



**QUALIFICATIONS  
TO MEET DEMAND  
IN HEALTHCARE,  
EDUCATION & COMMUNITY  
SERVICES OCCUPATIONS**

**FY22 RESULTS  
PRESENTATION**





# CONTENTS

01

---

2022  
Highlights

Pg. 7

02

---

Financial  
Results

Pg. 12

03

---

Business Unit  
Performance

Pg. 16

04

---

Capital & Debt  
Structure

Pg. 21

05

---

Priorities &  
Outlook

Pg. 24

06

---

Appendices

Pg. 27

# SNAPSHOT



**EDU HOLDINGS LIMITED**  
ACN 108 962 152

## COMPANY OVERVIEW

**Vision:** First-choice in Healthcare, Education and Community Services qualifications to domestic and international students in Australia

**ikon** INSTITUTE  
OF AUSTRALIA



**\$18.1m**

FY22 Revenue

**91**

Permanent  
Team Members

**8**

Campuses + Online  
NSW, VIC, QLD, SA, WA

**\$6.1m**

Cash at 31-Dec

**6,463**

Total Enrolments<sup>1</sup>  
Domestic and International

**22**

Courses - Certificates,  
Diplomas & Degrees

## INVESTMENT PROPOSITION

### Structural Tailwinds

Long-term skills  
shortages<sup>2</sup>  
Favourable visa settings

### Market Rebounding

International student market  
rebuilding, led by English  
language sector – feeder for  
VET and HE

### Operating Leverage

Significant latent  
classroom and operating  
capacity  
Growth in Online

### Long-Term Prospects

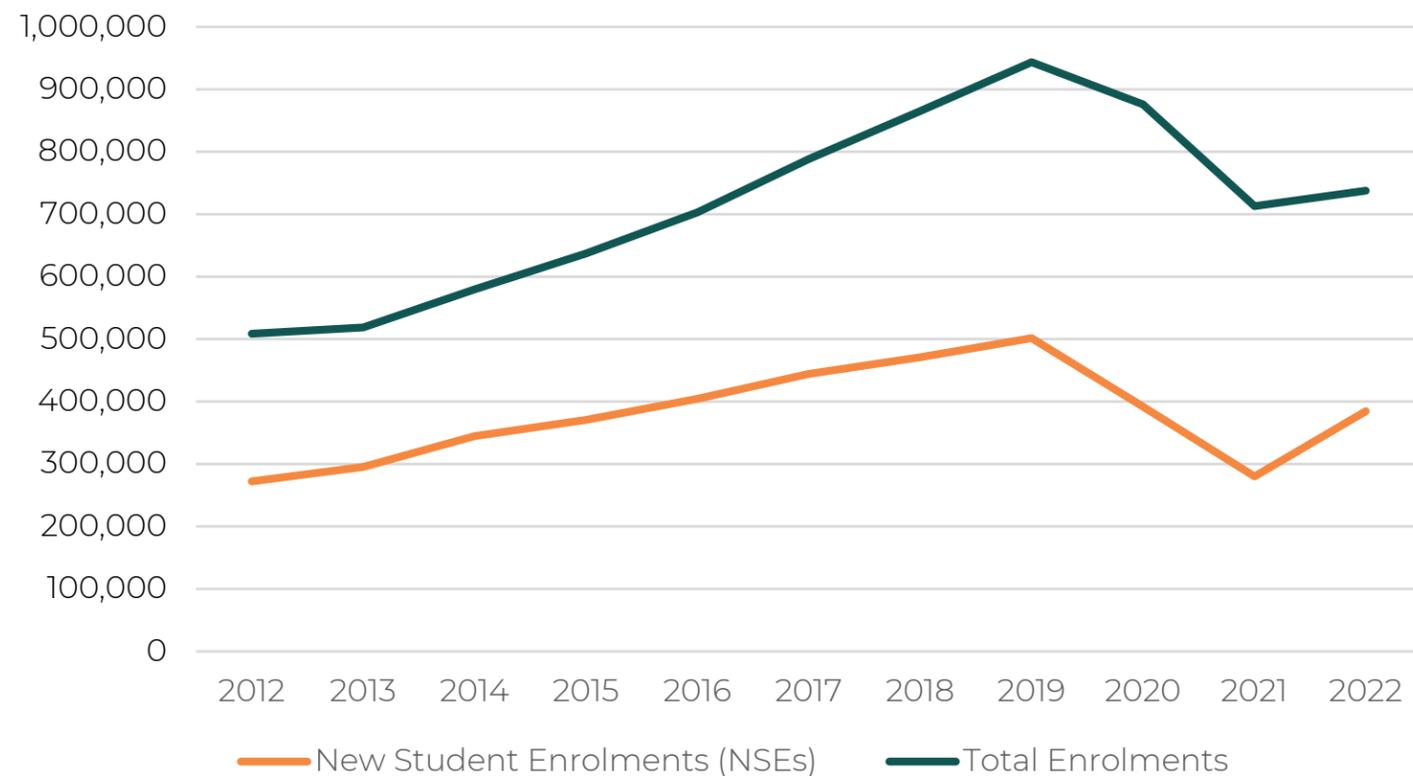
Ambitious product  
development program  
underway  
Continued focus on M&A

<sup>1</sup> Total enrolments is the sum of all student enrolments in each of the terms and trimesters during the financial year

<sup>2</sup> Healthcare and Social Assistance sector is Australia's largest employing sector and is projected to grow by 301,000 jobs over the 5 years to November 2026 - Australian Government Labour Market Insights - <https://labourmarketinsights.gov.au/>

# AUSTRALIA'S INTERNATIONAL EDUCATION MARKET BOUNCING BACK

## NEW STUDENT ENROLMENTS (NSEs) AND TOTAL ENROLMENTS<sup>1</sup>



<sup>1</sup> Source: Austrade International Education Data - Year to Date November

