



**CAREER-READY
QUALIFICATIONS
IN HEALTHCARE,
EDUCATION & COMMUNITY
SERVICES OCCUPATIONS**

**1H23 RESULTS
PRESENTATION**





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1H23
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COMPANY OVERVIEW

2 Operating businesses:

ikon INSTITUTE
OF AUSTRALIA

Higher Education



Vocational Education
& Training (VET)

\$10.1m

1H23 Revenue

\$6.3m

Cash balance
at 30-Jun-23

85

Permanent
Team Members

3,646

Enrolments¹
Domestic and International

7

Campuses + Online
NSW, VIC, QLD, SA

21

Courses - Certificates,
Diplomas & Degrees

COMPELLING INVESTMENT PROPOSITION

Structural Tailwinds

Long-term skills shortages
Increasing acceptance of
need to retain international
students through skilled
migration

Market Recovery

Resurgence of international
student market
2023 was a record year² for the
student visa program with
590,000 applications

Operating Leverage

Significant latent classroom
and operating capacity
Strong shift to online for
domestic students, with
potential for higher delivery
margin

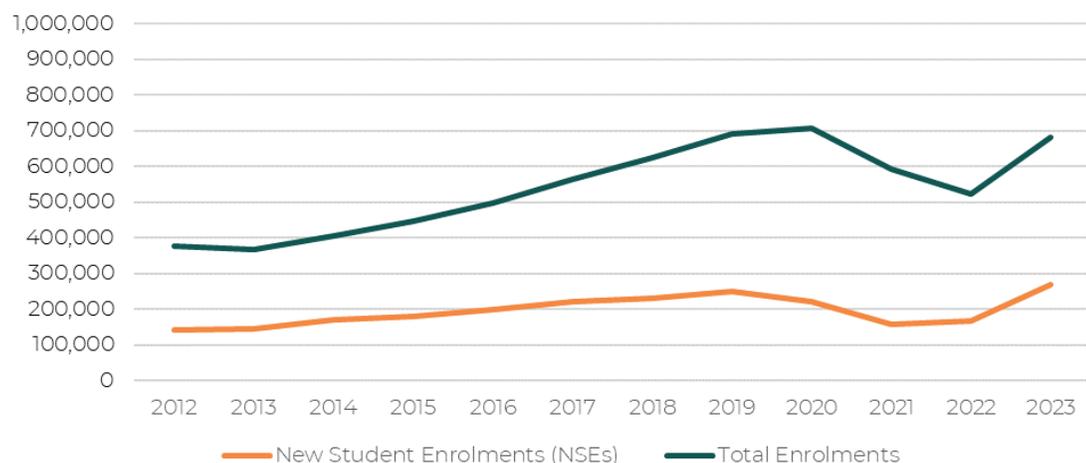
Organic and M&A

Ambitious product
development program
underway
Continued focus on growth
through acquisition

¹ Enrolments are the sum of all student enrolments in each of the terms and trimesters during the financial period
² Source: Department of Home Affairs – Student and Temporary Graduate Visa Program, Provider Update – May and June 2023

INTERNATIONAL EDUCATION SECTOR BOUNCING BACK

NEW STUDENT ENROLMENTS (NSEs) AND ENROLMENTS¹



Record year² for student visa program – 590,000 visa lodgements in 2023 – largest ever received

Market resurgence – total international student enrolments in Australia up 31%¹.

Return to compliance – reintroduction of caps on working hours and requirement for on-campus delivery to protect integrity of the sector

Australia remains a Top 5 destination for international students

¹ Source: Austrade International Education Data - Year to Date May 2023

² Source: Department of Home Affairs – Student and Temporary Graduate Visa Program, Provider Update – May and June 2023

CAREER-READY QUALIFICATIONS ALIGNED TO SKILLS SHORTAGES

3 of the Top 10 Occupations with Critical Skills Shortages

EDU qualifies students toward 3 of the top 10 occupations identified as having critical skills shortages at the Jobs Summit September 2022:

- Early Childhood Teachers
- Childcare Workers
- Aged Care Workers

Pathways to skilled migration

EDU qualifications lead to 15 ANZSCO occupation codes on the Strategic Skills Lists¹, providing potential pathways to skilled migration

Large and growing employing occupations

Childcare Worker and Aged Care Worker are identified in the Skilled Priority List 2022² as large employing occupations with critical shortages.

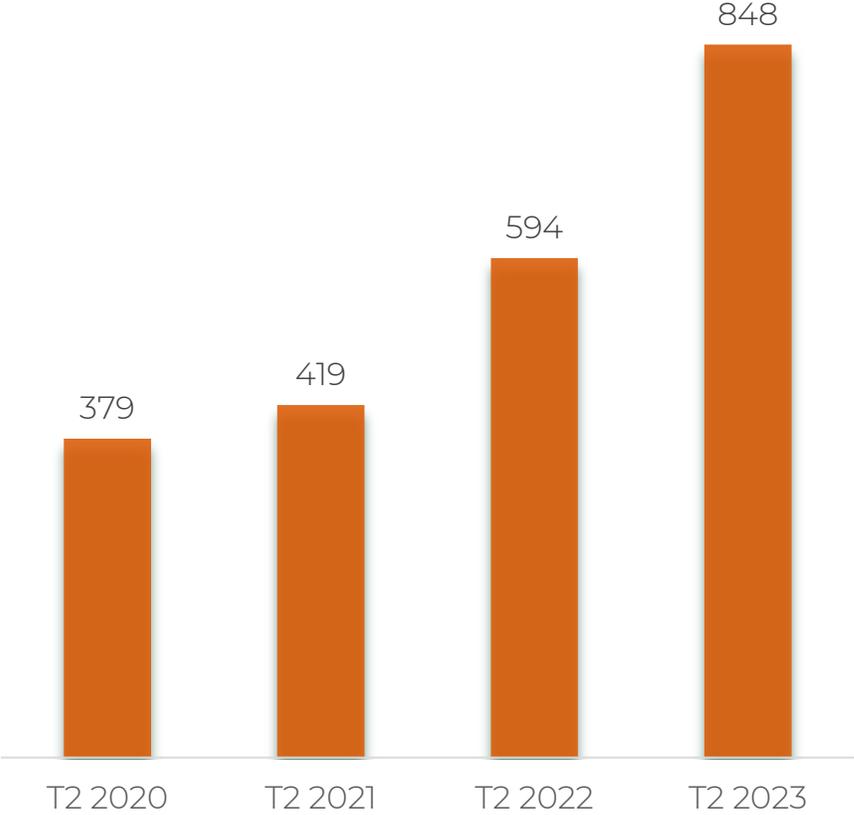
¹ The Australian and New Zealand Standard Classification of Occupations (ANZSCO) code for each occupation. The ANZSCO provides information on the skill level of jobs, qualifications and/or experience needed to work in occupations as used by government immigration.

