

for personal use only

Kip McGrath Education Centres Ltd

Investor update

26 August 2025

The logo for Kip McGrath Education Centres Ltd. It features the company name "Kip McGrath" in a bold, blue, sans-serif font. Below the name is a horizontal rainbow-colored bar. Underneath the bar, the tagline "Leaders In Learning" is written in a smaller, blue, sans-serif font. The entire logo is contained within a white circle.

**Kip
McGrath**
Leaders In Learning

Disclaimer

This presentation has been prepared by Kip McGrath Education Centres Limited (**Company**). Statements in this presentation are made only as at 26 August 2025 and the information in this presentation remains subject to change without notice. The information in this presentation is of a general nature and does not purport to be complete, is provided solely for information purposes and should not be relied upon by the recipient.

Not financial product advice

This presentation is for informational purposes only and is not a financial product or investment advice or recommendation to acquire any securities in the Company and does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. Each recipient of this presentation should make their own assessment of an investment in the Company and should not rely on this presentation. In all cases, each recipient should carry out its own investigations and analysis of the Company and verify the accuracy, reliability and completeness of the information contained in this presentation or any other form of communication to which the recipient is permitted access in the course of evaluating the Company. Recipients should seek appropriate legal, financial, tax and other advice.

This presentation is not a prospectus, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission or any other foreign regulator. This presentation is not, and does not constitute, an invitation or offer of securities for subscription, purchase or sale in any jurisdiction.

The distribution of this presentation in jurisdictions outside Australia may be restricted by law and readers should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Investment risk

An investment in Shares is subject to known and unknown risks, some of which are beyond the control of the Company, including possible loss of income and principal invested. The Company does not guarantee any particular rate of return or the performance of the Company nor does it guarantee the repayment or maintenance of capital or any particular tax treatment. Investors should have regard to the risk factors outlined in this presentation when making their investment decision.

Disclaimer

To the maximum extent permitted by law, the Company disclaims all responsibility and liability for any loss arising from this presentation or reliance on anything contained in or omitted from it or otherwise arising in connection with this presentation and does not make any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation or that this presentation contains all material information about the Company or the Offer that a prospective investor may require in evaluating a possible investment in the Company.

Past and future performance

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

This presentation contains certain forward-looking statements with respect to the financial condition, operations and business of the Company and certain plans and objectives of the Company. Forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms "believes", "estimates", "anticipates", "expects", "predicts", "intends", "plans", "targets", "aims", "outlook", "guidance", "forecasts", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Such forward looking statements involve known and unknown risks, uncertainties and other factors that because of their nature may cause the actual results or performance of the Company to be materially different from the results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the political and economic environment in which the Company will operate in the future, which may not be reasonable, and are not guarantees or predictions of future performance. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved, or that there is a reasonable basis for any of these statements or forecasts.

Forward-looking statements speak only as at the date of this presentation and to the full extent permitted by law, the Company disclaims any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this presentation (including, but not limited to, any assumptions or expectations set out in the presentation).

Agenda

1. Introduction
2. FY25 Financials
3. Update on Key Business Drivers
4. Outlook

Our Strategic Pathway

Steadfast in our mission with a strategy to deliver our vision

Our mission

"We truly believe every child can learn; they just need to be taught properly. By setting meaningful goals and delivering engaging, high-quality lessons tailored to a student's individual needs, we create confident, independent learners who go on to achieve their highest potential."

Our vision

"To deliver measurable improvement and change the lives of as many students as possible around the world."

Our values



Ensure quality

We are the experts. Our qualifications, experience and commitment to quality lessons and improvement means we hit goals.



Show passion

We're changing the world one child at a time. It's something we're all passionate about – and we have fun along the way!



Be curious

We ask questions and love to learn and improve. By always asking 'why', we can see things more clearly and find a better way.



Work as one

We all have a role to play, but together we make a whole. By working as a team every day, the outcomes are magic.



Nurture needs

Our customers are at the core of everything we do. By valuing their feedback, we can all have a better journey.



Unlock potential

We want everyone in the business to be their best. We empower them with respect, tools and information to make this a reality.

