

FY22 Results

23 August 2022



**Kip
McGrath™**
Leaders In Learning

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Strong financial performance as key markets begin to recover from COVID-19



**Revenue up
27.9% to
\$24.6m**



**EBITDA up
21.4% to
\$6.2m**



**Profit after
tax up 8.4%
to \$1.9m**



**13%
increase in
scheduled
lessons to
1.9m**



**Full Year
Final
Dividend
of 1.0 cps**

Network Revenues

FY2022 (compared to PCP)

Global Network Revenues* of A\$98.8m up 16%

Global Online Network Revenues* of A\$34.8m up 7%

United Kingdom / Europe

Network Revenues	A\$51.5m Up 20%
Online Lessons	A\$17.4m Down 19%

USA - Tutorfly

Network Revenues (Acquired Q1 FY2022)	A\$2.1m
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Africa / Middle East

Network Revenues	A\$5.3m Up 13%
Online Lessons	A\$0.3m Down 58%

Australasia

Network Revenues	A\$39.9m Up 7%
Online Lessons	A\$15.0m Up 43%

*Network Revenues are total tutoring fees charged by both franchisees, Kip McGrath's owned corporate centres and Tutorfly. KMEC's revenue include the franchise fees and associated fees charged to franchisees for tutoring and the student lesson revenues from company owned Corporate Centres and Tutorfly

Continuing to deliver on key growth drivers

Franchises

A 12.5% increase on franchise fees supported by signs of recovery in most key markets following COVID-19

Government contracts

Won an additional 4 government contracts in FY22



Technology

Continued to invest in our platform to ensure stronger learning capabilities and greater analytics

Tutorfly acquisition

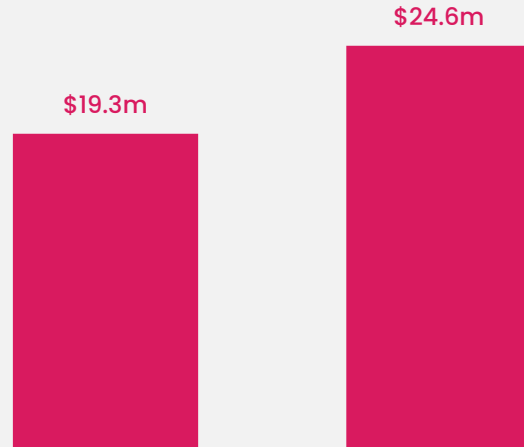
Tutorfly acquisition in the US growing ahead of expectations. Chief Academic Officer hired as of July 2022 to drive growth in the region

Corporate Centres

Achieved a 115% increase in lesson revenue aided by the opening of 9 new and purchased locations

Significant yoy growth across the business

Revenue

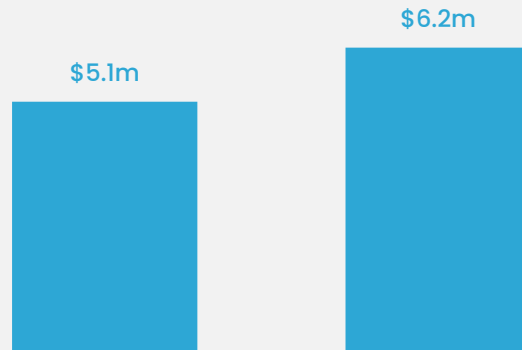


FY21

FY22

- 28% growth supported by a recovery in key markets
- A rise in student fees from corporate centres and Tutorfly activity

EBITDA



FY21

FY22

- \$3.5m in marketing spend to continue to drive new business and brand awareness
- \$2.6m in technology investment allocated to improve student lesson experience and franchisee efficiency

