



ASX RELEASE

24 November 2023

2023 Annual General Meeting – Chair’s Address and Chief Executive Officer’s Address

In accordance with Listing Rule 3.13.3, attached are the addresses to be delivered by Ms Cass O’Connor, Chair and Mr Glenn Elith, CEO at this morning’s Annual General Meeting.

Also attached are copies of the slides to be used during the presentations at the meeting.

This announcement has been approved for release by the Board of NextEd Group Limited.

For further information:

Glenn Elith
Chief Executive Officer
glenn.elith@nexted.com.au

Lisa Jones
Company Secretary
lisa.jones@nexted.com.au



**NEXTED GROUP LIMITED
2023 ANNUAL GENERAL MEETING
CHAIR ADDRESS BY CASS O'CONNOR**

Thank you to those here in person today and to those who have logged into our live webcast, we welcome you to the NextEd Group's 2023 Annual General Meeting.

I'll start with a brief introduction before handing over to Glenn Elith, NextEd CEO to provide you with some more detailed remarks on the company's performance and growth initiatives.

NextEd's FY23 saw the benefit of a full year of revenue from the RedHill acquisition flowing through to group profits, and management's successes in leveraging the post-COVID recovery in the Australian education sector.

We achieved record revenue of \$102.2m – an increase of 118% on the prior corresponding period ("pcp"), and record EBITDA of \$16.7m - an increase of 366% on pcp. Our operating cash flow increased by 48% to \$25.2m, we had no debt at 30 June 2023 and still do not today.

NextEd, through its outstanding management team, has delivered this performance despite the complex and rapidly changing landscape that education providers across the industry have faced in recent times. Our management team has successfully navigated and thrived - in both reputation and results - the impacts of regulatory change in the education sector, the VET-FEE-HELP scandals, changes to immigration laws, and of course the global Covid pandemic. They've diversified risk by straddling different sectors and maintaining flexibility, and the results are self-evident.

Following NextEd's strong share price performance this time last year, our subsequent inclusion in the All Ordinaries Index in March brought greater awareness to the company within the investment community and has attracted more interest from institutional investors.

Towards the very end of the financial year, however, we noticed students prematurely leaving their studies to arbitrage between their newly restricted work rights from 1 July 2023 and the unexpectedly continued unlimited work rights under the 408 visa. The escalating negative effects of the continuation of this so called Covid visa impacted our international ELICOS and VET students, and – quite materially – our share price.

The subsequent policy shift to unwind this was always going to be a matter of timing, and we were as surprised at the Federal Government's swift remedial action late August as we were about the continuation of the 408 visa in late June.

In contrast, the recent announcements by the Federal Government detailing its Immigration Review points to a process of measured steps towards legislation and wide consultation. We understand the groundwork is at early stages and welcome these actions to curtail unscrupulous agents and education providers from operating in the international education sector. We continue to work with industry bodies and meet relevant government officials to ensure the industry fosters high quality education to meet genuine student needs and industry demand for skilled employees.

I feel privileged to Chair an education company with such a strong reputation for learning excellence, that puts student outcomes at the centre of its strategy. Increased scrutiny of the sector will elevate our sustained competitive advantages and hopefully curtail those parties which pursue profits and (personal) gain ahead of the best interests of the students.

NextEd Group has a lot to offer our many stakeholders. Our challenge and our opportunity is to translate our proposition into increased market share - and shareholder returns - as we continue to build and grow our businesses.

The year ahead will see us focused on achieving improved operating leverage from campus utilization and scale, through additional course offerings and geographic expansion. Despite the larger than expected impacts of the 408 visa which Glenn will discuss, we still expect revenues for the current half year and H2 to be in the range we announced in mid-August and reconfirmed in late October 2023.

We know the share price performance since July has been disappointing. We believe the stock has been oversold. We regularly assess capital management measures, including share buybacks. Should market conditions continue to show value we are likely to implement capital management measures.

We are optimistic about NextEd's future.

As one of Australia's largest leading private education organisations NextEd continues to offer a unique value proposition through a diversified earning base with significant growth opportunities. We offer high quality accredited courses delivered by high calibre educators and have a solid brand reputation coupled with strong regulatory compliance.

