

RECORD FY23 FINANCIAL PERFORMANCE EXPECTED

NextEd Group Limited (**ASX: NXD**) (**NextEd** or the **Company**), a rapidly growing provider of tertiary education services to international and domestic students, is delighted to provide guidance on its results for the year ended 30 June 2023 (FY23).

Financial results for FY23 are expected to feature:

- Record revenues of between \$102.0 million and \$103.0 million, 118% to 120% higher than the prior year (FY22: \$46.8 million);
- Record EBITDA of between \$16.5 million and \$17.0 million when expensing licensed classrooms. Accounting for licensed classrooms the same as for leased campuses results in higher EBITDA of between \$17.7 million and \$18.2 million, 392% to 406% higher than the prior year (FY22: \$3.6 million);
- Strong operating cashflows of approximately \$25.0 million, 47% higher than the prior year (FY22: \$17.0 million); and
- Closing cash balance at 30 June 2023 of approximately \$40.0 million (including term deposits), an increase of \$9.8 million over the prior year (30 June 2022: \$30.2 million).

NextEd operates from quality leased campuses around Australia which are fitted-out to provide students and employees with contemporary learning facilities. Under *AASB 16 Leases*, rental costs for leased campuses are accounted for as interest and amortisation charges, and therefore NextEd's investors may expect all its campus and classroom rental costs to be excluded from the calculation of EBITDA.

Due to the strong growth in student numbers in FY23, in addition to its leased campuses, NextEd has used external short-term licensed classrooms to effectively manage student overflow and to provide flexibility in managing property requirements. The cost of these short-term licensed classrooms will be reported as operating expenses in NextEd's FY23 financial results as they do not meet the technical requirements to be treated as leases under *AASB 16*.

Short-term licensed classroom costs materially increased in H2 FY23, and the following table shows these costs and the impact of the accounting treatment on EBITDA:

	H1 FY23 Actual \$'m	H2 FY23 Guidance \$'m	FY23 Guidance \$'m
EBITDA including licensed classroom costs	6.6	9.9 to 10.4	16.5 to 17.0
Licensed classroom costs	0.3	0.9	1.2
EBITDA excluding licensed classroom costs	6.9	10.8 to 11.3	17.7 to 18.2

NextEd intends to continue using short-term licensed classrooms in FY24 where demand exists above its expanded leased campuses. NextEd will provide detail on licensed classrooms in future market updates.

NextEd's FY23 financial results are currently being reviewed by the company's auditors and its preliminary final report (Appendix 4E) is scheduled to be released to the ASX on Monday 28 August 2023.

CEO comment

NextEd CEO Glenn Elith said:

"It has been an extraordinary year for NextEd Group, and we are delighted to advise shareholders of our expected record FY23 results."

Forward-looking statements

This announcement may include forward-looking statements that relate to anticipated future events, financial performance, plans, strategies or business developments. Forward-looking statements can generally be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "outlook", "forecast" and "guidance", or other similar words. They may include, without limitation, statements regarding plans, strategies and objectives and anticipated business developments. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements are based on NextEd's good-faith assumptions as to the financial, market, regulatory and other considerations that exist and affect NextEd's business and operations in the future and there can be no assurance that any of the assumptions will prove to be correct. There may be other factors that could cause actual results or events not to be as anticipated, and many events are beyond the reasonable control of NextEd. NextEd's actual results, performance or achievements may be materially different from those which may be expressed or implied by such statements, and the differences may be adverse. Accordingly, you should not place undue reliance on these forward-looking statements. Any forward-looking statements in this announcement are only made as at the date of this announcement and, to the maximum extent permitted by law, NextEd disclaims any obligation or undertaking to update or revise any forward-looking statements or to advise of any change in assumptions on which any such statement is based.

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

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