**Post-pandemic recovery well underway** - all key source markets grew in 2022 other than China

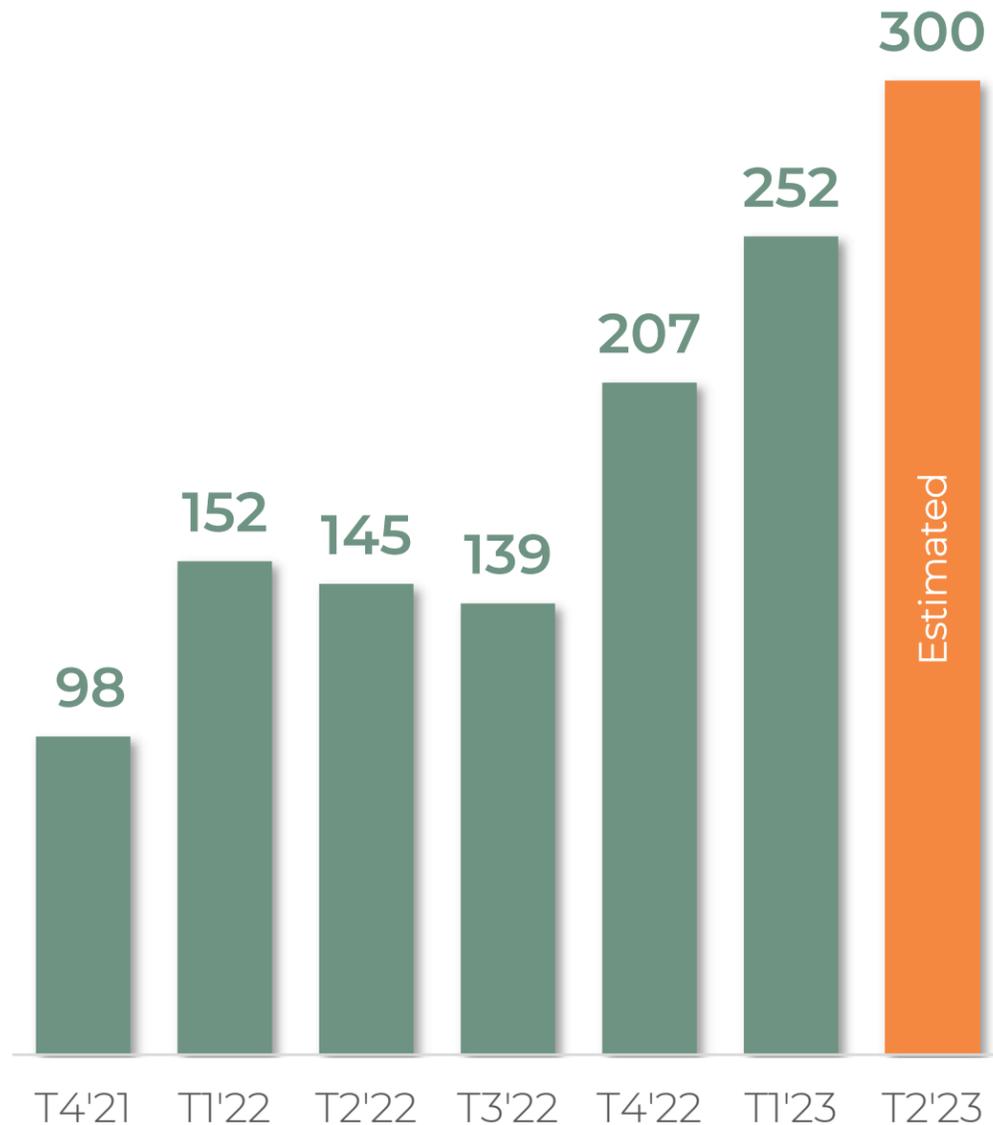
**Favourable visa settings** - to encourage return of international students

**Visa processing bottlenecks resolved** - Home Affairs investment in 2022 to rebuild visa processing capacity

**English language sector at or above pre-pandemic level** – feeder into VET and HE sectors

**Australia remains a Top 5 destination** for international students

# ALG NEW STUDENT ENROLMENTS (NSE) REBOUNDED



**NSEs are a leading indicator** of total enrolments – T4'22 up 111% on PCP

**Onshore market rebuilding** with ELICOS providers back to or above pre-pandemic levels

**24 month average study duration** to result in layering of growth as we rebuild

**Significantly underutilised capacity** - operating leverage to emerge with increased student numbers and class sizes



# QUALIFICATIONS TO MEET THE DEMAND FOR SKILLED OCCUPATIONS

Skilled Migration Quota increasing



EDU to benefit from focus on skilled occupations

Delivers qualifications to meet 25 ANZSCO occupation codes, including **15 on the Strategic Skills Lists**<sup>1</sup>

## 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. Nurse Training Australia provides a pathway to a 4<sup>th</sup>.

- Child carers
- Age and disability carers
- Early childhood teachers
- Registered nurses



## Skilled Priority List Key Findings Report 2022

**Child Care Worker and Aged Care Worker** are identified in the Skilled Priority List 2022 as large employing occupations with critical shortages.

**Registered nurses are the largest employing area** in healthcare and social assistance industry. All registered nurse occupations listed in ANZSCO were in shortage in the 2022 Skilled Priority List

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

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.

01

# 2022 HIGHLIGHTS



# OPERATIONAL HIGHLIGHTS

## Ikon Total Enrolments up 35%

Growth continuing - Trimester 1, 2023 enrolments up 40% on PCP

## Rebound in ALG NSEs

Term 4, 2022 up 111% on PCP to 207  
Term 1, 2023 up a further 22% to 252

## Opened New Sydney Campus

1,621 sqm purpose-built education space

## Acquired Nurse Training Australia<sup>1</sup>

Expected completion 2Q 2023

## Growth in Online

49% of Ikon's domestic NSEs  
Enables national class consolidation and higher margins

## Early Childhood Education Gaining Traction

Growth in international enrolments, leveraging significant EDU agent network

## Skills Shortages Driving Shift in Program Mix

73% of total enrolments in Community Services courses

## Capacity Maintained

Significant latent capacity to deliver operating leverage as student numbers grow

<sup>1</sup> Completion pending reaccreditation of NTA's new Diploma of Nursing program by the Australian Nursing and Midwifery Accreditation Council, and ASQA approving the addition of the new Diploma of Nursing to its scope of registration.

# FINANCIAL & STUDENT METRICS

## FINANCIALS

	FY22	vs	FY21	
Revenue	<b>\$18.1m</b>		<b>\$22.0m</b>	↓
EBITDA <sup>1</sup>	<b>(\$1.5m)</b>		<b>\$2.0m</b>	↓
	DEC 22		DEC 21	
Cash Balance <sup>2</sup>	<b>\$6.1m</b>		<b>\$6.3m</b>	↓

## STUDENT METRICS

	FY22	vs	FY21	
Total Enrolments <sup>3</sup>	<b>6,463</b>		<b>8,898</b>	↓
New Student Enrolments (NSEs)	<b>1,036</b>		<b>1,115</b>	↓
Letters of Offer	<b>2,732</b>		<b>2,107</b>	↑

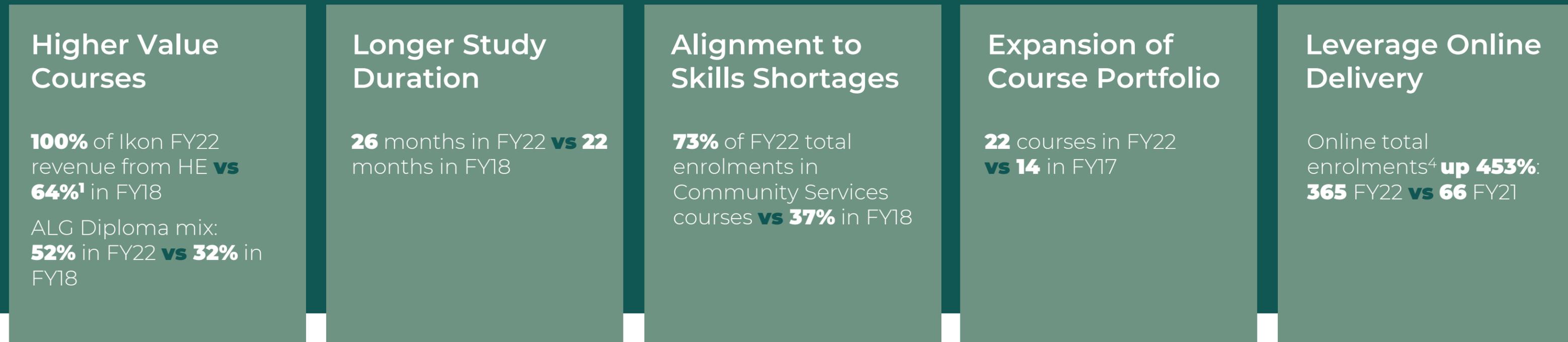
**Revenue and EBITDA expected to improve in FY23 – ALG total enrolments have bottomed and Ikon gaining momentum**

<sup>1</sup> 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

<sup>2</sup> Cash balance at 31 January 2023 strengthened to \$6.8m

<sup>3</sup> Total enrolments is the sum of all student enrolments in each of the terms and trimesters during each financial year