NPAT



FY21

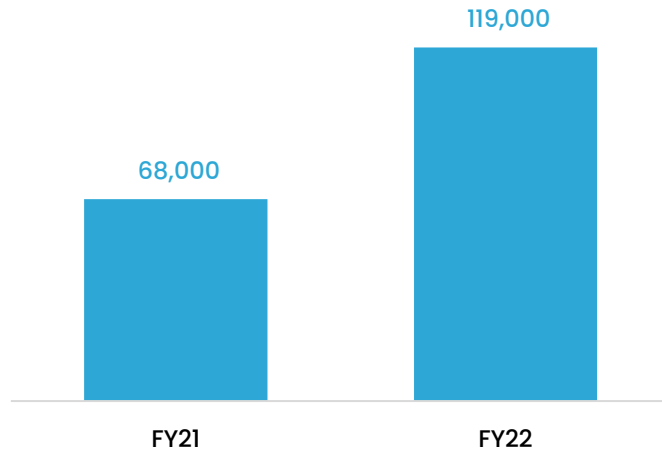
FY22

- Final Dividend of 1 cent per share (2 cents for the full year - fully franked)
- New Dividend Reinvestment Plan to allow shareholders to reinvest in growth

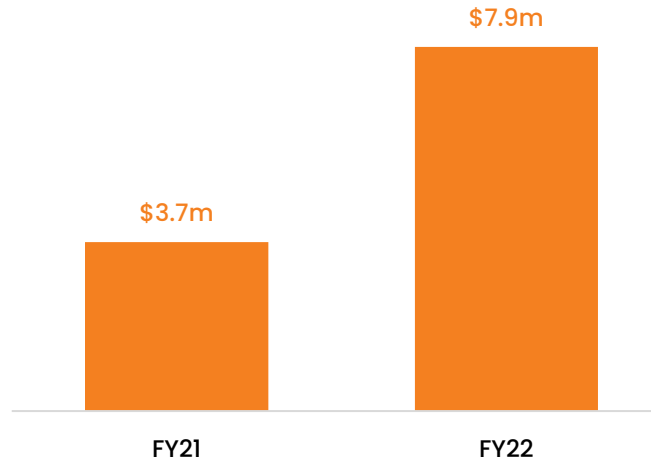
Corporate Centres continue to deliver growth



Scheduled Lessons



Student Lesson Fees



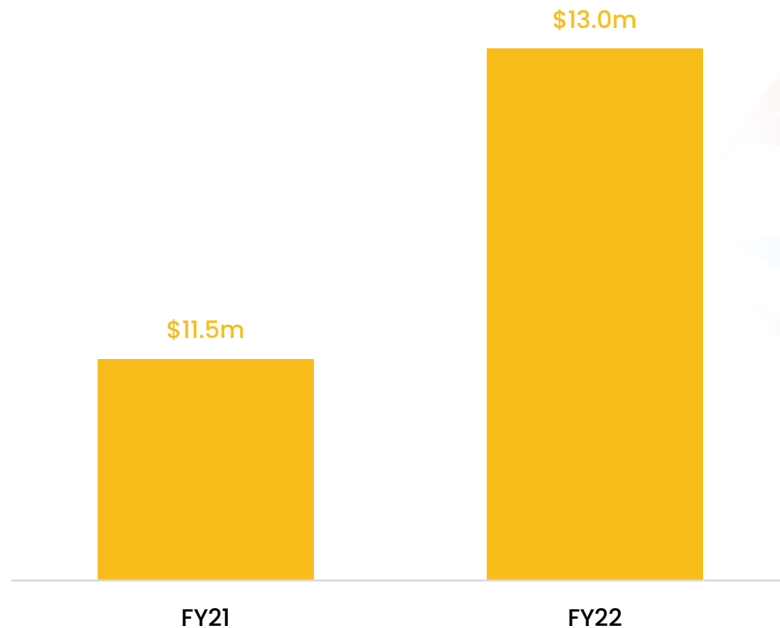
- 115.3% increase in student lesson fees in FY22
- New centres opened or acquired in Brisbane, Newcastle, Tasmania & Sydney
- Student Lesson Fees includes \$6.3m in lessons taught from Kip McGrath Corporate Centres and \$1.6m at schools in the US market through Tutorfly

We now have 24 Corporate Centres operating across the following markets:

- Sydney
- Brisbane
- Melbourne
- Canberra
- Newcastle
- Perth
- Tasmania
- New Zealand
- The United Kingdom

Increasing lesson demand in Franchise channels

Franchise Fees



Franchise fees increased 12.5% to \$13.0m

Gold Partners in the UK delivered strong growth with a 19% uplift delivering \$7.6 million of revenue across 185 centres

Gold Partner Sales in Australia and New Zealand starting to gain traction post COVID