² National Skills Council Skilled Priority List 2022 & SPL Key Findings Report



IKON ENROLMENTS GAINING MOMENTUM

Enrolments
T2, 2020 - 2023



Ikon now firmly established in international student market - leveraging EDU's substantial agent network

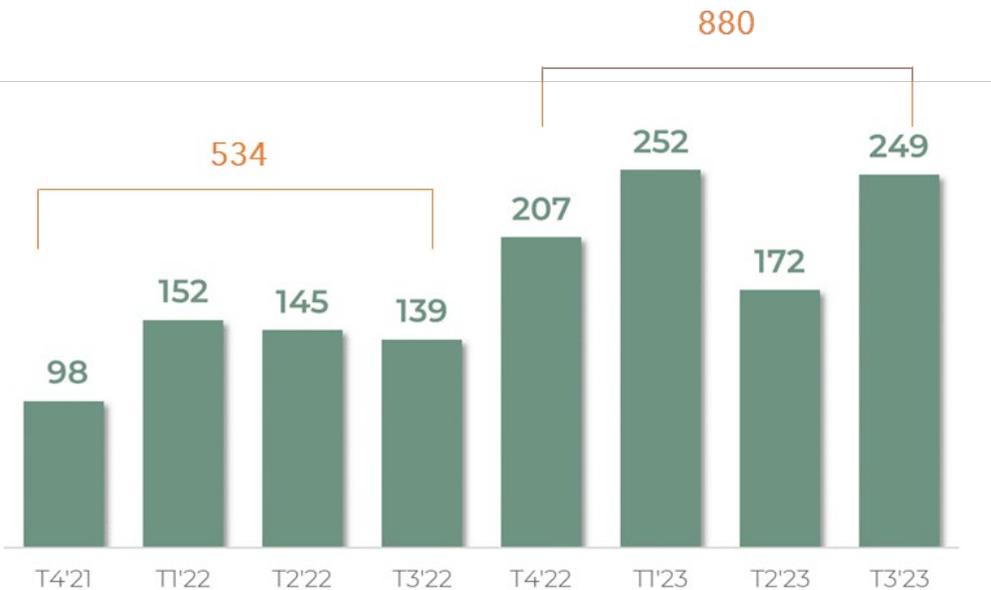
Extended post-study work rights for courses in areas of workforce shortages - increased attractiveness for international students

BECE well-positioned and benefitting - potential pathway to skilled migration, strong employment demand, graduating students articulating from ALG (and other VET providers), low level of graduations given course commenced in 2021

Online growing strongly - now preferred delivery mode for domestic students

ALG NEW STUDENT ENROLMENTS (NSE) ON THE RISE

Up 65% on PCP
(LTM to T3'23)



NSEs up 65% (from low base) -
leading indicator of enrolments

Modest growth in ALG enrolments - expected to start accelerating

- Larger cohorts of graduating students from pre-Covid commencements now largely exited
- 24-month average study duration - many of the students that commenced in 2023, likely to still be studying with ALG in 2024

Covid settings that favoured lower-priced flexible providers now unwinding – positive for ALG

- Reintroduction of caps on working hours
- Return to on-campus delivery

Onshore market impacted by 408 Visa however ALG NSEs and enrolments still growing



01

1H23 HIGHLIGHTS



OPERATIONAL HIGHLIGHTS

Ikon Enrolments¹ up 41% in 1H23

Growth continuing - T3'23 student numbers to be released in week commencing 25 September 2023

ALG NSEs on the rise

1H23 up 43% on 1H22
LTM to T3'23 up 65% on PCP

Early Childhood Education exceeding expectations

Growth in international enrolments in Ikon and ALG, leveraging EDU agent network

Strong shift to Online

59% of Ikon's 1H23 domestic NSEs
Enables national class consolidation and thereby potentially higher delivery margins

Skills shortages driving shift in program mix

77% of 1H23 enrolments in Community Services courses

Program development in both businesses

Ikon – 2 new courses intended to be submitted to TEQSA by December 2023
ALG – 2 new courses launched in 2023

Significant latent capacity

To deliver operating leverage as student numbers grow

Withdrawal from Nurse Training Australia acquisition

EDU exercised contractual right to exit transaction - no longer deemed in Company's best interests

¹ Enrolments are the sum of all student enrolments in each of the terms and trimesters during each financial period
All comparisons are to the previous corresponding period, unless otherwise indicated

FINANCIAL & STUDENT METRICS

FINANCIALS			
	1H23	vs	1H22
Revenue	\$10.1m		\$8.9m ↑
EBITDA ¹	\$0.2m		(\$0.9m) ↑
	JUN 23		DEC 22
Cash Balance ²	\$6.3m		\$6.1m ↑

STUDENT METRICS			
	1H23	vs	1H22
Letters of Offer	1,774		1,607 ↑
New Student Enrolments (NSEs)	778		558 ↑
Enrolments ³	3,646		3,698 ↓

¹ EBITDA is a financial measure which is not prescribed by Australian Accounting Standards and represents the profit under Australian Accounting Standards, adjusted for specific non-cash and significant items

² Cash is cyclical due to the timing of tuition fee payments, with 1H typically higher than 2H

³ Enrolments are the sum of all student enrolments in each of the terms and trimesters during each financial period

PROGRAM STRATEGY UNFOLDING



Average Price¹

\$8,000

\$19,000

\$55,000



Average Duration²

< 1 year

1-2 years

3-4 years

¹ Represents weighted average price of programs across businesses
² Represents weighted average duration of programs across businesses
³ Sum of all Ikon Online student enrolments during each financial period (Trimester 1 and Trimester 2)