# PROGRAM STRATEGY UNFOLDING



Average Price<sup>2</sup>

**\$8,000**

**\$19,000**

**\$54,000**



Average Duration<sup>3</sup>

**< 1 year**

**1-2 years**

**3-4 years**

<sup>1</sup> Represents proportion of HE revenue delivered directly, ie. not through third parties  
<sup>2</sup> Represents weighted average price across business unit programs  
<sup>3</sup> Represents weighted average duration across business unit programs  
<sup>4</sup> Sum of all Ikon Online student enrolments in each of the trimesters during each financial year

# 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

**8** campus locations across 5 states + Online

**54** Classrooms

**2,302 sqm**

space in Sydney operating at **46% capacity**

**2,099 sqm**

space in Melbourne operating at **45% capacity**

## Operating leverage to emerge as student numbers rebound

Significantly underutilised classroom and operating capacity

02

# FINANCIAL RESULTS



# REVENUE AND EARNINGS DOWN, PER GUIDANCE

## Group Profit & Loss Statement

	FY22	FY21	Variance	Variance
	\$'000	\$'000	\$'000	%
<b>ALG and Ikon</b>				
Total revenue and other income	18,120	22,324	(4,204)	(18.8%)
Cost of sales	(8,916)	(10,869)	1953	18.0%
<b>Gross profit</b>	<b>9,204</b>	<b>11,455</b>	<b>(2,251)</b>	<b>(19.7%)</b>
Gross margin (%)*	50.8%	51.3%	n/a	(0.5%)
Operating expenses	(9,183)	(8,111)	(1,072)	(13.2%)
<b>Operating EBITDA</b>	<b>21</b>	<b>3,344</b>	<b>(3,323)</b>	<b>(99.4%)</b>
Operating EBITDA margin (%)*	0.1%	15.0%	n/a	(14.9%)
<b>EDU Holdings</b>				
Corporate costs	(1,568)	(1,356)	(212)	(15.6%)
<b>EBITDA</b>	<b>(1,547)</b>	<b>1,988</b>	<b>(3,535)</b>	<b>n/a</b>
EBITDA margin (%)*	(8.5%)	8.9%	n/a	(17.4%)
<b>Depreciation &amp; amortisation</b>				
- Lease related	(2,541)	(2,305)	(236)	(10.2%)
- Plant & equipment	(586)	(655)	69	10.5%
- Intangible assets	(390)	(431)	41	9.5%
<b>Total depreciation &amp; amortisation</b>	<b>(3,517)</b>	<b>(3,391)</b>	<b>(126)</b>	<b>(3.7%)</b>
<b>Earnings before interest, tax and one-off items</b>	<b>(5,064)</b>	<b>(1,403)</b>	<b>(3,661)</b>	<b>(260.9%)</b>
EBIT margin (%)*	(27.9%)	(6.3%)	n/a	(21.6%)
Interest on lease liabilities	(856)	(700)	(156)	(22.3%)
Interest and borrowing expenses	(159)	(163)	4	2.5%
Income tax benefit	1,482	770	712	92.5%
<b>Net loss before one-off items</b>	<b>(4,597)</b>	<b>(1,496)</b>	<b>(3,101)</b>	<b>(207.3%)</b>
Due diligence and transaction costs	(51)	(753)	702	93.2%
Gain on lease modification	87	-	87	n/a
Gain from disposal of assets	138	1,912	(1,774)	(92.8%)
Impairment of assets	(396)	-	(396)	n/a
<b>Net loss for the period</b>	<b>(4,819)</b>	<b>(337)</b>	<b>(4,482)</b>	<b>(1330.0%)</b>

\* Movement in percentage points

Ikon revenue up 31%, not sufficient to offset 37% decline in ALG revenue

2H22 EBITDA loss reduced against prior half-year

Earnings impacted by reduced ALG total enrolments, with continued investment in Ikon

Campus infrastructure and headcount retained for growth

# NET ASSETS IMPROVED

## Consolidated Balance Sheet

As at	31-Dec-22	31-Dec-21	Variance
	\$'000	\$'000	\$'000
Cash and cash equivalents	6,075	6,275	(200)
Trade and other receivables	1,229	293	936
Goodwill	11,918	11,918	-
Intangibles	1,670	1,663	7
Plant & equipment	2,754	2,627	127
ROU assets	12,835	11,835	1,000
Other assets	2,428	1,984	444
<b>Total assets</b>	<b>38,909</b>	<b>36,595</b>	<b>2,314</b>
Contract liabilities	1,262	1,586	(324)
Trade and other payables	3,862	3,392	470
Borrowings	2,250	2,750	(500)
Lease liabilities	15,143	13,275	1,868
Other liabilities	3,135	3,745	(610)
<b>Total liabilities</b>	<b>25,652</b>	<b>24,748</b>	<b>904</b>
<b>Net assets</b>	<b>13,257</b>	<b>11,847</b>	<b>1,410</b>
<b>Net cash</b>	<b>3,825</b>	<b>3,525</b>	<b>300</b>

