

ASX Market Release

26 February 2025

FY24 Full-Year Results

The Board of EDU Holdings Limited (**EDU**, the **Company** or the **Group**) is pleased to report its financial results for the year ended 31 December 2024 (**FY24**).

Important Notes

The Company's financial year-end is 31 December. 1H refers to the 6-month period from 1 January to 30 June and 2H to the 6-month period from 1 July to 31 December.

All comparisons are to the previous corresponding period (**PCP**) unless otherwise stated.

Ikon refers to Proteus Technologies Pty Ltd trading as Ikon Institute of Australia, the Group's higher education provider and **ALG** refers to Australian Learning Group Pty Limited, the Group's vocational education provider.

Highlights

- **Revenue up 96% on PCP to \$42.3m (2H24: \$25.4m). Acceleration of revenue growth in 2H24, up 125% on PCP**
- **EBITDA up \$7.3m to \$7.9m (2H24: \$5.6m), margin up 16 percentage points (ppts) to 19%**
- **Return to profitability - statutory net profit after tax of \$2.6m (2H24: \$2.6m), material improvement on \$3.0m net loss after tax in FY23**
- **Strong cashflow generation - \$6.5m cash at bank at 31 December 2024, up \$3.7m, after \$0.5m principal debt repayment and \$0.9m share buyback**
- **Strategic entry into postgraduate market - accreditation of three new Masters programmes and one Bachelor course, with enrolments to commence from 1H25**
- **FY25 off to strong start - T1'25 NSEs of 889 in Ikon and 219 in ALG, with total student enrolments of 3,232 in Ikon (up 151%) and 1,655 in ALG (up 35%)**

Group

Strong enrolment growth across Ikon and ALG produced record Group revenue of \$42.3m, up 96% on the PCP. There was a significant acceleration in 2H24 with revenue of \$25.4m and revenue growth increasing from 64% in 1H24 to 125% in 2H24, on the respective PCP.

Both Ikon (higher education) and ALG (vocational education), delivered material revenue growth, up 142% and 43%, respectively.

EBITDA improved significantly from \$544k in FY23 to \$7.9m, driven by operating efficiencies and scale benefits. This resulted in EBITDA margin expansion of 16 ppts to 19%, with 2H24 EBITDA reaching \$5.6m at a margin of 22%.

This operational leverage supported the Group's return to profitability, with FY24 NPAT of \$2.6m (2H24: \$2.6m, including a \$0.3m gain on lease modification), compared to a \$3.0m net loss after tax in FY23.

The improvement in earnings translated to strong cash generation, with \$6.5m cash at bank on 31 December 2024, up from \$2.8m at 31 December 2023. This was after \$0.5m of principal debt repayments and completing a \$0.9m selective buyback at 6c per share, which the Board expects to enhance future earnings per share.

Higher Education - Ikon

Ikon delivered another year of strong growth, with student numbers reaching 2,492 in Trimester 3, 2024, up from 955 in the PCP.

- Revenue up 142% to \$28.0m (2H24: \$17.6m)
- EBITDA up \$6.7m to \$8.9m (2H24: \$6.0m)
- EBITDA margin improved 14 ppts to 32% (2H24: 34%)
- Net profit margin up 16 ppts to 19% (2H24: 22%)

The expansion of Ikon has been a key driver of EDU's growth strategy, now contributing 67% of Group revenue and 87% of operating EBITDA. Higher education courses typically offer longer durations and higher average revenue per year. As a result, EDU's average study duration has increased from 24 months in FY20 to 32 months in FY24.

Product development remains a core pillar of Ikon's growth strategy. In FY24, Ikon successfully secured accreditation for four new programmes:

- Master of Counselling and Psychotherapy
- Master of Education (Early Childhood)
- Master of Teaching (Early Childhood)
- Bachelor of Community Services

The newly accredited Masters courses mark Ikon's strategic expansion into the postgraduate market, now offering three postgraduate and four undergraduate courses. The new courses are due to launch in 1H25, catering to both domestic and international students.

Vocational Education - ALG

ALG continued to rebuild with student numbers increasing 40% to 1,608 in Term 4, 2024, up from 1,145 in the PCP.

- Revenue up 43% to \$14.2m (2H24: \$7.8m)
- EBITDA of \$1.3m, a \$1.4m improvement on the \$44k loss in the PCP (2H24: \$1.2m)
- Net loss after tax reduced to \$0.6m, a \$1.6m improvement on the \$2.2m loss in the PCP (2H24: \$26k loss, including \$0.3m gain on lease modification)

During the period, ALG expanded its successful Certificate III and Diploma of Early Childhood Education and Care courses into Adelaide, leveraging EDU's existing campus footprint. These courses provide a direct articulation pathway into Ikon's Bachelor of Early Childhood Education and newly introduced Master of Teaching (Early Childhood) degrees, further extending the Group's average study duration and enhancing its appeal as a provider of comprehensive education pathways from entry-level certificates through to professional Masters degrees.

Update on Regulatory Changes

While the Company's financial and operational performance has strengthened, the Board acknowledges the ongoing regulatory uncertainties in the international student market.

The Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024 (**ESOS Bill**) was not enacted effective 1 January 2025, as anticipated. However, Ministerial Direction 111 (**MD111**) was subsequently issued, implementing the enrolment caps under the ESOS Bill to prioritise offshore visa processing. Ikon's indicative 2025 cap is 200 and ALG's is 447.

Under MD111, offshore visa applications up to 80% of a provider's cap are prioritised. Once the threshold has been reached, visa processing continues at standard priority. The Board notes that the majority of Ikon's and ALG's applications are currently from onshore students.

The medium to longer-term impacts of MD111 and other regulatory changes remains uncertain at this time, noting visa grants in the vocational sector have declined significantly over the past year.

The Company is implementing strategies to mitigate these risks, including a stronger focus on domestic student enrolments. Ikon's domestic student commencements are unaffected by the caps.

Outlook

The Board expects revenue, EBITDA, and NPAT growth in FY25, supported by:

- the full-year benefit of the progressive enrolment growth achieved in Ikon and ALG during FY24;
- ongoing enrolment growth in Ikon, with T1'25 total enrolments of 3,232 (up 30% on the prior period – Trimester 3, 2024); and
- the planned launch of new courses in Ikon, with enrolments to commence from 1H25.

ALG is expected to face headwinds from tightening regulatory settings, including declining visa grant rates in the vocational sector.

EDU's improved financial position and operational momentum provide a solid foundation to navigate regulatory shifts and competitive pressures. However, the Company ultimately remains subject to market conditions.

EDU will continue to focus on delivering high-quality education, strengthening stakeholder relationships, and driving sustainable growth to create long-term value for shareholders.

CEO Commentary

Adam Davis, Chief Executive Officer, commented:

"I am incredibly pleased with the progress we have made this year, achieving strong growth across both Ikon and ALG. Our performance reflects the strength of our course offering and sustained demand from students seeking high-quality education aligned to Australia's skills needs.

Most importantly, our improved scale and operational efficiencies have led to a substantial uplift in profitability, marking a turning point for the company.

Ikon's expansion into the postgraduate market strengthens its long-term appeal by offering opportunities for greater domestic student diversification and extending the average study duration.

With a strengthened financial position, we have the flexibility and capacity to invest in further growth initiatives, to create long-term value for our stakeholders. Our focus remains on diversifying and strengthening our student base, enhancing course offerings, and driving operational excellence.”

This announcement was authorised for release by the EDU Board of Directors.

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