



NextEd
Group



ASX Small & Mid Cap Conference

*Glenn Elith
Chief Executive Officer*

22 March 2023

Who is NextEd Group?

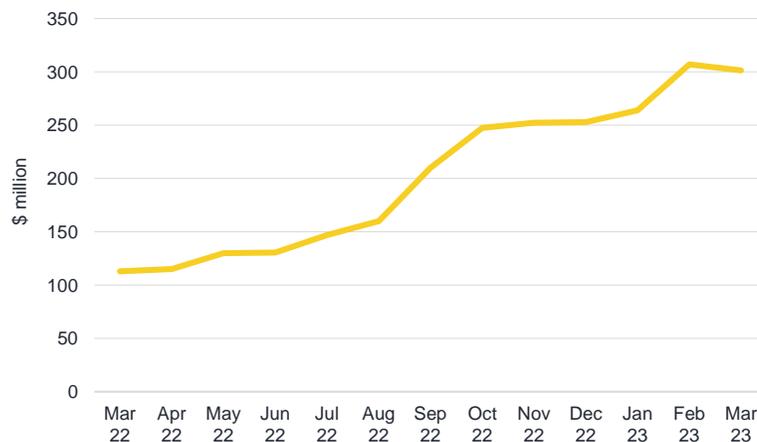
- NextEd Group Limited (ASX:NXD)
- Private tertiary education organisation delivering courses and services to domestic and international students at 10 campuses around Australia and online
- Operates an international student agency with offices in Europe and South America recruiting students to study in Australia
- Transformational acquisition of RedHill Education in October 2021
- Market capitalization @ 16 March 2023 of \$305 million

NextEd Group | Campus locations

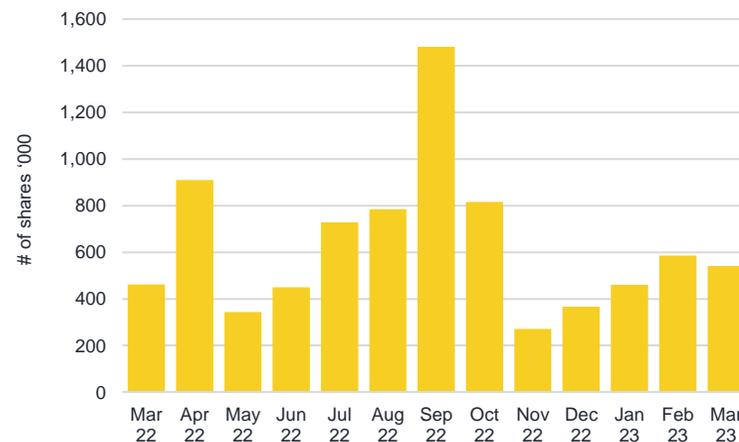
10 campuses



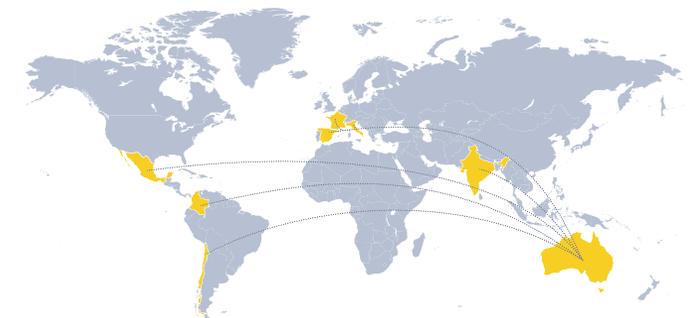
Market capitalisation



Average daily ASX traded volumes



International student agency office locations



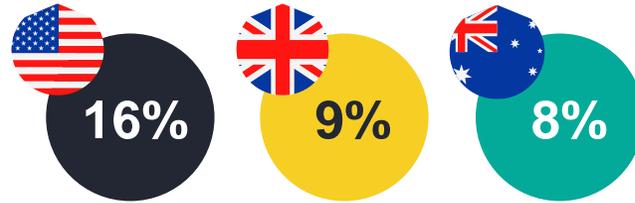
International student tertiary education industry in Australia



Education is Australia's largest services export, and is in recovery mode¹

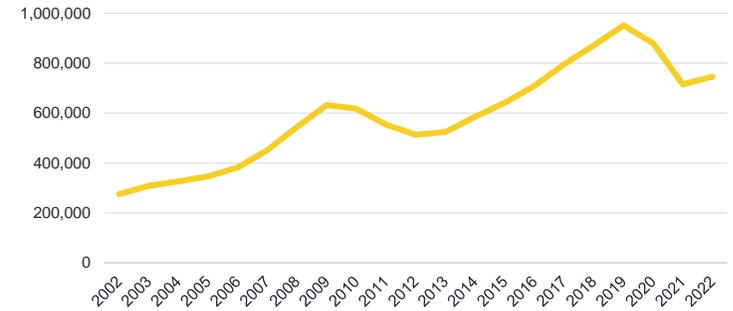


Australia was the 3rd most popular pre-covid destination for international tertiary students³