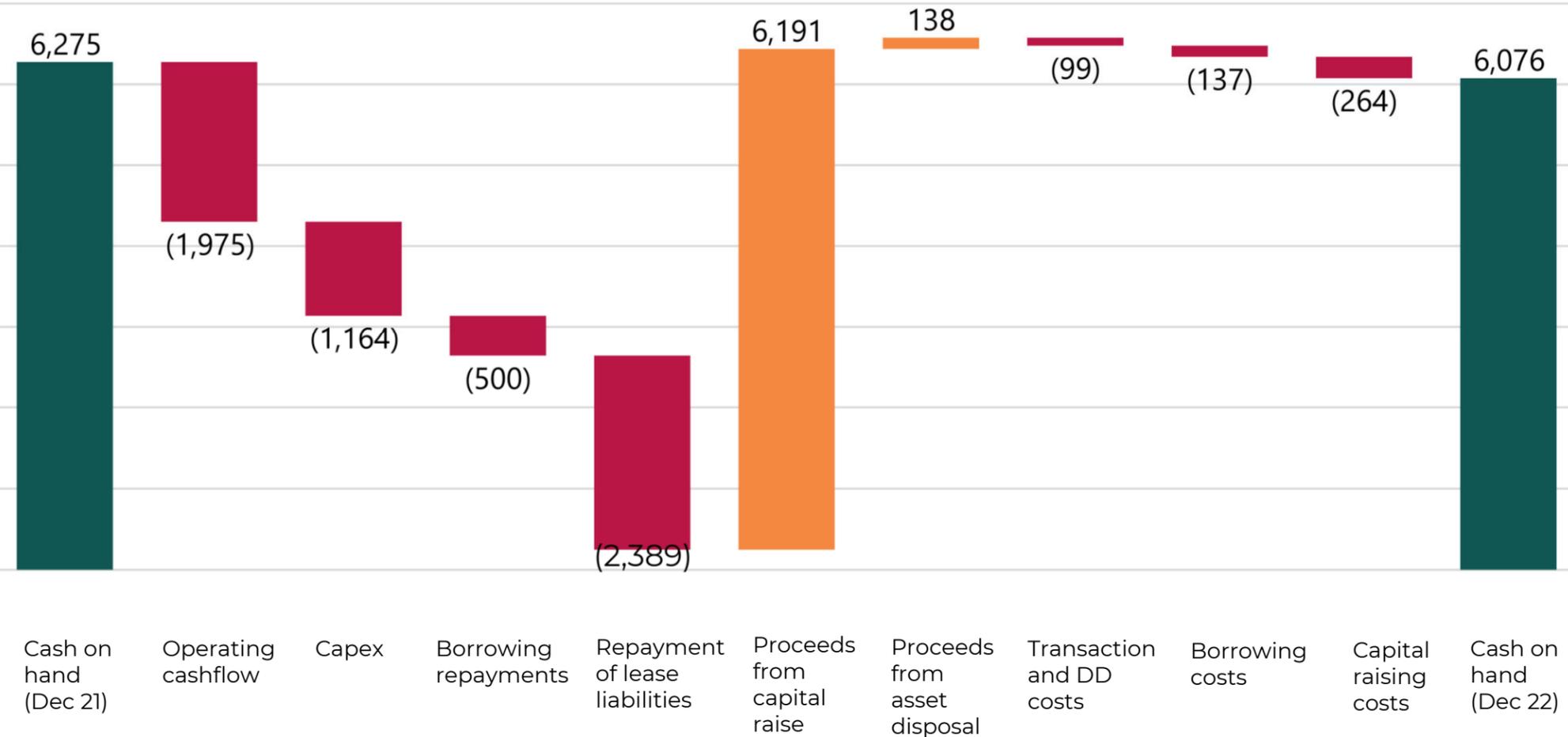
Cash improved to \$6.8m at 31-Jan-23

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

Other liabilities includes a \$1.9m FEE-HELP advance, repayable over next 6 years

# CASH FLOW BRIDGE

(\$'000)



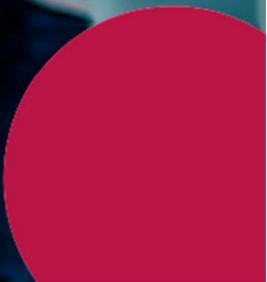
Capital raise well supported by Board, management and institutional investors. New strategic substantial shareholder, Mulpha Australia

\$4.5m to be paid on completion of Nurse Training Australia acquisition – expected 2Q 2023

Capex includes move to new Sydney campus, providing significant operating capacity for future growth

03

# BUSINESS UNIT PERFORMANCE



# BUSINESS UNIT PERFORMANCE



	Ikon INSTITUTE OF AUSTRALIA		AUSTRALIAN LEARNING GROUP	
	FY22		FY21	
<b>Revenue</b>	\$7.9m	↑	\$6.0m	
<b>EBITDA</b>	\$0.5m	↑	\$0.4m	
<b>Students<sup>1</sup></b>	645	↑	495	
<b>Student mix</b>	Domestic 65% International 35%		International 100%	

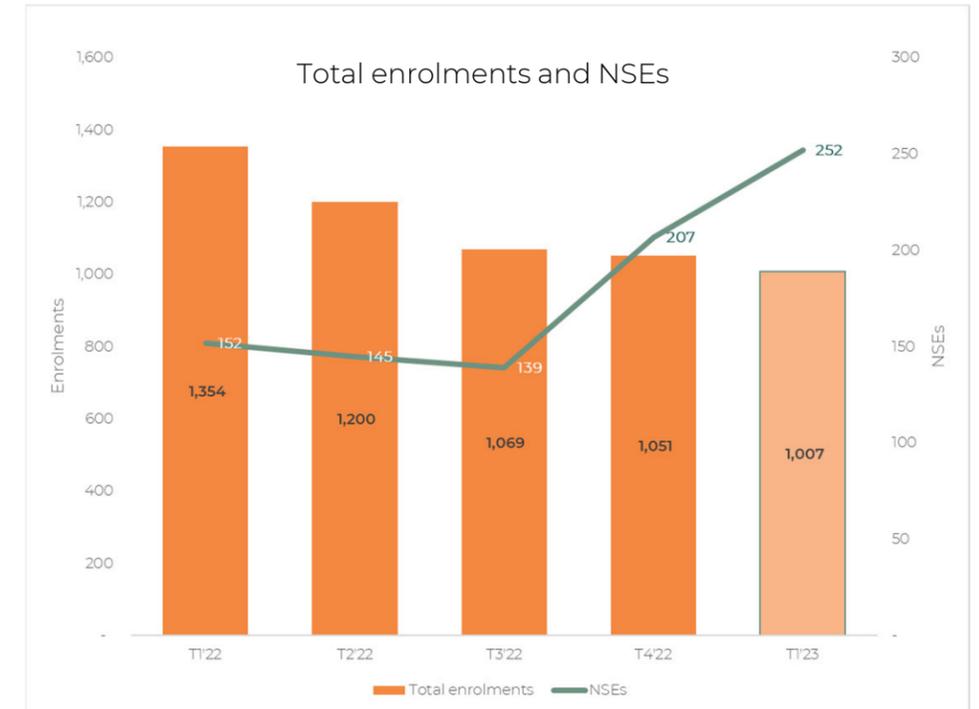
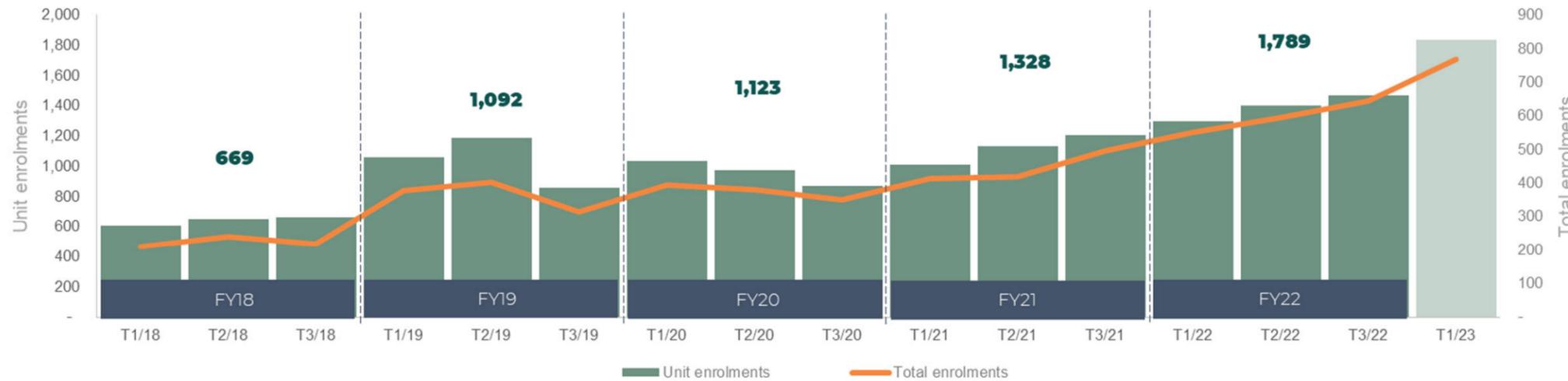
Ikon FY22 total enrolments up 35% and growth continuing – Trimester 1, 2023 up 40% on PCP

ALG total enrolments fell 38% in 2022, however new student enrolments are rebounding – Term 4, 2022 up 111% on PCP, with Term 1, 2023 up a further 22%

<sup>1</sup> Number of students enrolled in the last trimester or term of the year

# ENROLMENTS

Total student and unit enrolments



International students represented **35%** of Ikon's FY22 total enrolments, leveraging EDU's agent network



Strong **shift to Online** in Ikon domestic total enrolments, Trimester 3, 2022 up 4x on PCP



Gaining **traction in Early Childhood Education** - Ikon Trimester 3, 2022 total enrolments up 2x on PCP