I thank Glenn, Michael Fahey, the entire management team and my fellow directors for their tireless navigation of the issues facing this company. With long term credible experience in the education industry, NextEd is well positioned to navigate regulatory challenges and industry opportunities, and to continue delivering solid growth for shareholders.

I now invite our CEO Glenn Elith to address the meeting.



**NEXTED GROUP LIMITED
2023 ANNUAL GENERAL MEETING
CEO'S ADDRESS BY GLENN ELITH**

Good morning.

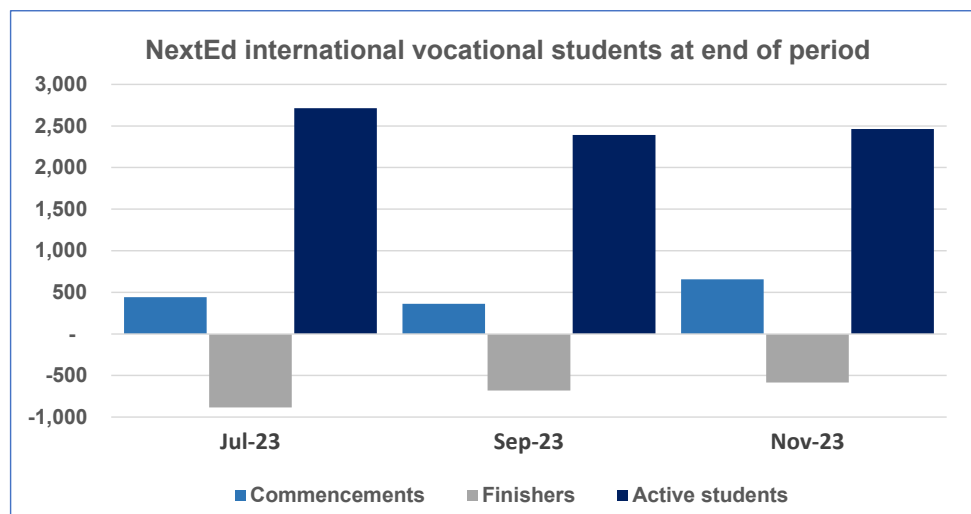
NextEd achieved a strong year of growth in FY23, with revenue increasing by 118% over the prior year to \$102.2 million. This growth was primarily due to increased demand from international students and NextEd's success in capturing that demand in a highly competitive market.

The post-covid recovery in the international education sector is now normalising, however NextEd's investments in geographic and course range expansion during the last two years will underpin revenue growth in FY24 and beyond.

In addition, we are seeing the negative effects of the unexpected extension of the temporary COVID-19 408 Visa subside. The government announced that from 2 September 2023 there would be no new 408 Visa applicants and pleasingly we are seeing signs of student retention now trending in the right direction which is expected to contribute to revenue growth in FY24.

English language student numbers have stabilized at approximately 6,000.

For the recent international student vocational course intake in November 2023, there were 655 commencing students. Commencements were materially up against the earlier July and September intakes, which had been adversely impacted by the 408 Visa. We expect negative effects of the 408 Visa extension to normalize by the end of March 2024, and for the total number of actively studying international vocational students to increase from the current number.



I refer you to our recent trading update released to the ASX on 26 October. Further information on various international student lead indicators and progress of NextEd's recovery from the effects of the 408 Visa will be provided to shareholders in a trading update in February 2024.

We successfully launched new vocational hospitality courses to international students in Perth, Brisbane and Gold Coast during FY23, and in Sydney and Melbourne in August 2023. There are currently over 500 international students studying these hospitality qualifications, and they are expected to contribute to revenue growth in FY24 and beyond.

Throughout FY23 we focused on improving profit yields through increasing classroom utilisation, re-organising support functions, taking price increases, and discontinuing unprofitable domestic vocational courses. These activities contributed to a record FY23 EBITDA of \$16.7 million, an improvement of 366% on FY22, and a doubling of EBITDA margin as a percentage of revenue.