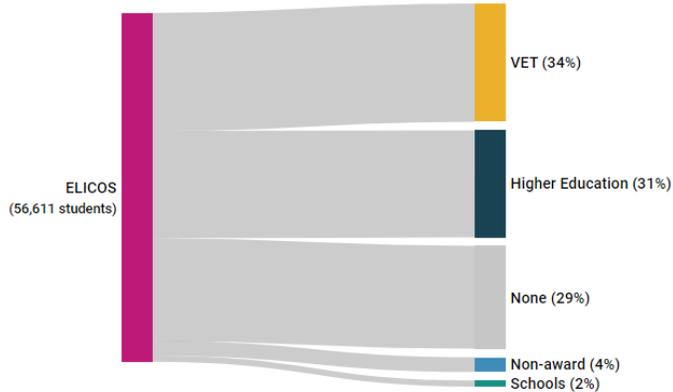


International student numbers in Australia resilient notwithstanding economic cycles and other global shocks

International enrolments in Australia⁴

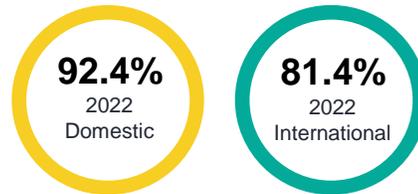


Education pathways of international students while on a student visa⁵

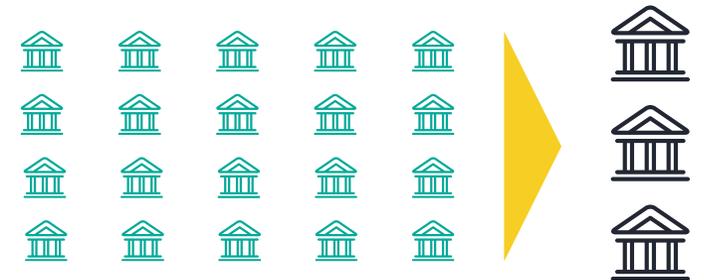


Strong graduate employment outcomes for domestic and international students⁶

Undergraduate labour force participation rate⁶



History of industry consolidation opportunities given the high degree of fragmentation⁷