In centre lesson demand strong where markets have emerged from lock down

Significant opportunity to grow Tutorfly



Contribution

Tutorfly in the US contributed a total of 71,000 lessons for the period since acquisition, representing 3.7% of total scheduled lessons, delivering \$1.6m of revenue



Incubator tutoring

Tutorfly is an incubator tutoring business concentrating on the peer-to-peer section of the market, which achieved rapid growth during its initial start-up phase



Growth

Team has been able to secure online tutoring work from multiple schools in the state of Arizona as well as grow the core marketplace business



Texas based

Texas-based Tutorfly Head Office will provide Kip McGrath with a launch pad for KMEC centres into the USA market



Significant Opportunity

Opportunity size is significant with some 50 million students in the US in our addressable market

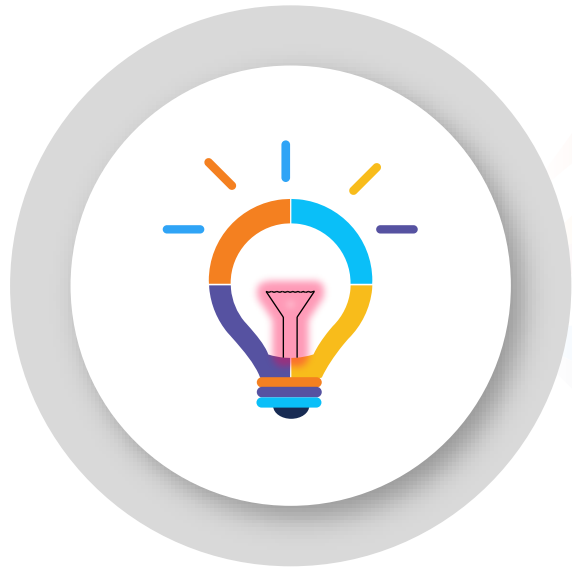
**\$1.6m of
FY22
revenue**

**71,000
lessons**

**3.7% of
total
lessons**



Technology & IP



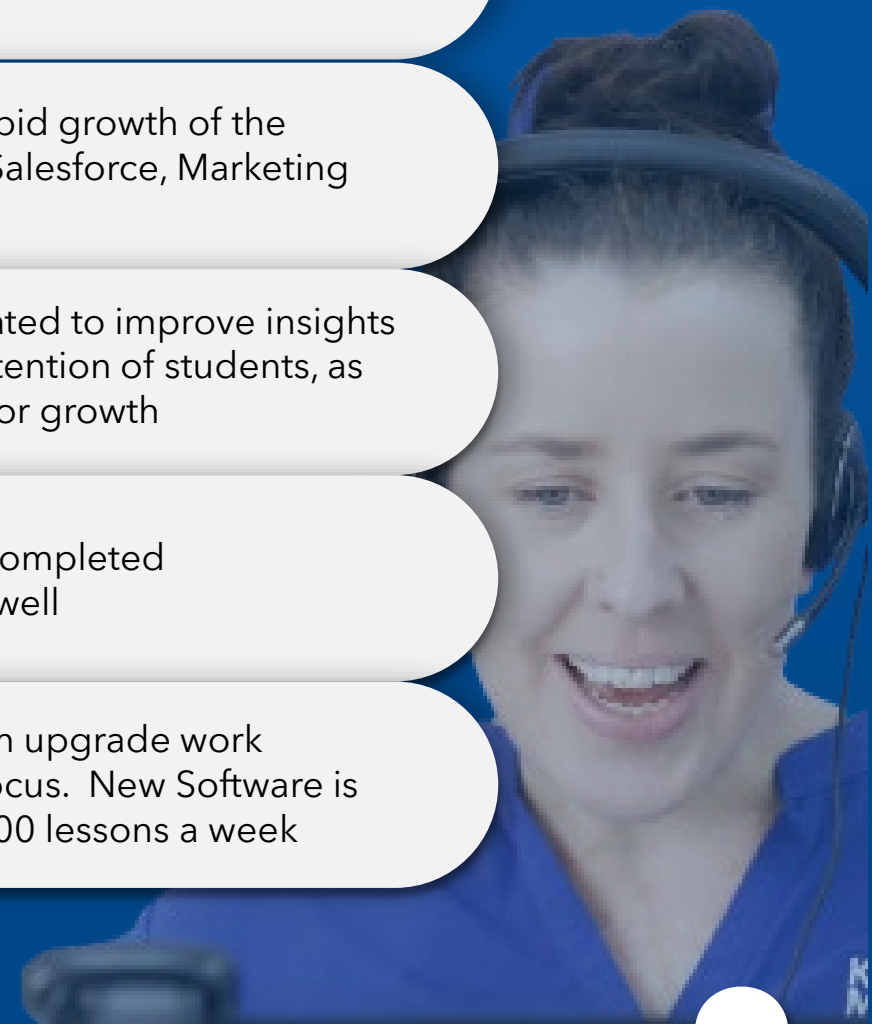
Invested \$2.6M in technology for the year, with core platform remaining very stable across face to face and online tutoring

