

Mehul Patel:

Okay, thank you Kathy.

So I'm excited to be here to share with you all of the great progress that we've made in our vertical and even though we have a new name actually it's important to- for me to point out that our vertical has actually been aligned with the financial services industry for some time, as our brands in the vertical have actually enjoyed leadership positions in their respective categories that they serve for a long time.

Starting with Becker many of you know Becker. Becker is a leader in CPA exam prep, and also an emerging and growing player in continuing in professional education and accounting. A business that's actually been around for greater than 50 years, and continues to establish a leadership role in delivering the best outcomes in the industry.

ACAMS. ACAMS is a leader in anti-money laundering and financial crime prevention. It has the gold standard certification known as the CAMS exam. A growing global organization and one of our flagship businesses in the Governance, Risk and Compliance category.

EduPristine is an India-based training provider for international certifications, primarily in the finance and accounting space. A smaller business that we have today, but a nice platform for growth and an opportunity for us to continue to scale in a very important market.

And our soon-to-be newest addition to our portfolio and a member- our newest member of our family OnCourse Learning and their financial services business. OnCourse is a leading provider of training and certification products in the Governance, Risk and Compliance base, primarily serving banking and credit unions, put also a leading provider of pre-licensing and continuing education for the mortgage industry.

If you take a look at that portfolio, again, a very impressive array of businesses, a wide swath of offerings across the financial services sector... and when you take a look at that collectively the- what you have, is you have industry leading brands with strong value propositions. And as you think about this sector and this category in particular, the brands do matter.

As we think about moving forward and as we think about what makes for this this category and why it's so attractive is these brands and the growth potential for the brands is aligned to things that are driven by compliance and regulatory needs. A lot of these are driven by licensure and certification the need to actually offer, ... certification and exam preparation to enter a profession. And then the ongoing professional development and continuing education and upskilling opportunities to stay in the profession, as well asset-lined and technology driven business models that have good recurring revenue opportunities. And membership and subscription models provide some nice margin opportunities down the road over longer periods of time as well, and some good cross-selling opportunities in addition to that.

We also have a very good B2B and workforce solutions orientation already in this vertical. I will point out that as you think about OnCourse learning, in

particular, as part of these investments highlights that we talked about for the vertical... Steve talked about what made OnCourse such a great asset for acquisition. If you look at the intrinsic qualities of the vertical itself, OnCourse aligns very well with all of these investment highlights as well, the- the characteristics of the vertical. It fits these profiles, this profile very well. And so we think it's a perfect complement to the existing portfolio that we have.

I'd like to zoom in now on a couple of our businesses and tell you what we're doing to drive growth across the strategic planning horizon specifically in in this case, Becker. Last year I told you what we were doing to stabilize this business, and what we were going to do to return it to long-term growth. And- and I'm happy to say that we did exactly that. Over the past year we've delivered growth in this business, and now I'd like to share with you what we're going to do to make that consistent over the planning horizon.

First, we've strengthened our core CPA value proposition. We've enhanced that experience to better align it with student expectations. Look, the Becker product, the core CPA exam prep product was built a long time ago. And the needs of our customer base has evolved significantly since then. The learner of today learns differently than the learner of yesterday. So what we had to do is we had to back and say, "What are the things that we need to do to our product set, our value proposition, how we offer that product, how they interact with our product, and make it more relevant to learners today."

A great example is the CPA SkillMaster video library, which we launched almost a year ago, actually. Last week was the one year anniversary of this. So... one thing- one of the things that we discovered after talking with our students is the students and the learners today... this is the YouTube generation. They want to watch more video. We decided to take a bunch of the lessons that we had in the course, have an instructor actually go through those lessons, work through these problems... almost like camera over their shoulder... turn them into short video snippets and put them up on the video library. The response has been overwhelming. In fact, I had our team pull all the stats this morning. In the last year, we've published 423 videos, we've had 82,000 unique viewers watch these videos, 852,000 views for a total of 115,000 hours of video watched.

Okay. That has made this experience for our students much, much more relevant. That's how the learner today wants to interact with our product. We're going to obviously be doing a lot more of that.

We've also introduced recently as of this past month, an unlimited access bundle. The learner of today does not want to be time-bound. They would like to have access to our product for a longer period of time. This was a very easy thing for us to do, we just hadn't done it before, that's improved the value proposition for them, and not constrained them. It's a simple thing, but it has really enriched that experience for them and positioned us well against our competition.

We've also focused on enhancing and upgrading our learning experience to product and technology upgrades. So, we're introducing an adaptive learning experience now in our course. And it's not adaptive for adaptive's sake. It's not

an "if then" kind of thing. It is true adaptive driven by an AI engine, it's going to be rolling out – we just finished pilot testing, but it will be rolling out over the next several months. And we're updating our web and e-commerce and CRM capabilities to make it easier to do business with Becker. Okay. So this is going to improve the customer experience as well.