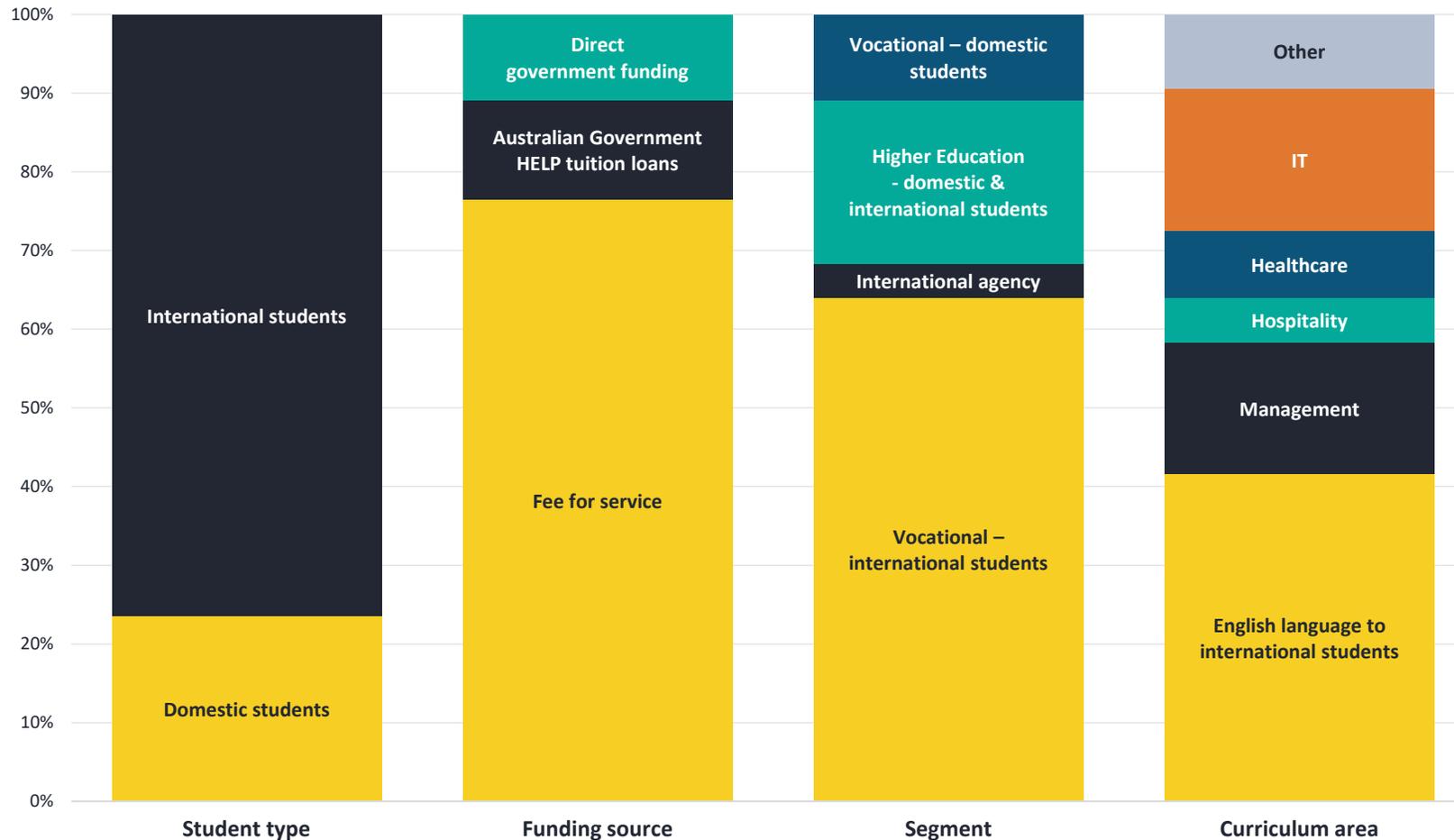


~ 4,000 VET providers
~ 75 for-profit HE providers

1. Australian Government, Department of Education Skills and Employment (2020 Research Snapshot) & Australian Bureau of Statistics.
2. The Pie News – Forecast based on 2022 year-on-year 16% growth trajectory to 2025.
3. UNESCO Institute for Statistics 2020.
4. Australian Government, Department of Education Skills and Employment (International enrolments up to December 2022).
5. Australian Government, Department of Education Skills and Employment (International Education Data and Research 2021).
6. Quality Indicators for Learning and Teaching (Graduate Outcomes Survey February 2023).
7. aph.gov.au (The vocational education and training sector: a quick guide 2019) & internal market research.

NextEd Group revenue snapshot

NextEd Group H1 FY23 revenue by source



Exceptional H1 FY23 results

H1 FY23 financial results

Revenue

\$43.6m ▲ \$25.3m vs H1 FY22

EBITDA¹

\$6.6m ▲ \$5.0m vs H1 FY22

Operating cash flows²

\$14.5m ▲ \$12.8m vs H1 FY22

Cash at bank³

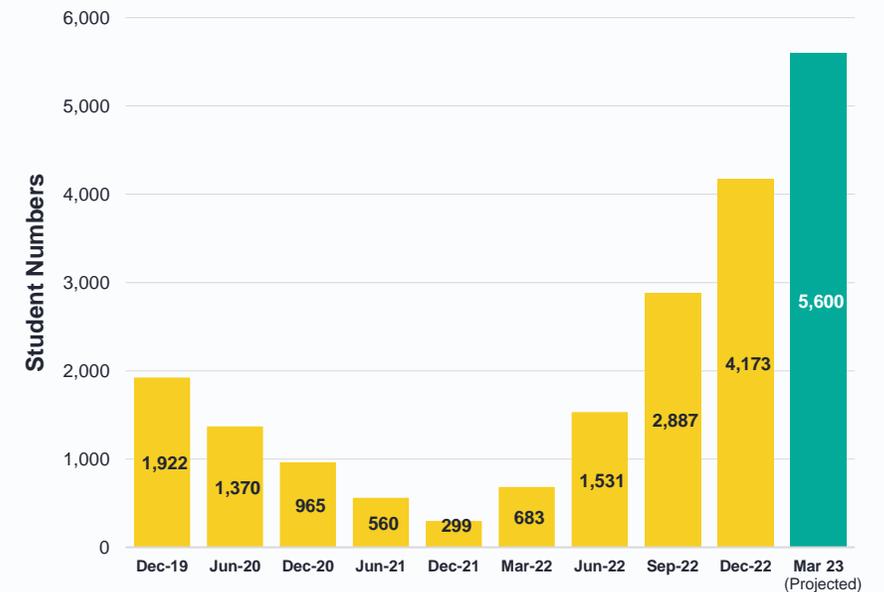
\$38.6m ▲ \$8.4m vs JUNE 22

Net profit after tax

\$0.5m ▲ \$4.8m vs H1 FY22

- Record revenues and material profit growth
- English language student numbers more than double pre-covid levels and expected to increase further over the balance of FY23 and in FY24
- Operating leverage resulted in EBITDA increasing to 15.3% of revenue in H1 FY23 (H1 FY22: 9.0%), which is expected to improve further in H2 FY23