CAPACITY FOR GROWTH



IKON & ALG
BRISBANE CAMPUS



IKON & ALG
MELBOURNE CAMPUS



IKON & ALG
BRISBANE CAMPUS



ALG
SYDNEY CAMPUS



ALG
MELBOURNE CAMPUS



ALG
SYDNEY CAMPUS



IKON
MELBOURNE CAMPUS



IKON
SYDNEY CAMPUS

NATIONAL CAMPUS FOOTPRINT

7 campus locations across 4 states + Online

50 Classrooms

2,302 sqm

space in Sydney operating at **53% capacity**

2,099 sqm

space in Melbourne operating at **53% capacity**

Operating leverage to emerge as ALG student numbers rebuild

Significantly underutilised classroom and operating capacity

02

FINANCIAL RESULTS



REVENUE AND EARNINGS IMPROVING

Group Profit & Loss Statement

	1H23	1H22	Variance	Variance
	\$'000	\$'000	\$'000	%
ALG and Ikon				
Total revenue and other income	10,252	8,881	1,371	15%
Cost of sales	(4,703)	(4,562)	(141)	(3%)
Gross profit	5,549	4,319	1,230	28%
Gross margin (%)*	54%	49%	n/a	6%
Operating expenses	(4,567)	(4,526)	(41)	(1%)
Operating EBITDA	982	(207)	1,189	n/a
Operating EBITDA margin (%)*	10%	(2%)	n/a	12%
EDU Holdings				
Corporate costs	(745)	(689)	(56)	(8%)
EBITDA	237	(896)	1,133	n/a
EBITDA margin (%)*	2%	(10%)	n/a	12%
Depreciation & amortisation				
- Lease related	(1,249)	(991)	(258)	(26%)
- Plant & equipment	(342)	(241)	(101)	(42%)
- Intangible assets	(210)	(198)	(12)	(6%)
Total depreciation & amortisation	(1,801)	(1,430)	(371)	(26%)
Earnings before interest, tax and one-off items	(1,564)	(2,326)	762	33%
EBIT margin (%)*	(15%)	(26%)	n/a	11%
Interest on lease liabilities	(438)	(347)	(91)	(26%)
Net interest and borrowing expenses	(63)	(72)	9	13%
Income tax benefit	508	595	(87)	(15%)
Net loss before one-off items	(1,557)	(2,150)	593	28%
Due diligence and transaction costs	(15)	(8)	(7)	(88%)
Gain from disposal of assets	180	7	173	nm
Loss from discontinued operations (net of tax)	(159)	(44)	(115)	(261%)
Net loss for the period	(1,551)	(2,195)	644	29%

* Movement in percentage points

Group revenue up 15% - Ikon revenue growth of 55% offset by 11% decline in ALG

Positive 1H23 EBITDA of \$0.2m, \$1.1m improvement

Net loss improvement of \$0.6m, notwithstanding decline in ALG enrolments and revenue

Discontinued ALG's Perth campus - low student volume, no longer viable

NET CASH IMPROVED

Consolidated Balance Sheet

As at	30-Jun-23	31-Dec-22	Variance
	\$'000	\$'000	\$'000
Cash and cash equivalents	6,277	6,075	202
Trade and other receivables	2,116	1,229	887
Goodwill	11,918	11,918	-
Intangibles	2,078	1,670	408
Plant & equipment	2,432	2,754	(322)
ROU assets	13,067	12,835	232
Other assets	3,000	2,428	572
Total assets	40,888	38,909	1,979
Contract liabilities	4,272	1,262	3,010
Trade and other payables	4,082	3,862	220
Borrowings	2,250	2,250	-
Lease liabilities	15,480	15,143	337
Other liabilities	3,015	3,135	(120)
Total liabilities	29,099	25,652	3,447
Net assets	11,789	13,257	(1,468)
Net cash	4,027	3,825	202

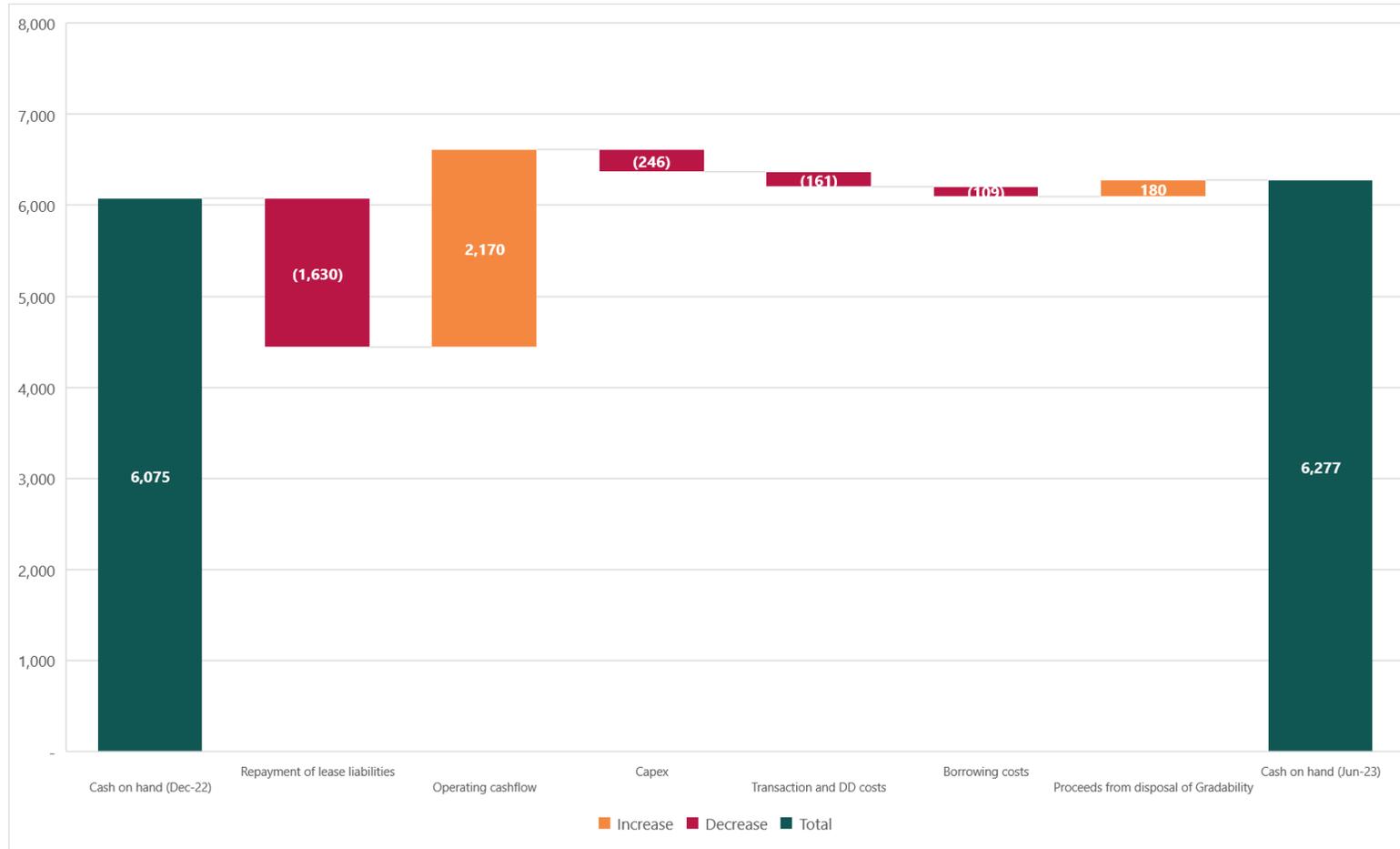
\$4.5m cash, previously earmarked for Nurse Training Australia acquisition, has strengthened EDU's balance sheet

