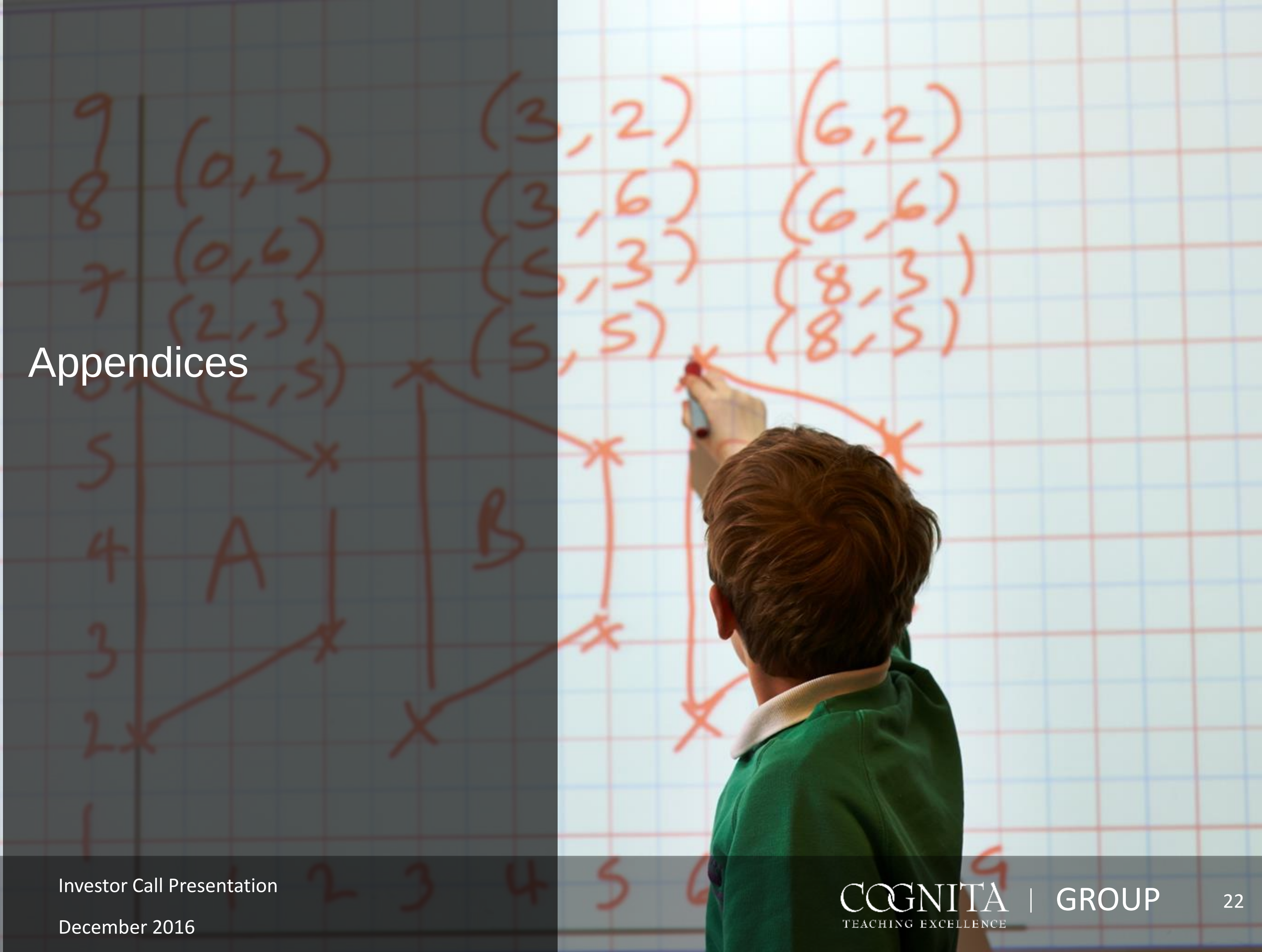
- Continued growth across the group
- Opening pupil numbers c. 5% higher than the previous year

Expansions

- Development of Early Childhood Facility, Singapore continues to run to schedule
- ISHCMC and Spain expansion projects on schedule
- GayLussac expansion due to start December 2016