We're expanding and updating our CPE and product offerings, and we have been doing this. So over the last year we've launched 225 new courses for continuing education. If you recall, last year I mentioned that we believe- we estimated that somewhere around 60% of the people that are practicing today that are CPAs have used a Becker product at some point in their career. We believe we had permission... to ask them to trust us to stay in the profession and have a lifelong learning proposition with us by using our continuing education products, and therefore expand that proposition with that consumer over a longer period of time. The CPE strategy is part of that. By launching these CPE courses, we've now been able to grow our revenue in the- amongst top 100 firms who we do business with by 25%. that has been a big boost for us in that category.

And speaking of top 100 firms, we've been able to leverage that B2B strength to deepen and expand our corporate relationships as well. This is outside of core accounting firms. This is thinking about where else do accountants sit. This is outside of accounting as a profession, but going into large corporations that have large accounting departments and also doing business with those. So we've actually now done business with clients in manufacturing, pharma, technology, and retail, all new contracts, all new relationships in the last year, expanding and diversifying that revenue base.

As we think about, now, having a larger community and- and customer base who we do business with, we have an opportunity to also build community. This is a page out of ACAMS's playbook, right? So this is now finding a way to capture this community of- of- of learners who has not been with us in the past, continues to grow with us, and say, "How do we bring them in? How do we create this ongoing relationship?" Having an alumni network, having students who stay with us and enabling an interaction with them and a relationship with each other, and we're doing more now along those lines with setting up CPA study groups soon, and we will be launching an alumni effort, which provides greater opportunities for upsell and cross-sell, and again, more professional development opportunities down the road as well.

And lastly, marketing effectiveness. So we've obviously done a better job marketing over the last year. The results have shown that. But we will also be doing a complete brand refresh in the next few weeks. Look it's pretty clear this is not your father's Oldsmobile. So we want to make sure that everyone knows that this is the new Becker. And... what you'll see coming out in the next few weeks is a complete overhaul of the Becker brand, it'll be a new Becker look and feel, there will be updated websites, there will be all new touchpoints in terms of - brand strategy with all of our consumers and all of our constituents. We're very happy actually about that. it's a completely new look that will be very relevant to our target audience.

So... that's Becker. Now let's take a look at ACAMS. What a story this has been. When Adtalem acquired ACAMS three years ago, ACAMS had approximately 35,000 members. In the time since then, it has grown exponentially, almost doubled in size to... or more than doubled in size to 72,000 members. We now have 65 chapters and collectively those are spread across 175 countries and we serve those through 15 offices globally, and we can now certify people in 11 languages. That is truly a global organization, and it's not done yet. It's growing even more.

We do believe that that growth is going to continue to come from international expansion. We - there's 70% of the addressable market today in AML continues to be outside the US by all the sort of industry reports and- and- and research that we've seen. And we're going to continue to- to focus on that. Our own business today reflects that. Our greatest growth regions are Asia Pac, Europe, and LatAm, and we're going to continue to invest in those areas with the greater sales resources, greater marketing, and greater product localization strategies.

Also, we are going to continue to grow membership and conferences. We're focusing on strengthening that value proposition around our membership, making it more sticky, providing greater value for customers and members who are in that program, and- and finding ways to enhance the value for that membership, making it easier for them to review... sorry, to renew, and also providing a greater array of products for them to be able to interact and provide the right type of learning and training opportunities that they need to stay abreast of all the compliance and regulatory changes that they have.

Also, launching new products and offerings. This is a big part of our strategy. You may have seen we announced recently that we will be launching a- the first new certification in ACAMS in 16 years, and that's the CGSS. It will come out in January of 2020. That is the Certified Global Sanction Specialist. It is the CAMS of sanctions. So if you think about the Governance, Risk and Compliance category and the "C" in GRC sanctions is a big part of that. And our clients were actually very interested and asking us... if we would be willing to invest in developing a sanctions certification. In fact, last year, we did some work for a client in this area and saw a huge opportunity to actually take this even- even further and develop a commercial product around this.

So this will be something very similar to the CAMS certification. It will be something that will have a bundled offering around it just like our- our ACAMS AML product, which will be an enterprise bundle that will include training. We will also have a membership model behind it. There will also be... a certification, and we will be launching that in January. this was announced at our Hollywood Conference in April last month, and just from that announcement alone, we've already- already had a tremendous response to that from- from clients who were interested in learning more about it. So we're very excited about this.

In addition to that, we'll continue to launch short courses, videos, and webinars. We'll continue to- to localize product. Because as I said earlier, that international expansion is very important for ACAMS and being able to serve

global clients, these global banking customers, financial services customers, they have people spread throughout the world. We need that product to be able to serve their global audiences.

And platform extensions and leveraging that ACAMS is modeling in other ways will continue to be an important part of our strategy. And perhaps one of the very important things that we can't overlook here is continuing to build a very strong foundation for growth. ACAMS is a very fast growing organization and we need to make sure that we continue to invest in technology, people, business processes underneath that, and- and continue to pave the way for that- that expansion and growth as the organization scales.