Systems have been developed for the rapid growth of the Corporate Centres. This includes use of Salesforce, Marketing Journey and centralised call centre

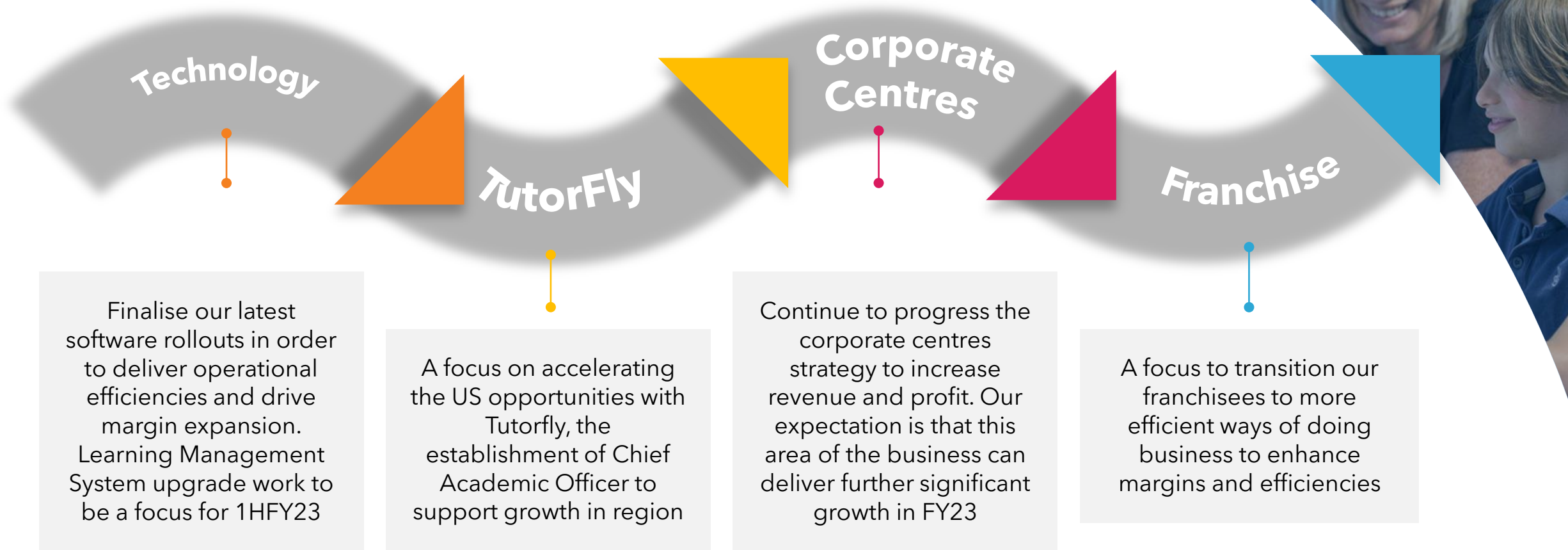
Considerable resources have been allocated to improve insights for quality of lessons, acquisitions and retention of students, as well as identify additional opportunities for growth

Centre management software upgrade completed during the half is stable and performing well

'KipLearn' Learning Management System upgrade work continues and is now the number one focus. New Software is operational in Corporate Centres with 800 lessons a week



FY23 growth strategy





Contact

Melanie Singh
Investor Relations
+61 4 39 748 819
melanie@nwrcommunications.com.au