**Rebound in ALG NSEs** with increased prominence of South East Asia source countries

# MOMENTUM ACCELERATING IN IKON

## Ikon Profit & Loss Statement

	FY22	FY21	Variance	Variance
	\$'000	\$'000	\$'000	%
<b>Revenue</b>				
International student revenue	2,259	1,001	1,258	125.7%
Domestic student and other revenue	5,626	5,010	616	12.3%
<b>Total revenue</b>	<b>7,885</b>	<b>6,011</b>	<b>1,874</b>	<b>31.2%</b>
<b>Cost of sales</b>				
Commission	(332)	(140)	(192)	(137.1%)
Venue	(42)	(102)	60	58.8%
Teaching	(2,709)	(2,245)	(464)	(20.7%)
Other	(54)	(23)	(31)	(134.8%)
<b>Total cost of sales</b>	<b>(3,137)</b>	<b>(2,510)</b>	<b>(627)</b>	<b>(25.0%)</b>
<b>Gross profit</b>	<b>4,748</b>	<b>3,501</b>	<b>1,247</b>	<b>35.6%</b>
<i>Gross margin (%)*</i>	60.2%	58.2%	n/a	2.0%
<b>Operating expenses</b>	<b>(4,225)</b>	<b>(3,079)</b>	<b>(1,146)</b>	<b>(37.2%)</b>
<b>Operating EBITDA</b>	<b>523</b>	<b>422</b>	<b>101</b>	<b>23.9%</b>
<i>Operating EBITDA margin (%)*</i>	6.6%	7.0%	n/a	(0.4%)
<b>Depreciation &amp; amortisation</b>				
- Lease related	(1,006)	(688)	(318)	(46.2%)
- Plant & equipment	(46)	(42)	(4)	(9.5%)
- Intangible assets	(122)	(116)	(6)	(5.2%)
<b>Total depreciation &amp; amortisation</b>	<b>(1,174)</b>	<b>(846)</b>	<b>(328)</b>	<b>(38.8%)</b>
<b>EBIT</b>	<b>(651)</b>	<b>(424)</b>	<b>(227)</b>	<b>(53.5%)</b>
<i>EBIT margin (%)*</i>	(8.3%)	(7.1%)	n/a	(1.2%)
Net finance expense - lease related	(380)	(248)	(132)	(53.2%)
Income tax benefit	171	105	66	62.9%
<b>Net loss for the period</b>	<b>(860)</b>	<b>(567)</b>	<b>(293)</b>	<b>(51.7%)</b>

\* Movement in percentage points

2H22 revenue up 20% on 1H22. EBITDA up sharply to \$0.6m from \$0.1m loss in 1H22

Trimester 1, 2023 total enrolments, up 40% on PCP to 768

Bachelor of Early Childhood Education (launched 2021) gaining traction – 178 students in Trimester, 3 2022, up 109% on PCP. Further growth in Trimester 1, 2023 - now our largest course, with 263 students

Impact of course expansion evident, ambitious product development program approved and underway

# ALG STUDENT NUMBERS CONSOLIDATING

## ALG Profit & Loss Statement

	FY22	FY21	Variance	Variance
	\$'000	\$'000	\$'000	%
<b>Revenue</b>				
International student revenue	10,185	15,809	(5,624)	(35.6%)
Domestic student and other revenue	50	504	(454)	(90.1%)
<b>Total revenue</b>	<b>10,235</b>	<b>16,313</b>	<b>(6,078)</b>	<b>(37.3%)</b>
<b>Cost of sales</b>				
Commission	(2,376)	(3,660)	1,284	35.1%
Venue	(131)	(508)	377	74.2%
Teaching	(3,176)	(4,004)	828	20.7%
Other	(96)	(187)	91	48.7%
<b>Total cost of sales</b>	<b>(5,779)</b>	<b>(8,359)</b>	<b>2,580</b>	<b>30.9%</b>
<b>Gross profit</b>	<b>4,456</b>	<b>7,954</b>	<b>(3,498)</b>	<b>(44.0%)</b>
<i>Gross margin (%)*</i>	43.5%	48.8%	n/a	(5.3%)
<b>Operating expenses</b>	<b>(4,958)</b>	<b>(5,032)</b>	<b>74</b>	<b>1.5%</b>
<b>Operating EBITDA</b>	<b>(502)</b>	<b>2,922</b>	<b>(3,424)</b>	<b>n/a</b>
<i>Operating EBITDA margin (%)*</i>	(4.9%)	17.9%	n/a	(22.8%)
<b>Depreciation &amp; amortisation</b>				
- Lease related	(1,448)	(1,617)	169	10.5%
- Plant & equipment	(540)	(613)	73	11.9%
- Intangible assets	(124)	(171)	47	27.5%
<b>Total depreciation &amp; amortisation</b>	<b>(2,112)</b>	<b>(2,401)</b>	<b>289</b>	<b>12.0%</b>
<b>Earnings before interest, tax and one-off items</b>	<b>(2,614)</b>	<b>521</b>	<b>(3,135)</b>	<b>n/a</b>
<i>EBIT margin (%)*</i>	(25.5%)	3.2%	n/a	(28.7%)
Net finance expense - lease related	(479)	(451)	(28)	(6.2%)
Impairment of assets	(396)	-	(396)	n/a
Income tax benefit / (expense)	918	89	829	931.5%
<b>Net (loss) / profit for the period</b>	<b>(2,571)</b>	<b>159</b>	<b>(2,730)</b>	<b>n/a</b>

\* Movement in percentage points

Return to growth postponed due to visa processing delays and availability and pricing of inbound flights. Total enrolments declined 38%

With lower revenue and smaller class sizes, strategy to maintain teams and campus infrastructure was impactful to earnings

New student enrolments rebuilding -Term 4, 2022 up 111% on PCP, with Term 1, 2023 up a further 22%. ELICOS sector – feeder for VET and HE – back to or above pre-pandemic levels

2023 gross margins to improve, aided by tuition fee increase and larger class sizes as student numbers rebuild, leveraging latent capacity

04  
**CAPITAL &  
DEBT  
STRUCTURE**



# CAPITAL STRUCTURE

Supportive institutional investors alongside meaningful Board and Management alignment