Acquisitions

- Hong Kong licence obtained, school to open in September 2017
- The English Montessori School in Madrid (Spain) acquired in September
- Outstanding 49% of DDEE (Chile) acquired in October
- Usual pipeline of acquisitions and activity



Appendices

EBITDA Reconciliation

EBITDA		
	FY15 (£'m)	FY16 (£'m)
Group EBITDA (includes 100% of joint venture)	**51.9**	**57.5**
Share Based Payments (non-cash)	1.6	4.0
Group Adjusted EBITDA (includes 100% of joint venture)	**53.5**	**61.4**
Less: Joint Venture (100%)	(1.4)	(1.2)
Adjusted EBITDA (excludes 100% of joint venture)	**52.1**	**60.2**

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

- Acquisition and business exploration costs of £4.6m FY16 (FY15: £6.6m) incurred on business development in new regions and countries. The total cost directly attributable to acquisitions was £0.9m.
- Restructuring and one-off advisory costs of £7.1m FY16 (FY15: £3.9m) related to one-off redundancy payments, restructuring costs and the review of the Group's child safeguarding policies/procedures. The FY16 charge includes a £2.5m provision relating to the closure of two UK schools.

Pro Forma Capitalisation *(copy from October 2016 for information only)*

Sources and Uses

Sources	£m
Additional Senior Secured Notes Tap Offered Hereby[(1)]	45.0
Cash on Hand	2.6
Total Sources	**47.6**

Uses	£m
Repayment of Revolving Credit Facility	45.4
Accrued Interest and Transaction Costs[(2)]	2.2
Total Uses	**47.6**

Pro Forma Capitalisation

Particulars	May-16 Reported	Preliminary Aug-16 Unaudited	Adjustments	Pro Forma	x LTM Preliminary PF Adj EBITDA
Cash	**73.5**	**58.4**	**(2.6)**	**55.8**	
Revolving Credit Facility	21.5	45.4	(45.4)	-	
Senior Secured Notes	280.0	280.0	45.0	325.0	
Accrued Interest	6.4	1.2	-	1.2	
Finance Leases	3.2	3.4	-	3.4	
Net Senior Secured Debt	**237.6**	**271.6**	**2.2**	**273.8**	**4.3x**
Other Bank Debt	71.2	85.7	-	85.7	
Capitalised Fees (net of Premium)	(12.4)	(13.2)	(2.1)	(15.3)	
Net Total Debt	**296.4**	**344.1**	**0.1**	**344.2**	**5.5x**
LTM Pro forma Adjusted EBITDA (Aug-16)		*63.7*[(3)]		*63.7*[(3)]	

(1) Indicates aggregate principal amount of notes
(2) Includes accrued interest on refinanced debt, financing fees and related expenses
(3) Based on unaudited LTM Aug-16 adjusted EBITDA of £60m, based on our unaudited management accounts and information currently available, and pro forma for (a) Impact from UK school closures of £2.0m (b) Full year pro forma adjustments for Sitges and Dusit acquisitions and Chicauma school opening of £0.2 MM (c) Impact from increased capacity at Cannonbury of £1.0m (d) Full year pro forma adjustment for acquisition of school in Spain, completed in Sep-16, of £1.0m

Cognita Schools

Cognita Group (68) *

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 (47)

Spain (6)
- British School of Barcelona
- Hastings School, Madrid
- El Limonar International School, Murcia
- El Limonar International School, Villamartin
- International School of Barcelona, Sitges
- The English Montessori School, Madrid

Europe (47)

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
- Downsend 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

* The school property purchased in Hong Kong will not be an operational school until August 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
Like for like	at constant currency excluding acquisitions
FY	Financial Year
Period	12 months ended 31 August
YoY	YTD comparison i.e. 12 months ended 31 August 2016 compared to 12 months ended 31 August 2015

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

Share based payment charges are non-cash expenses associated with the 2013 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

Net Senior Leverage (NSL) $= \dfrac{\text{Net Senior Secured Debt}}{\text{LTM Adjusted EBITDA}}$

Total Leverage $= \dfrac{\text{Net Debt}}{\text{LTM Adjusted EBITDA}}$

Interest Cover $= \dfrac{\text{LTM Adjusted EBITDA}}{\text{Adjusted cash pay interest expense}}$

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- 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.

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