So... now zooming back up for a second. What are we doing back at the vertical level to continue to provide opportunities at the vertical level to help scale and enable growth over the planning horizon?

First, and you heard Lisa talk about this earlier, Steve referenced it, you're- you're hearing this common theme; Kathy mentioned it. Building a high performance organization and having the right team in place. I'm happy to say that this is something that we have really focused on over the past year in our vertical. We not only have a globally and culturally diverse leadership team now that consists of former leaders and executives from companies such as Kaplan, Apollo Global, Laureate... Deloitte, Motorola, Kellogg, just to name a few. But these are people who understand how to scale globally. We've purposefully focused on bringing in leaders who understand global and understand scale. We've also purposefully brought in people who understand and have a commercial mindset, and have... a strong understanding of what it means to sell, and sales. And this is the team that now will be responsible for working with all of our brands, all of our business units, and then we've also embedded folks in business units that have the same mindset. The sales and marketing best practices, the capabilities that we need to build to be able to actually take our products, put in the right processes around them to monetize these, and- and to grow.

But to do that, you have to optimize your operating efficiency and effectiveness and make sure you have the right tools and processes that enable that. So the first thing is making sure that we have the right technology in place. We've recently centralized many of our processes around... our CRM, our web, and our e-commerce systems are on a- a sales course platform. We made that decision recently. Chris Nash, our CIO, who's somewhere in the room here, is going to be helping us lead the way on that to make sure that as- as we think about our business, which is a very dynamic business when it comes to sales and marketing engines is prepared and has the right robust technology to be able to move in an agile way and to be able to address that. This is a platform that will help us do that and to be able to grow- go fast and to address those- those market needs.

Also, diversifying growing our revenue base through leveraging partnerships is going to be very important for us. You will have seen that recently we announced a partnership with Northeastern University; that was just last week.

Lisa mentioned partnership; Steve mentioned partnerships as an important part of our growth strategy. This is an a very important one. We knew that the opportunity to come together with a brand that was a leader in this space, in this case Artificial Intelligence, we knew that that is an issue that is rocking and impacting the financial services industry. Our clients are very interested in that. We didn't quite have that subject matter expertise, but they did, and they have a very strong brand in that. Let's partner up, let's come together, let's put together a program on Artificial Intelligence in financial services, go to market together, and that's just the beginning.

There will be many more programs along those lines with Northeastern, not just in financial services, but we're actually now talking about leveraging that partnership across Adtalem, across our other verticals as well.

Similarly, we have a partnership with Singularity University around innovation and exponential technology. We're actually initially rolling that out in Brazil, where we're taking the courses and launching them in Brazil, but we'll be looking to expand that as well throughout our verticals as well.

And then lastly, in organic growth, I talked about OnCourse and how important that was and how it aligned with all of our... sort of intrinsic drivers of value in the vertical, but we'll obviously look for more opportunities to do that going forward as well.

So I'll wrap it up by just coming back to our value chain and hitting a couple of highlights here in terms of how this aligns to that workforce solution strategy and the value chain. what I would just say is that when we look at... the workforce solutions model itself, the- the nice thing about the financial service's vertical is that we actually are already very aligned to that model. That's what Becker, ACAMS, EduPristine, and of course OnCourse do already very very well. So this is about continuing that work and amplifying that work. The way we will do that is we'll continue to- to focus on markets where there is that supply/demand imbalance, we'll continue to look for partnerships in the educate space, like what we did with Northeastern. That will be a great opportunity for- for us to- to offer to increase our offerings in that part of the market. But specifically because we're so focused in these two areas, we're going to play from positions of strength in those two areas, and really focus on aggressively growing our core business in these areas.

Strengthening value propositions, which is what we've been doing. You heard a lot about Becker and how we're doing that there. Driving further expansion into GRC. and- and leveraging our platform capability there. I'm going to talk about that for just a second. We have a great model with ACAMS around that. So if you think about the ACAMS business model, which is this... model that includes membership, certification, events, and training, right? That is a blueprint that we can now replicate and apply towards other areas of not only Governance, Risk and Compliance, but other opportunities as well- other certification opportunities as well, even outside of GRC. We're going to be taking that model and copying and pasting that into other areas, and kind of using that as a core capability that we have now in trying to apply that in other ways. Because we do

believe there's some growth- some significant growth opportunities within our vertical to do just exactly that. So that will be a nice organic growth driver as well.

And then continuing professional education offerings as well, and continuing to expand that- that portfolio in building those strong partnerships. So a lot of great opportunities ahead of us to continue to drive that top-line growth. I've told you about where we've been, what we've been doing, where we're going, and hopefully that will paint a picture for you in terms of where the financial services vertical is. And with that... we'll turn it over to Thiago, who will come up and talk about business and law.