## ENTERPRISE VALUE<sup>1</sup>

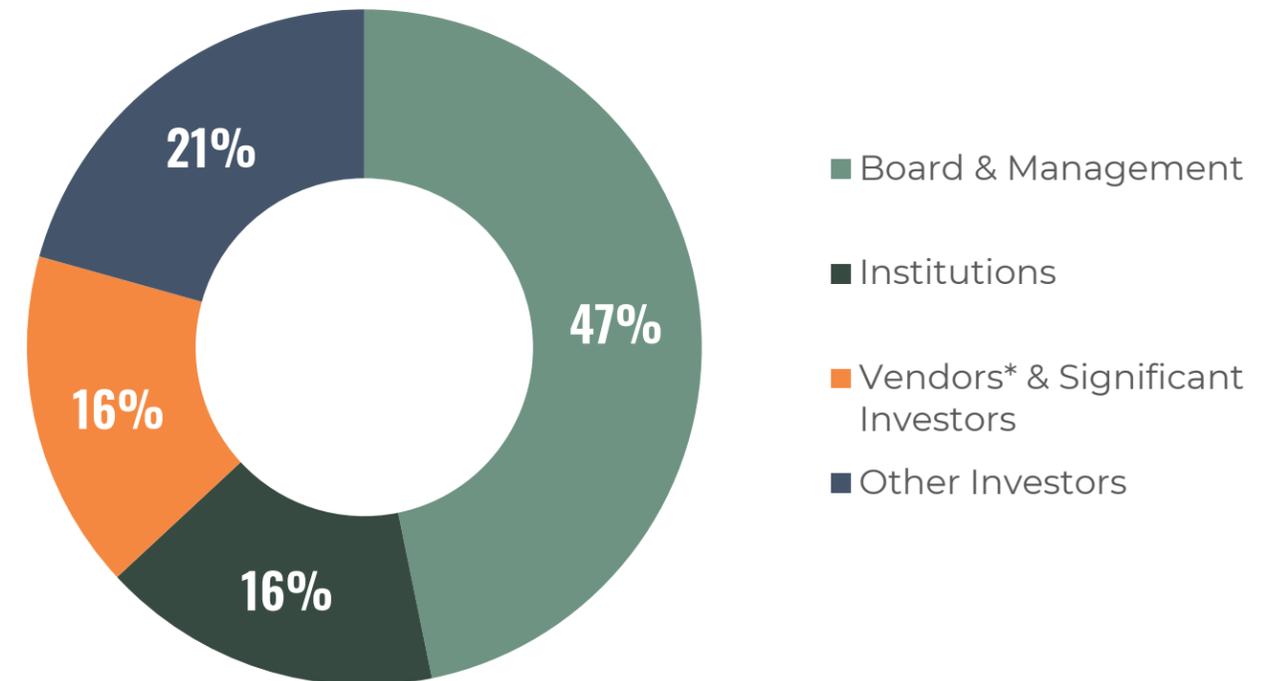
	Number	% Diluted
Ordinary shares	165,214,443	96.6%
Performance rights <sup>2</sup>	5,800,000	3.4%
Fully diluted	171,014,443	100.0%

	\$'000
Market capitalisation (\$0.16 per share)	26,434
Cash	(6,075)
Debt	2,250
<b>Enterprise value</b>	<b>22,609</b>

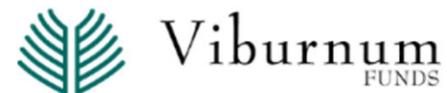
<sup>1</sup> At 23 February 2023

<sup>2</sup> 1,250,000 Performance Rights expired 4 January 2023 as the performance conditions were not met

## SHAREHOLDERS BY CATEGORY



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



# DEBT STRUCTURE



**\$6.1m**

Cash at bank<sup>1</sup>



**\$3.8m**

Net cash



Acquisition  
Facility Extended

**3 years**



Supportive  
bank relationship,  
scope to

**grow**

<sup>1</sup> Improved to \$6.8m at 31 January 2023

<sup>2</sup> Calculated as debt / (debt + equity)

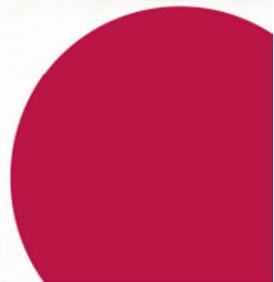
<sup>3</sup> Calculated as (debt - cash) / (debt - cash + equity)

Gearing	31-Dec-22	31 Dec-21	Variance
	\$'000	\$'000	%
Acquisition facility	2,250	2,750	(18%)
Cash and cash equivalents	6,075	6,275	(3%)
<b>Net cash</b>	<b>3,825</b>	<b>3,525</b>	<b>9%</b>

Gearing ratio	31-Dec-22	31 Dec-21	Variance
Gearing ratio - gross debt <sup>2</sup>	<b>14.5%</b>	18.8%	(4.3%)
Gearing ratio - net cash / debt <sup>3</sup>	<b>(40.6%)</b>	(42.4%)	1.8%

05

# PRIORITIES & OUTLOOK



# STRATEGIC PRIORITIES



**EBITDA positive  
in FY23**

## **Rebuild Student Numbers in ALG**

Harness growth from ELICOS sector – feeder into VET and HE

Demonstrate operating leverage from underutilised capacity

## **Broaden Course Offering Aligned to Skills Shortages**

5+ new HE courses by 2025

## **Enter Nurse Training Market**

Complete acquisition of Nurse Training Australia. Commence national roll-out

# 2023 OUTLOOK



NSE growth to continue, harnessing the strength of English language enrolments

Total enrolments and revenue to increase

Margin expansion with increased student numbers, leveraging latent operating capacity

Investment in product development

EBITDA positive



Total enrolments and revenue continuing to increase

Further operating leverage (margin expansion) as BECE and Online continue to gain traction

Increased focus on Online

Investment in product development

EBITDA growth



Completion of acquisition of Nurse Training Australia in 2Q23

Revenue growth

EBITDA positive

06

# APPENDICES



# DEEP CORPORATE & EDUCATION SECTOR 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 Ltd. Under Adam, 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 Greyrock, 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**

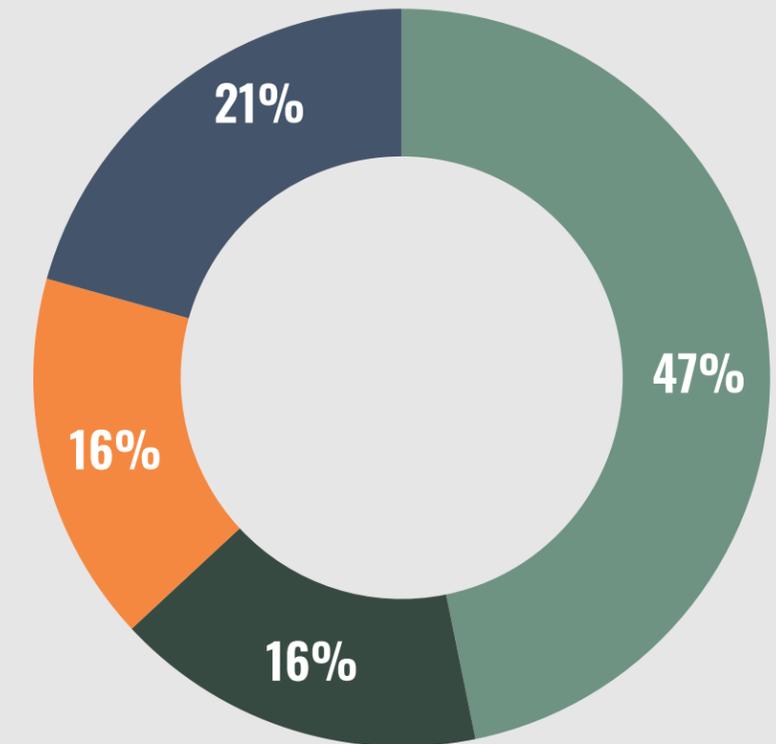
Non-Executive Director

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.