CBA acquisition finance facility extended in 2022 by 3 years, no principal payments until October 2023

Other liabilities includes a \$1.6m FEE-HELP advance, repayable over next 6 years

CASH FLOW BRIDGE

(\$'000)



Net cash improved by \$0.2m with operating cash inflows of \$2.2m vs PCP cash outflows of \$34k.

Cash is cyclical due to the timing of tuition fee payments, with 1H typically higher than 2H

03

BUSINESS UNIT PERFORMANCE



BUSINESS UNIT PERFORMANCE



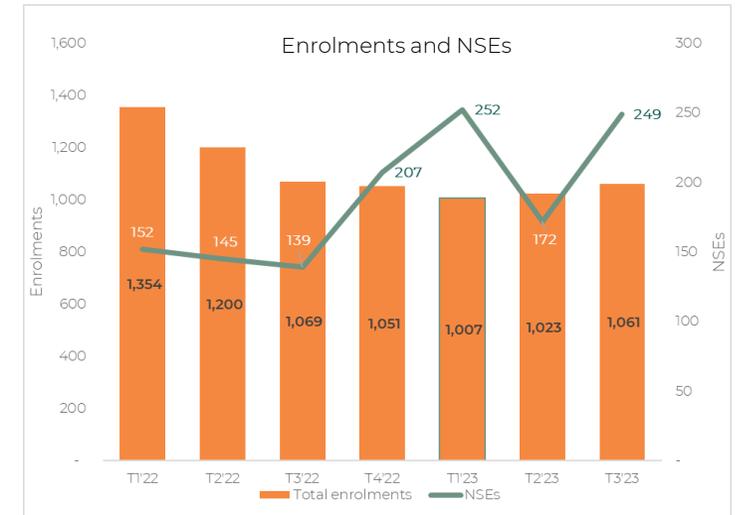
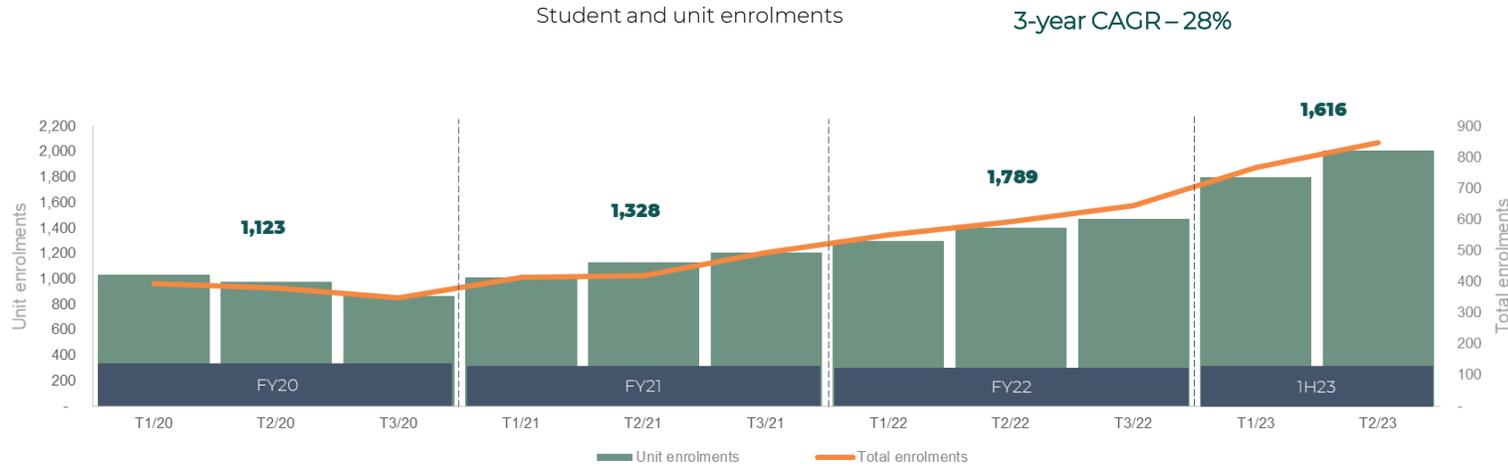
	Ikon INSTITUTE OF AUSTRALIA		AUSTRALIAN LEARNING GROUP	
	1HY23	1H22	1H23	1H22
Revenue	\$5.5m	\$3.6m	\$4.7m	\$5.3m
EBITDA	\$1.1m	(\$0.1m)	(\$0.1m)	(\$0.1m)
Students ¹	848	594	1,023	1,200
Student mix ¹	Domestic 53% International 47%		International 100%	