Whilst yield management is important, NextEd has previously announced strategic investments in new campuses in FY24 to support future growth. We are delighted to confirm:

- Our new relocated Adelaide campus will launch on time next week, and the final fit-out spend was approximately \$200k under budget;
- Our Brisbane campus expansion is on track to increase the number of classrooms from 23 to 35 in early February 2024, which will enable NextEd to exit all of the remaining 10 lower yield, short term licensed classrooms currently being used in Brisbane; and
- Our new relocated Gold Coast campus fit-out is underway and is expected to launch in late March 2024.

Once the above campus expansion activities are completed, NextEd intends to pause further organic geographic expansion until FY26 and focus on growing student numbers and revenues across all its campuses and online to drive utilisation levels and profits.

Whilst M&A remains an option for NextEd, we have a significant opportunity to drive organic growth through recent expansion initiatives. We will consider attractive M&A opportunities which are a strong strategic fit, earnings accretive, and able to deliver long term returns for shareholders.

We reiterate recently provided revenue guidance for H1 and H2 FY24. We are confident of delivering strong returns for shareholders well into the future and we thank you for your support.

I take this opportunity to also thank my senior executive team and NextEd's employees for their outstanding contributions and achievements over the last year. I am honored to be surrounded by colleagues who are experts in their field and passionate about helping students achieve their learning ambitions.

I'll now hand you back to Cass to resume proceedings.



ANNUAL GENERAL MEETING

24 NOVEMBER 2023

WELCOME & INTRODUCTION



CASS O'CONNOR
CHAIR



SIMON TOLHURST
NON-EXECUTIVE DIRECTOR



SANDRA HOOK
NON-EXECUTIVE DIRECTOR



WILLIAM DEANE
NON-EXECUTIVE DIRECTOR



GLENN ELITH
CHIEF EXECUTIVE OFFICER



MICHAEL FAHEY
CHIEF FINANCIAL OFFICER



LISA JONES
COMPANY SECRETARY

CHAIR'S ADDRESS



CASS O'CONNOR
CHAIR

CEO'S ADDRESS



GLENN ELITH
CHIEF EXECUTIVE OFFICER



FORMAL ITEMS OF BUSINESS

24 NOVEMBER 2023
ANNUAL GENERAL MEETING

Consideration of Annual Report

“To receive and consider the Annual Financial Report, Directors’ Report and Auditor’s Report for the financial year ended 30 June 2023.”

Resolution 1

ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, Shareholders adopt the Remuneration Report for the financial year ended 30 June 2023 as set out in the 2023 Annual Report.”

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

A voting prohibition statement applies to this Resolution (refer to Notice of Meeting – page 3).

Resolution 1: Proxy & Direct Votes

RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

PROXY & DIRECT VOTES	FOR	AGAINST	OPEN USABLE
	94,798,339	7,092,082	90,459

Resolution 2

RE-ELECTION OF DIRECTOR - WILLIAM DEANE

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:



“That William Deane, who retires by rotation in accordance with ASX Listing Rule 14.4 and Rule 14.2 of the Company’s Constitution, and being eligible, be re-elected as Director of the Company.”

Resolution 2: Proxy & Direct Votes

RESOLUTION 2 – RE-ELECTION OF WILLIAM DEANE

PROXY & DIRECT VOTES	FOR	AGAINST	OPEN USABLE
	104,198,476	21,787	423,779

Resolution 3

APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Note: A voting exclusion statement applies to this Resolution (please refer to Notice of Meeting – page 4).

Resolution 3: Proxy & Direct Votes

RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

PROXY & DIRECT VOTES	FOR	AGAINST	OPEN USABLE
	53,465,756	51,154,056	23,779

Resolution 4

APPOINTMENT OF COMPANY AUDITOR

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That Pitcher Partners Sydney Partnership, having consented in writing to act as auditors of the Company, be appointed as auditors of the Company.”

Note: Pitcher Partners has been nominated by a member of the Company to fill the office of auditor. A copy of the nomination is attached to page 14 of the Notice of Meeting.

Resolution 4: Proxy & Direct Votes

RESOLUTION 4 – APPOINTMENT OF COMPANY AUDITOR

PROXY & DIRECT VOTES	FOR	AGAINST	OPEN USABLE
	104,620,263	0	23,779



End of formal items of business

Thank You