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

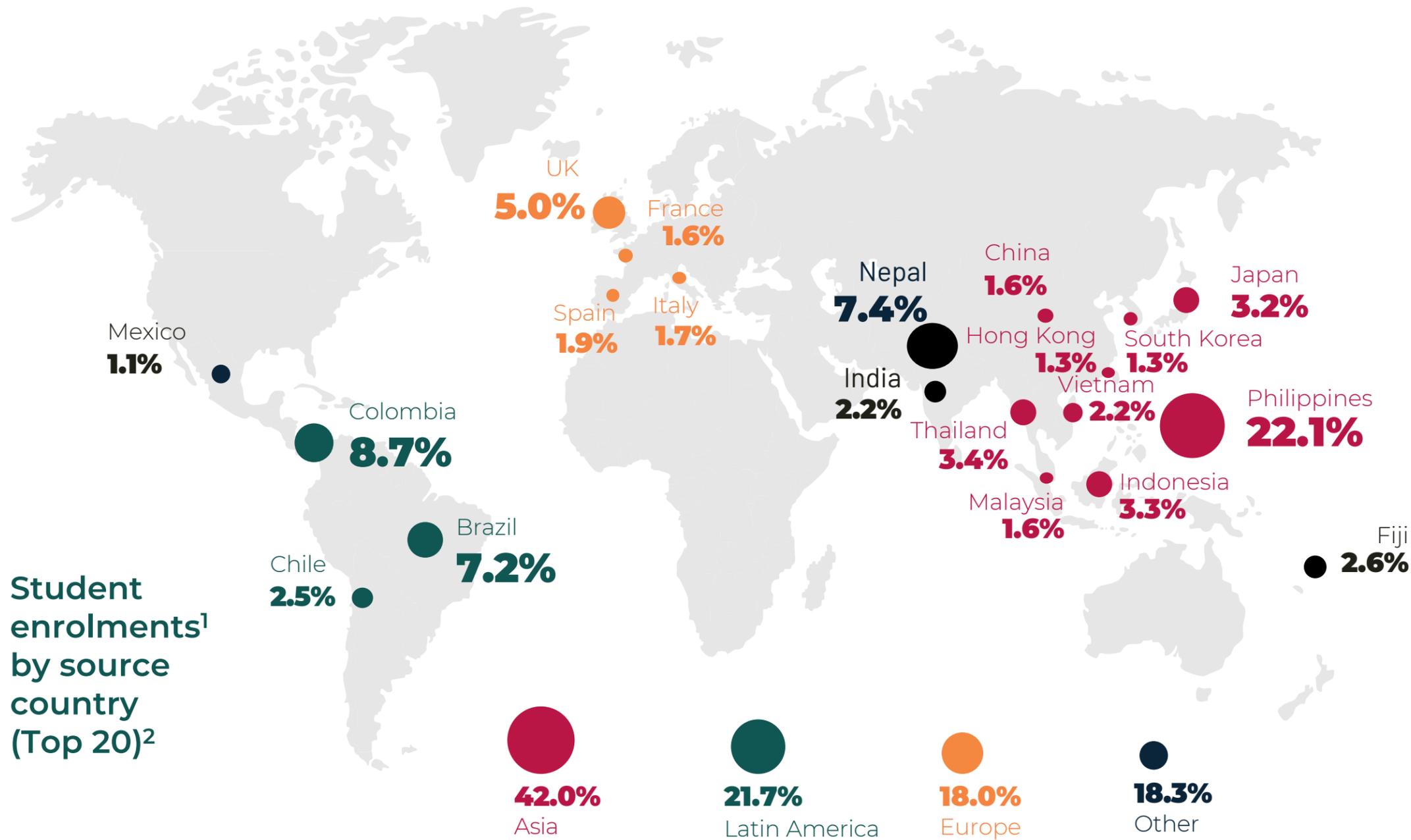
## BUSINESS UNIT LEADERSHIP

## SHAREHOLDER STRUCTURE



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

# GLOBAL RECRUITMENT NETWORK



**304** active education agents

Recruiting from

**80** source markets

for

**2** business units in

**8** campus locations across

**5** states + Online

**Diverse** student & agent mix

<sup>1</sup> ALG and Ikon international student enrolments

<sup>2</sup> As at 10 Feb 2023

# GROUP

## Half on Half Analysis

Group	2H22	1H22	Variance	2H21	1H21	Variance
	\$'000	\$'000	%	\$'000	\$'000	%
<b>ALG and Ikon</b>						
Total revenue and other income	8,971	9,149	(1.9%)	10,715	11,609	(7.7%)
Cost of sales	(4,154)	(4,762)	12.8%	(5,160)	(5,709)	9.6%
<b>Gross profit</b>	<b>4,817</b>	<b>4,387</b>	<b>9.8%</b>	<b>5,555</b>	<b>5,900</b>	<b>(5.8%)</b>
Gross margin (%)*	53.7%	48.0%	5.7%	51.8%	50.8%	1.0%
Operating expenses	(4,564)	(4,619)	1.2%	(4,155)	(3,956)	(5.0%)
<b>Operating EBITDA</b>	<b>253</b>	<b>(232)</b>	<b>n/a</b>	<b>1,400</b>	<b>1,944</b>	<b>(28.0%)</b>
Operating EBITDA margin (%)*	2.8%	(2.5%)	5.3%	13.1%	16.7%	(3.6%)
<b>EDU Holdings</b>						
Corporate costs	(879)	(689)	(27.6%)	(680)	(676)	(0.6%)
<b>EBITDA</b>	<b>(626)</b>	<b>(921)</b>	<b>32.0%</b>	<b>720</b>	<b>1,268</b>	<b>(43.2%)</b>
EBITDA margin (%)*	(7.0%)	(10.1%)	3.1%	6.7%	10.9%	(4.2%)
<b>Depreciation &amp; amortisation</b>						
- Lease related	(1,522)	(1,019)	(49.4%)	(1,256)	(1,048)	(19.8%)
- Plant & equipment	(339)	(247)	(37.2%)	(331)	(325)	(1.8%)
- Intangible assets	(192)	(198)	3.0%	(224)	(207)	(8.2%)
<b>Total depreciation &amp; amortisation</b>	<b>(2,053)</b>	<b>(1,464)</b>	<b>(40.2%)</b>	<b>(1,811)</b>	<b>(1,580)</b>	<b>(14.6%)</b>
<b>Earnings before interest, tax and one-off items</b>	<b>(2,679)</b>	<b>(2,385)</b>	<b>(12.3%)</b>	<b>(1,091)</b>	<b>(312)</b>	<b>(249.7%)</b>
EBIT margin (%)*	(29.9%)	(26.1%)	(3.8%)	(10.2%)	(2.7%)	(7.5%)
Interest on lease liabilities	(509)	(347)	(46.7%)	(346)	(354)	2.3%
Interest and borrowing expenses	(87)	(72)	(20.8%)	(80)	(83)	3.6%
Income tax benefit	872	610	43.0%	447	323	38.4%
<b>Net loss before one-off items</b>	<b>(2,403)</b>	<b>(2,194)</b>	<b>(9.5%)</b>	<b>(1,070)</b>	<b>(426)</b>	<b>(151.2%)</b>
Due diligence and transaction costs	(43)	(8)	nm	(76)	(677)	nm
Gain on lease modification	87	-	n/a	-	-	n/a
Gain from disposal of assets	131	7	1771.4%	1,912	-	n/a
Impairment of assets	(396)	-	n/a	-	-	n/a
<b>Net (loss) / profit for the period</b>	<b>(2,624)</b>	<b>(2,195)</b>	<b>(19.5%)</b>	<b>766</b>	<b>(1,103)</b>	<b>n/a</b>