Ikon 1H23 enrolments up 41%. Growth continuing into Trimester 3, 2023

ALG enrolments fell 21% in 1H23, however NSEs were up 43% on PCP. Term 3, 2023 was ALG's second consecutive term of enrolment growth, up 4% on Term 2, 2023

¹ Number of students enrolled in the last trimester or term of the half-year

ENROLMENTS



International students represented **44%** of Ikon’s 1H23 enrolments, leveraging EDU’s substantial agent network



Continued **shift to Online** for Ikon domestic enrolments, Trimester 2, 2023 up 110% on PCP



Building **momentum in Early Childhood Education** – Ikon Trimester 2, 2023 BECE enrolments up 171% on PCP



ALG NSEs on the rise - increased prominence of South East Asian source countries

MOMENTUM ACCELERATING IN IKON

Ikon Profit & Loss Statement

	1H23	1H22	Variance	Variance
	\$'000	\$'000	\$'000	%
Revenue				
International student revenue	2,275	927	1,348	145%
Domestic student and other revenue	3,273	2,657	616	23%
Total revenue	5,548	3,584	1,964	55%
Cost of sales				
Commission	(342)	(147)	(195)	(133%)
Teaching	(1,745)	(1,424)	(321)	(23%)
Venue and other	(11)	(74)	63	85%
Total cost of sales	(2,098)	(1,645)	(453)	(28%)
Gross profit	3,450	1,939	1,511	78%
<i>Gross margin (%)*</i>	<i>62%</i>	<i>54%</i>	<i>n/a</i>	<i>8%</i>
Operating expenses	(2,319)	(2,062)	(257)	(12%)
Operating EBITDA	1,131	(123)	1,254	n/a
<i>Operating EBITDA margin (%)*</i>	<i>20%</i>	<i>(3%)</i>	<i>n/a</i>	<i>23%</i>
Depreciation & amortisation				
- Lease related	(541)	(455)	(86)	(19%)
- Plant & equipment	(29)	(22)	(7)	(32%)
- Intangible assets	(65)	(70)	5	7%
Total depreciation & amortisation	(635)	(547)	(88)	(16%)
Earnings before interest, tax and one-off items	496	(670)	1,166	n/a
<i>EBIT margin (%)*</i>	<i>9%</i>	<i>(19%)</i>	<i>n/a</i>	<i>28%</i>
Net finance expense - lease related	(205)	(158)	(47)	(30%)
Income tax (expense) / benefit	(85)	139	(224)	n/a
Net profit / (loss) for the period	206	(689)	895	n/a

* Movement in percentage points

1H23 revenue up 55%, EBITDA up sharply to \$1.1m from \$0.1m loss in 1H22

Trimester 2, 2023 enrolments up 43% on PCP to a record 848

Bachelor of Early Childhood Education now Ikon's largest course, with 349 enrolments in Trimester 2, 2023 - up 171%

Positive impact of course expansion clearly evident. Multiple new courses being developed

ALG STUDENT NUMBERS GRADUALLY RISING

ALG Profit & Loss Statement

	1H23	1H22	Variance	Variance
	\$'000	\$'000	\$'000	%
Revenue				
International student revenue	4,515	5,301	(786)	(15%)
Domestic student and other revenue	189	(4)	193	n/a
Total revenue	4,704	5,297	(593)	(11%)
Cost of sales				
Commission	(1,037)	(1,239)	202	16%
Teaching	(1,542)	(1,433)	(109)	(8%)
Venue and other	(26)	(245)	219	89%
Total cost of sales	(2,605)	(2,917)	312	11%
Gross profit	2,099	2,380	(281)	(12%)
<i>Gross margin (%)*</i>	<i>45%</i>	<i>45%</i>	<i>n/a</i>	<i>-</i>
Operating expenses	(2,248)	(2,464)	216	9%
Operating EBITDA	(149)	(84)	(65)	(77%)
<i>Operating EBITDA margin (%)*</i>	<i>(3%)</i>	<i>(2%)</i>	<i>n/a</i>	<i>(1%)</i>
Depreciation & amortisation				
- Lease related	(708)	(536)	(172)	(32%)
- Plant & equipment	(313)	(219)	(94)	(43%)
- Intangible assets	(74)	(57)	(17)	(30%)
Total depreciation & amortisation	(1,095)	(812)	(283)	(35%)
Earnings before interest, tax and one-off items	(1,244)	(896)	(348)	(39%)
<i>EBIT margin (%)*</i>	<i>(26%)</i>	<i>(17%)</i>	<i>n/a</i>	<i>(9%)</i>
Net finance expense - lease related	(230)	(189)	(41)	(22%)
Loss from discontinued operations (net of tax)	(159)	(44)	(115)	(261%)
Income tax benefit	395	301	94	31%
Net loss for the period	(1,238)	(828)	(410)	(50%)

* Movement in percentage points

Revenue and earnings down on the PCP due to lower enrolments

However, recently reported second consecutive term of enrolment growth

LTM Term 3, 2023 NSEs up 65% on PCP, pointing to future growth in enrolments

Given excess campus capacity, increasing student volume will materially benefit margins

04

CAPITAL & DEBT STRUCTURE



CAPITAL STRUCTURE

Supportive institutional investors alongside meaningful Board and Management alignment