Record number of English language students driving future revenue and profit growth



1. EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the statutory profit under AAS adjusted for specific non-cash and significant items. Excludes M&A costs in prior corresponding period H1 FY22 of \$3.3m (H1 FY23: nil);

2. Excludes M&A costs in prior corresponding period H1 FY22 of \$4.4m (H1 FY23: nil).

3. Cash at bank includes term deposits securing bank guarantees of \$3.1m (FY22: \$3.1m).



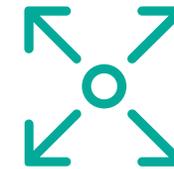
Strong industry tailwinds and significant growth opportunities



Continued strong growth in international student numbers – including recent course launches in Brisbane and Gold Coast



Focused on feeding English language students into other NextEd vocational and higher education courses to maximise student lifetime value



Geographic and course range expansion initiatives underway to accelerate growth



Additional campus capacity opening in Sydney, Melbourne, Brisbane & Gold Coast in 2023 to support expected growth



Increased working rights during study and post-study working rights for graduating international students



Expecting further improvements in operating leverage from increased scale and higher campus utilization



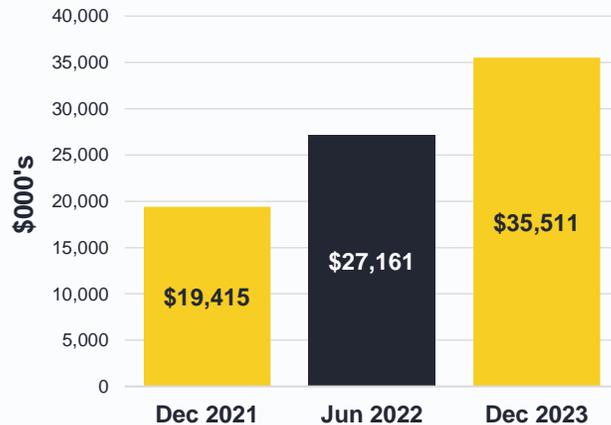
Management strengthened with new M&A resource and capabilities to target, execute and integrate acquisitions



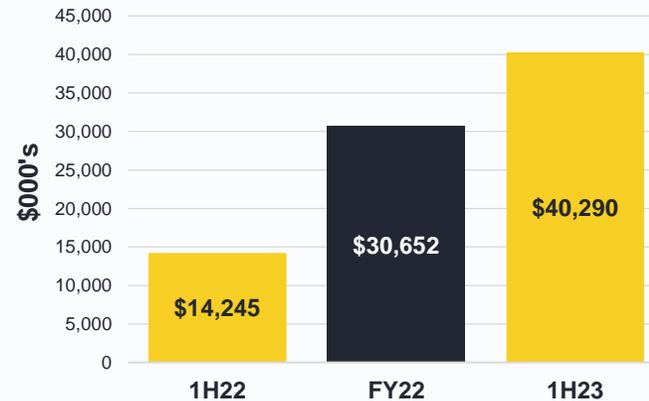
Revenue and profit expected to materially increase in H2 FY23 and FY24

Resources for growth

Cash balance



Contract liabilities (Deferred revenues)



Balance sheet summary

\$000's	Jun 2022	Dec 2022
Cash	27,161	35,511
Other assets	107,529	115,229
Total assets	134,690	150,740
Borrowings	138	-
Contract liabilities	30,652	40,290
Other liabilities	42,332	48,338
Total liabilities	73,122	88,628
Equity	61,568	62,112

- NextEd has a solid cash balance, is debt free, and is well positioned to invest in new revenue and profit generating opportunities
- Revenue is recognised evenly over the period courses are delivered, and most of the deferred revenue balance as at December 2022 is expected to be recognised within the next 4 to 6 months, and no longer than within the next 12 months



NextEd's future is exciting

- International education industry recovering and growing quickly - an economic winner for Australia
- Rapid growth in international student numbers
- Dominant market position in delivering English language courses
- Funneling English language students into other NextEd vocational and higher education courses to maximise student lifetime value
- Strong balance sheet and operating cashflows to invest in growth
- Geographic and course range expansion initiatives underway
- Delivering operating leverage from increased scale and higher campus utilization
- Revenue and profit expected to materially increase in H2 FY23 and FY24



NextEd
Group

*Unleashing potential through inspiring
learning and experiences*

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