\* Movement in percentage points

# IKON

## Half on Half Analysis

Ikon	2H22	1H22	Variance	2H21	1H21	Variance
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Revenue</b>						
International student revenue	1,332	927	43.7%	674	327	106.1%
Domestic student revenue	2,969	2,657	11.7%	2,656	2,354	12.8%
<b>Total revenue</b>	<b>4,301</b>	<b>3,584</b>	<b>20.0%</b>	<b>3,330</b>	<b>2,681</b>	<b>24.2%</b>
<b>Cost of sales</b>						
Commission	(185)	(147)	(25.9%)	(94)	(46)	(104.3%)
Venue	8	(50)	n/a	(27)	(75)	64.0%
Teaching	(1,285)	(1,424)	9.8%	(1,355)	(890)	(52.2%)
Other	(30)	(24)	(25.0%)	(17)	(6)	(183.3%)
<b>Total cost of sales</b>	<b>(1,492)</b>	<b>(1,645)</b>	<b>9.3%</b>	<b>(1,493)</b>	<b>(1,017)</b>	<b>(46.8%)</b>
<b>Gross profit</b>	<b>2,809</b>	<b>1,939</b>	<b>44.9%</b>	<b>1,837</b>	<b>1,664</b>	<b>10.4%</b>
<i>Gross margin (%)*</i>	65.3%	54.1%	11.2%	55.2%	62.1%	(6.9%)
<b>Operating expenses</b>	<b>(2,163)</b>	<b>(2,062)</b>	<b>(4.9%)</b>	<b>(1,633)</b>	<b>(1,446)</b>	<b>(12.9%)</b>
<b>Operating EBITDA</b>	<b>646</b>	<b>(123)</b>	<b>nm</b>	<b>204</b>	<b>218</b>	<b>(6.4%)</b>
<i>Operating EBITDA margin (%)*</i>	15.0%	(3.4%)	18.4%	6.1%	8.1%	(2.0%)
<b>Depreciation &amp; amortisation</b>						
- Lease related	(551)	(455)	(21.1%)	(446)	(242)	(84.3%)
- Plant & equipment	(24)	(22)	(9.1%)	(22)	(20)	(10.0%)
- Intangible assets	(52)	(70)	25.7%	(63)	(53)	(18.9%)
<b>Total depreciation &amp; amortisation</b>	<b>(627)</b>	<b>(547)</b>	<b>(14.6%)</b>	<b>(531)</b>	<b>(315)</b>	<b>(68.6%)</b>
<b>Earnings before interest, tax and one-off items</b>	<b>19</b>	<b>(670)</b>	<b>n/a</b>	<b>(327)</b>	<b>(97)</b>	<b>(237.1%)</b>
<i>EBIT margin (%)*</i>	0.4%	(18.7%)	19.1%	(9.8%)	(3.6%)	(6.2%)
Net finance expense - lease related	(222)	(158)	(40.5%)	(145)	(103)	(40.8%)
Income tax benefit	32	139	(77.0%)	38	67	(43.3%)
<b>Net loss for the period</b>	<b>(171)</b>	<b>(689)</b>	<b>75.2%</b>	<b>(434)</b>	<b>(133)</b>	<b>(226.3%)</b>

\* Movement in percentage points

# ALG

## Half on Half Analysis

ALG	2H22	1H22	Variance	2H21	1H21	Variance
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Revenue</b>						
International student revenue	4,616	5,569	(17.1%)	7,039	8,770	(19.7%)
Domestic student and other revenue	54	(4)	n/a	346	158	119.0%
<b>Total revenue</b>	<b>4,670</b>	<b>5,565</b>	<b>(16.1%)</b>	<b>7,385</b>	<b>8,928</b>	<b>(17.3%)</b>
<b>Cost of sales</b>						
Commission	(1,074)	(1,302)	17.5%	(1,649)	(2,011)	18.0%
Venue	81	(212)	n/a	(178)	(330)	46.1%
Teaching	(1,622)	(1,554)	(4.4%)	(1,742)	(2,262)	23.0%
Other	(47)	(49)	4.1%	(98)	(89)	(10.1%)
<b>Total cost of sales</b>	<b>(2,662)</b>	<b>(3,117)</b>	<b>14.6%</b>	<b>(3,667)</b>	<b>(4,692)</b>	<b>21.8%</b>
<b>Gross profit</b>	<b>2,008</b>	<b>2,448</b>	<b>(18.0%)</b>	<b>3,718</b>	<b>4,236</b>	<b>(12.2%)</b>
<i>Gross margin (%)*</i>	43.0%	44.0%	(1.0%)	50.3%	47.4%	2.9%
<b>Operating expenses</b>	<b>(2,401)</b>	<b>(2,557)</b>	<b>6.1%</b>	<b>(2,522)</b>	<b>(2,510)</b>	<b>(0.5%)</b>
<b>Operating EBITDA</b>	<b>(393)</b>	<b>(109)</b>	<b>nm</b>	<b>1,196</b>	<b>1,726</b>	<b>(30.7%)</b>
<i>Operating EBITDA margin (%)*</i>	(8.4%)	(2.0%)	(6.4%)	16.2%	19.3%	(3.1%)
<b>Depreciation &amp; amortisation</b>						
- Lease related	(884)	(564)	(56.7%)	(810)	(807)	(0.4%)
- Plant & equipment	(315)	(225)	(40.0%)	(309)	(304)	(1.6%)
- Intangible assets	(67)	(57)	(17.5%)	(88)	(83)	(6.0%)
<b>Total depreciation &amp; amortisation</b>	<b>(1,266)</b>	<b>(846)</b>	<b>(49.6%)</b>	<b>(1,207)</b>	<b>(1,194)</b>	<b>(1.1%)</b>
<b>Earnings before interest, tax and one-off items</b>	<b>(1,659)</b>	<b>(955)</b>	<b>(73.7%)</b>	<b>(11)</b>	<b>532</b>	<b>n/a</b>
<i>EBIT margin (%)*</i>	(35.5%)	(17.2%)	(18.3%)	(0.1%)	6.0%	(6.1%)
Net finance expense - lease related	(290)	(189)	(53.4%)	(201)	(250)	19.6%
Impairment of assets	(396)	-	n/a	-	-	n/a
Income tax benefit / (expense)	602	316	90.5%	210	(121)	n/a
<b>Net (loss) / profit for the period</b>	<b>(1,743)</b>	<b>(828)</b>	<b>(110.5%)</b>	<b>(2)</b>	<b>161</b>	<b>n/a</b>

\* Movement in percentage points

# DISCLAIMER

This presentation, dated 27 February 2023, provides additional commentary on the Annual Report for the period ended 31 December 2022 for EDU Holdings Limited (EDU, EDU Holdings or the Company) and accompanying information provided to ASX on the same date. As such, it should be read in conjunction with those documents.

This presentation is provided for general information purposes only. The information contained in this presentation is not intended to be relied upon as advice to investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should assess their own financial circumstances and consider talking to a financial adviser or consultant before making any investment decision.

This presentation is not a prospectus, investment statement or disclosure document, or an offer of shares for subscription, or sale, in any jurisdiction.

Certain statements in this presentation constitute 'forward-looking statements' or statements about 'future matters'. Such statements involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements.

While all reasonable care has been taken in relation to the preparation of this presentation, none of the Company, its subsidiaries, or their respective directors, officers, employees, contractors, or agents accept responsibility for any loss or damage resulting from the use of or reliance on this presentation by any person.

Past performance is not indicative of future performance and no guarantee of future returns is implied or given.

Some of the information in this presentation is based on unaudited financial data.

All values expressed are in Australian currency.

All intellectual property, proprietary and other rights and interests in this presentation are owned by the Company.



H o l d i n g s

## CONTACT

### **Adam Davis, CEO**

E: [adam.davis@eduholdings.com.au](mailto:adam.davis@eduholdings.com.au)

P: 1300 254 000

M: +61 408 400 888

---

### **Lyndon Catzel, CFO**

E: [lyndon.catzel@eduholdings.com.au](mailto:lyndon.catzel@eduholdings.com.au)

P: 1300 254 000

M: +61 414 907 384