ENTERPRISE VALUE¹

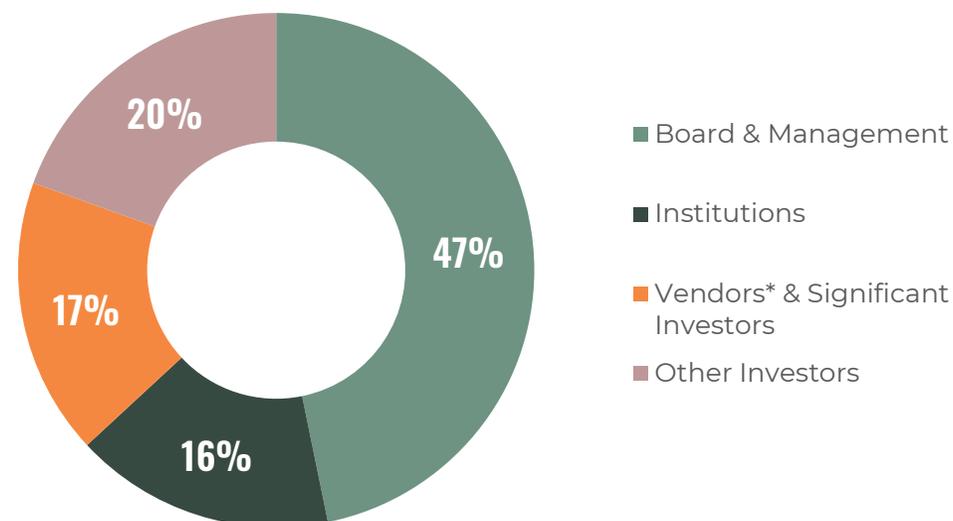
	Number	% Diluted
Ordinary shares	165,214,443	96.3%
Performance rights ²	6,416,198	3.7%
Fully diluted	171,630,641	100.0%

	\$'000
Market capitalisation (\$0.15 per share)	24,782
Cash	(6,277)
Debt	2,250
Enterprise value	20,755

¹ At 4 August 2023

² 1,250,000 Performance Rights issued in 2019 expired 4 January 2023 as the performance conditions were not met. 1,866,198 Performance Rights were issued after shareholder approval was received at the AGM held on 23 May 2023

SHAREHOLDERS BY CATEGORY



* Prior vendors of businesses (including part holdings) acquired by EDU



CASH AND DEBT



\$6.3m

Cash at bank



\$4.0m

Net cash up 5%



\$2.3m

Acquisition facility, recently extended



Supportive

bank relationship, scope to grow

Gearing	30-Jun-23	31 Dec-22	Variance
	\$'000	\$'000	%
Cash and cash equivalents	6,277	6,075	3%
Acquisition facility	(2,250)	(2,250)	-
Net cash	4,027	3,825	5%

Gearing ratio	30-Jun-23	31 Dec-22	Variance
Gearing ratio - debt ¹	16%	15%	1%
Gearing ratio - net cash / debt ²	(52%)	(41%)	(11%)

¹ Calculated as debt / (debt + equity)

² Calculated as (debt - cash) / (debt - cash + equity)

05

PRIORITIES & OUTLOOK



STRATEGIC PRIORITIES



**EBITDA positive
in 2023**

Accelerate rebuild of ALG Enrolments

Benefit from operating leverage given underutilised capacity

Broaden course offering aligned to Skills Shortages

Launch of new courses in HE and VET will leverage cost base

Explore alternatives to enter Nurse training market

Seek alternative acquisitions and/or explore organic development

2H23 OUTLOOK



NSE and enrolment growth to continue as market settings normalise

Introduction of new courses in existing and new fields of study

Enrolments and revenue up on 1H23



BECE enrolment momentum to continue

2 new HE courses intended to be submitted to TEQSA for accreditation

Enrolments and revenue up on PCP



Revenue and EBITDA up on PCP



06

APPENDICES



DEEP EDUCATION SECTOR & CORPORATE EXPERIENCE ALIGNED THROUGH SIGNIFICANT EQUITY INTEREST

EXECUTIVE MANAGEMENT



ADAM DAVIS

Chief Executive Officer & Managing Director

Adam has extensive experience in the education sector as founder & CEO of formerly ASX listed Tribeca Learning Limited. Under Adam's leadership, Tribeca acquired & integrated numerous education businesses. The company was acquired by Kaplan in 2006.



LYNDON CATZEL

Chief Financial Officer & Company Secretary

Lyndon has 25 years' financial, operational and strategic experience as CEO, CFO & COO across businesses in funds administration, financial services, healthcare, software & wholesale distribution. Lyndon is a chartered accountant.



RYAN LAWSON

General Manager, ALG

Ryan has over 20 years' experience in education, spanning a breadth of strategic and operational roles across schools, VET and Higher Education providers. Previously Ryan worked for some of Australia's largest for-profit education providers, (Think Education, Torrens University and Scentia).



DR EHSAN AHMED

Executive Dean, Ikon

Dr Ehsan Ahmed has 25 years of academic governance experience, including online education and developing blended learning courses, including at Ikon Institute of Australia, Australian Polytechnic Institute, AIM Business School, Kent Institute, Think Education UNSW.

NON-EXECUTIVE DIRECTORS



GARY BURG

Non-Executive Director

Gary has been involved with Global Capital Group since 1995 and in Australia since 2001. In Australia Gary has been involved with businesses across life insurance, financial services & education. Gary is a director of ASX listed Clearview Ltd.



PETER MOBBS

Non-Executive Director

Peter is Managing Partner at Five Sigma, an EdTech focused, global growth fund and Managing Director of Greystone, a private investment company focused on education and technology.



JONATHAN PAGER

Non-Executive Director

Jonathan has 25 years experience as a management consultant and qualified as a chartered accountant with Deloitte. Jonathan has restructured, listed and acted as a director for a range of public companies in the resources & industrial sectors.



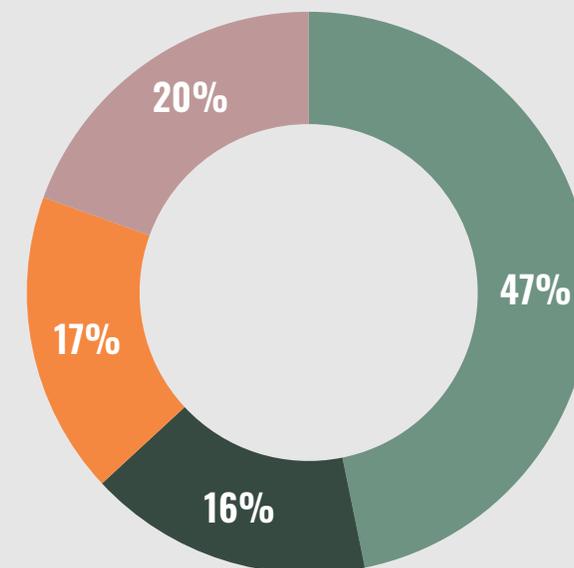
GREG SHAW

Non-Executive Director

Greg is the Chief Executive Officer of Mulpha International. He has over 25 years' experience as CEO of listed businesses in Australia, including as CEO of Ardent Leisure, one of Australia's largest leisure and hospitality owners. Greg has extensive management experience across a range of industry sectors, including education, leisure, entertainment, property, and finance sectors. Greg qualified as a Chartered Accountant.

BUSINESS UNIT LEADERSHIP

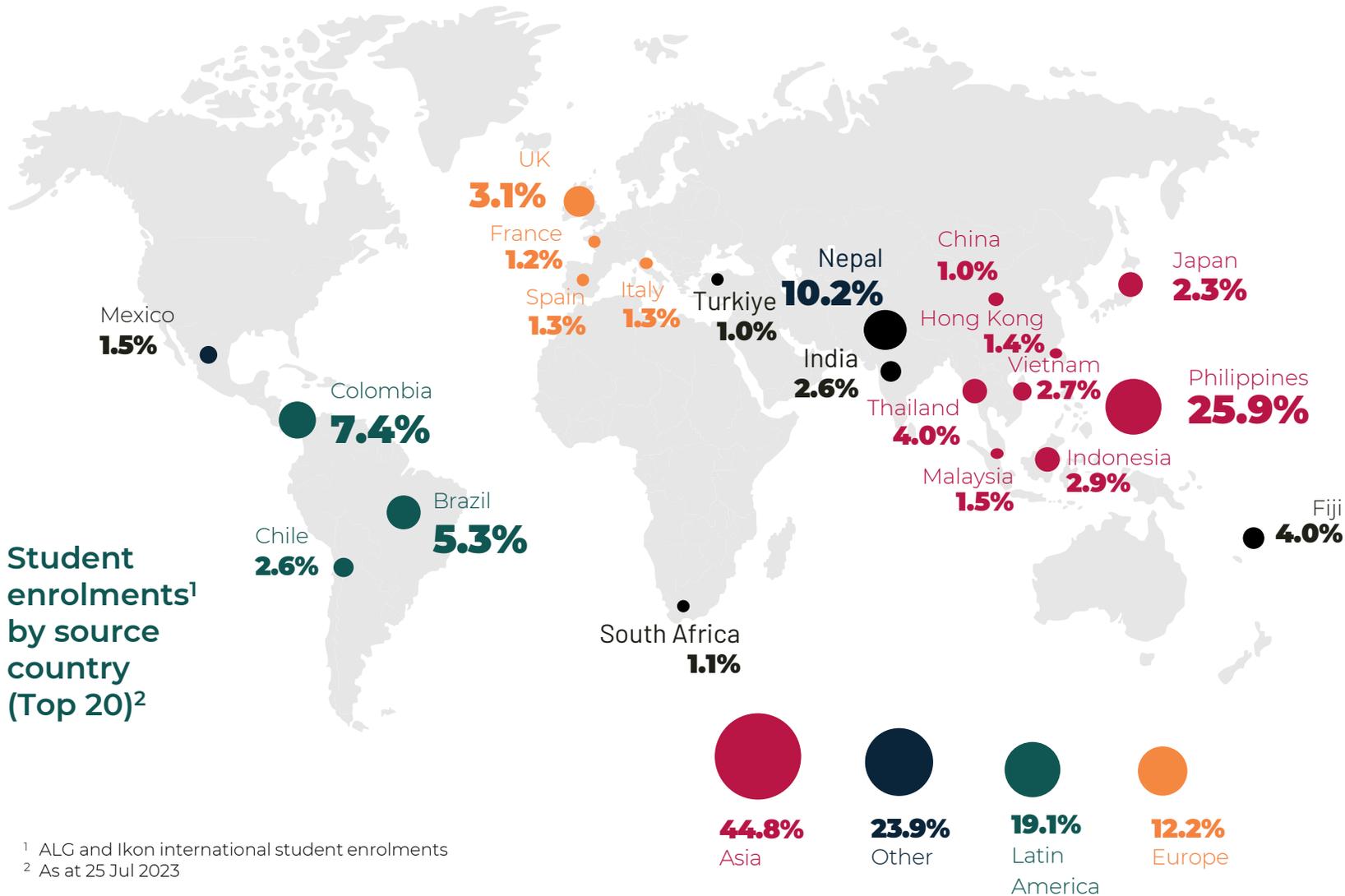
SHAREHOLDER STRUCTURE



- Board & Management
- Institutions
- Vendors* & Significant Investors
- Other Investors

* Prior vendors of businesses (including part holdings) acquired by EDU

GLOBAL RECRUITMENT NETWORK



¹ ALG and Ikon international student enrolments
² As at 25 Jul 2023

280 active education agents

Recruiting from

80 source markets

for

2 business units in

7 campus locations across

4 states + Online

Diverse student & agent mix

GROUP

Half on Half Analysis

Group	1H23	1H22	Variance	2H22	2H21	Variance
	\$'000	\$'000	%	\$'000	\$'000	%
ALG and Ikon						
Total revenue and other income	10,252	8,881	15%	8,786	10,271	(14%)
Cost of sales	(4,703)	(4,562)	(3%)	(4,000)	(4,900)	18%
Gross profit	5,549	4,319	28%	4,786	5,371	(11%)
<i>Gross margin (%)*</i>	<i>54%</i>	<i>49%</i>	<i>5%</i>	<i>54%</i>	<i>52%</i>	<i>2%</i>
Operating expenses	(4,567)	(4,526)	(1%)	(4,475)	(4,063)	(10%)
Operating EBITDA	982	(207)	n/a	311	1,308	(76%)
<i>Operating EBITDA margin (%)*</i>	<i>10%</i>	<i>(2%)</i>	<i>12%</i>	<i>4%</i>	<i>13%</i>	<i>(9%)</i>
EDU Holdings						
Corporate costs	(745)	(689)	(8%)	(879)	(680)	(29%)
EBITDA	237	(896)	n/a	(568)	628	n/a
<i>EBITDA margin (%)*</i>	<i>2%</i>	<i>(10%)</i>	<i>12%</i>	<i>(6%)</i>	<i>6%</i>	<i>(12%)</i>
Depreciation & amortisation						
- Lease related	(1,249)	(991)	(26%)	(1,495)	(1,251)	(20%)
- Plant & equipment	(342)	(241)	(42%)	(334)	(324)	(3%)
- Intangible assets	(210)	(198)	(6%)	(192)	(224)	14%
Total depreciation & amortisation	(1,801)	(1,430)	(26%)	(2,021)	(1,799)	(12%)
Earnings before interest, tax and one-off items	(1,564)	(2,326)	33%	(2,589)	(1,171)	(121%)
<i>EBIT margin (%)*</i>	<i>(15%)</i>	<i>(26%)</i>	<i>11%</i>	<i>(29%)</i>	<i>(11%)</i>	<i>(18%)</i>
Interest on lease liabilities	(438)	(347)	(26%)	(509)	(346)	(47%)
Interest and borrowing expenses	(63)	(72)	13%	(87)	(80)	(9%)
Income tax benefit	508	595	(15%)	849	467	82%
Net loss before one-off items	(1,557)	(2,150)	28%	(2,336)	(1,130)	(107%)
Due diligence and transaction costs	(15)	(8)	(88%)	(43)	(76)	43%
Gain on lease modification	-	-	n/a	87	-	n/a
Gain from disposal of assets	180	7	nm	131	1,912	(93%)
Loss from discontinued operations	(159)	(44)	(261%)	(67)	60	n/a
Impairment of assets	-	-	n/a	(396)	-	n/a
Net (loss) / profit for the period	(1,551)	(2,195)	29%	(2,624)	766	n/a

* Movement in percentage points

IKON

Half on Half Analysis

Ikon	1H23	1H22	Variance	2H22	2H21	Variance
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue						
International student revenue	2,275	927	145%	1,332	674	98%
Domestic student revenue	3,273	2,657	23%	2,969	2,656	12%
Total revenue	5,548	3,584	55%	4,301	3,330	29%
Cost of sales						
Commission	(342)	(147)	(133%)	(185)	(94)	(97%)
Teaching	(1,745)	(1,424)	(23%)	(1,285)	(1,355)	5%
Venue and other	(11)	(74)	85%	(22)	(44)	50%
Total cost of sales	(2,098)	(1,645)	(28%)	(1,492)	(1,493)	-
Gross profit	3,450	1,939	78%	2,809	1,837	53%
<i>Gross margin (%)*</i>	<i>62%</i>	<i>54%</i>	<i>8%</i>	<i>65%</i>	<i>55%</i>	<i>10%</i>
Operating expenses	(2,319)	(2,062)	(12%)	(2,163)	(1,633)	(32%)
Operating EBITDA	1,131	(123)	n/a	646	204	217%
<i>Operating EBITDA margin (%)*</i>	<i>20.4%</i>	<i>(3.4%)</i>	<i>23%</i>	<i>15%</i>	<i>6%</i>	<i>9%</i>
Depreciation & amortisation						
- Lease related	(541)	(455)	(19%)	(551)	(446)	(24%)
- Plant & equipment	(29)	(22)	(32%)	(24)	(22)	(9%)
- Intangible assets	(65)	(70)	7%	(52)	(63)	17%
Total depreciation & amortisation	(635)	(547)	(16%)	(627)	(531)	(18%)
Earnings before interest, tax and one-off items	496	(670)	n/a	19	(327)	n/a
<i>EBIT margin (%)*</i>	<i>9%</i>	<i>(19%)</i>	<i>28%</i>	<i>-</i>	<i>(10%)</i>	<i>10%</i>
Net finance expense - lease related	(205)	(158)	(30%)	(222)	(145)	(53%)
Income tax (expense) / benefit	(85)	139	n/a	32	38	(16%)
Net profit / (loss) for the period	206	(689)	n/a	(171)	(434)	61%

* Movement in percentage points

ALG

Half on Half Analysis

ALG	1H23	1H22	Variance	2H22	2H21	Variance
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue						
International student revenue	4,515	5,301	(15%)	4,431	6,595	(33%)
Domestic student and other revenue	189	(4)	n/a	54	346	(84%)
Total revenue	4,704	5,297	(11%)	4,485	6,941	(35%)
Cost of sales						
Commission	(1,037)	(1,239)	16%	(1,032)	(1,541)	33%
Teaching	(1,542)	(1,433)	(8%)	(1,504)	(1,623)	7%
Venue and other	(26)	(245)	89%	28	(243)	n/a
Total cost of sales	(2,605)	(2,917)	11%	(2,508)	(3,407)	26%
Gross profit	2,099	2,380	(12%)	1,977	3,534	(44%)
<i>Gross margin (%)*</i>	<i>45%</i>	<i>45%</i>	<i>-</i>	<i>44%</i>	<i>51%</i>	<i>(7%)</i>
Operating expenses	(2,248)	(2,464)	9%	(2,312)	(2,430)	5%
Operating EBITDA	(149)	(84)	(77%)	(335)	1,104	n/a
<i>Operating EBITDA margin (%)*</i>	<i>(3%)</i>	<i>(2%)</i>	<i>(1%)</i>	<i>(7%)</i>	<i>16%</i>	<i>(23%)</i>
Depreciation & amortisation						
- Lease related	(708)	(536)	(32%)	(857)	(805)	(6%)
- Plant & equipment	(313)	(219)	(43%)	(310)	(302)	(3%)
- Intangible assets	(74)	(57)	(30%)	(67)	(88)	24%
Total depreciation & amortisation	(1,095)	(812)	(35%)	(1,234)	(1,195)	(3%)
Earnings before interest, tax and one-off items	(1,244)	(896)	(39%)	(1,569)	(91)	nm
<i>EBIT margin (%)*</i>	<i>(26%)</i>	<i>(17%)</i>	<i>(9%)</i>	<i>(35%)</i>	<i>(1%)</i>	<i>(34%)</i>
Net finance expense - lease related	(230)	(189)	(22%)	(290)	(201)	(44%)
Loss from discontinued operations	(159)	(44)	(261%)	(67)	60	n/a
Impairment of assets	-	-	n/a	(396)	-	n/a
Income tax benefit / (expense)	395	301	31%	579	230	152%
Net (loss) / profit for the period	(1,238)	(828)	(50%)	(1,743)	(2)	Nm

* Movement in percentage points

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