12 months to 30 June 2025 audited financials - continuing operations



Revenue of \$31.4m

Up 8.9% YoY



EBITDA of \$7.8m

Up 13% YoY



NPAT of \$2.3m

Up 54% YoY



Franchise Business* up 11%

Revenue \$21.0M



Corporate Centres up 4%

Revenue \$10.3M, Up 4% YoY



Basic EPS 4.02 cents

v \$2.62 cents in PY



1,897,000

Lessons for FY25



\$113.8M

Network Billings up 6%



416

Franchise Centres

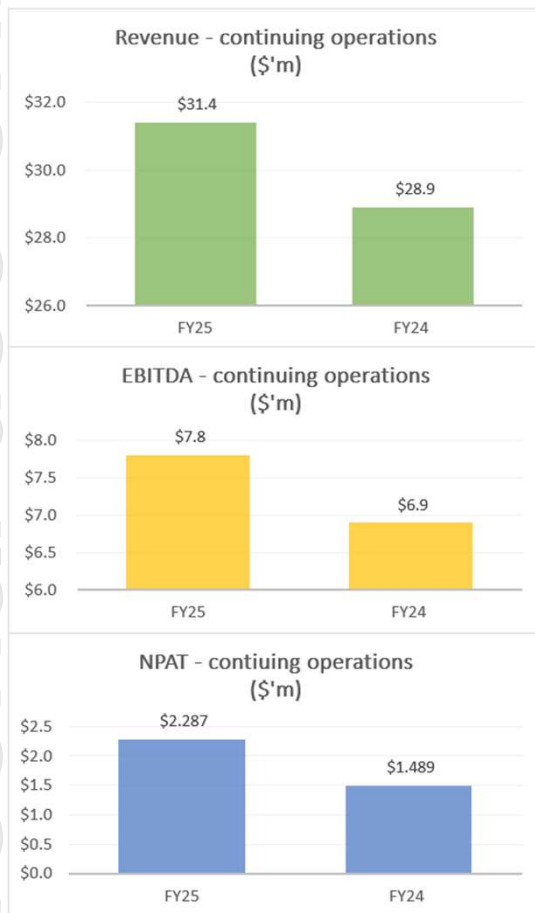


37

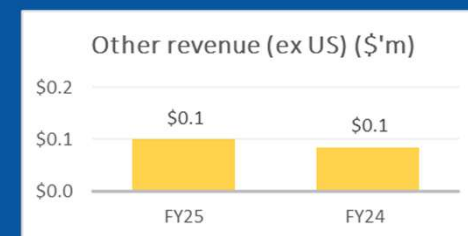
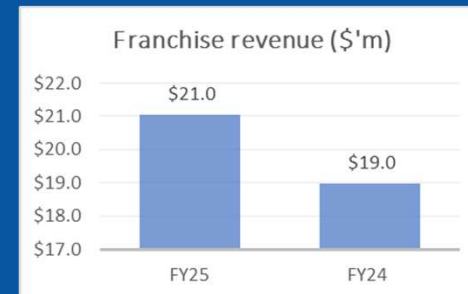
Corporate Centres

- Franchise Business includes franchise fees, National Advertising Contributions, Sales of master territories & franchise centres, and direct sales

FY25 Key financials - continuing operations



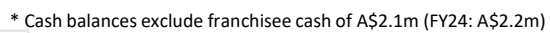
- **Franchise** business Revenues +11% YoY
- 416 active centres streamlined with focus on ensuring sustainable business partners (our franchisees)
- **Corporate** Revenues +4% YoY
- 37 active centres after US closure with two new UK centres in H2 FY25
- **Underlying** EBITDA to \$8.5m (reported after one-time costs of CEO changeover and Newcastle onerous lease) 21% up on PY underlying operations
- **Underlying** EPS to 4.91 cents



FY2020

Fiscal Year	Cash and cash equivalents (million yen)
FY2019	10,000
FY2020	9,000

* Cash and cash equivalents

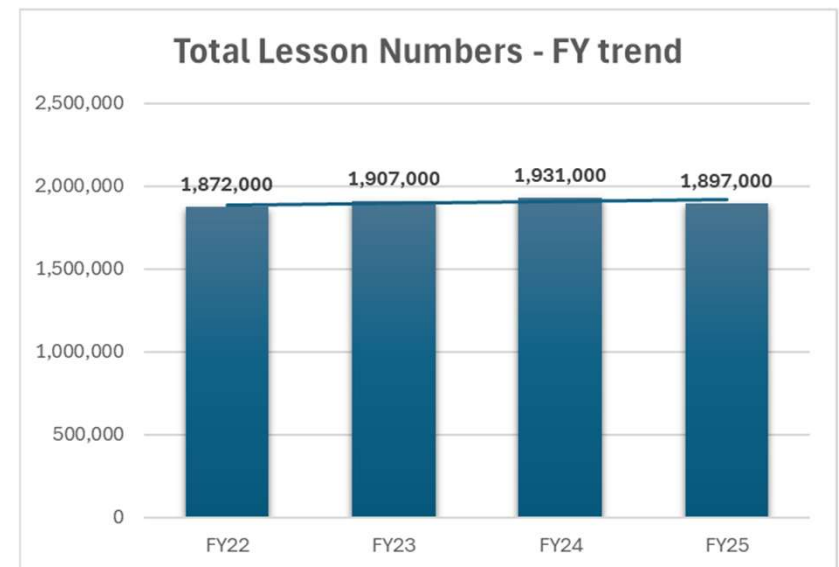


- Higher operating cash on the back of strong continuing operations EBITDA and working capital management
- Investing cash flows constrained by tightly controlled capex spend (including A\$0.3m spent on corporate centre acquisitions)
- Financing cash flow includes full repayment of \$1.4m debt facility

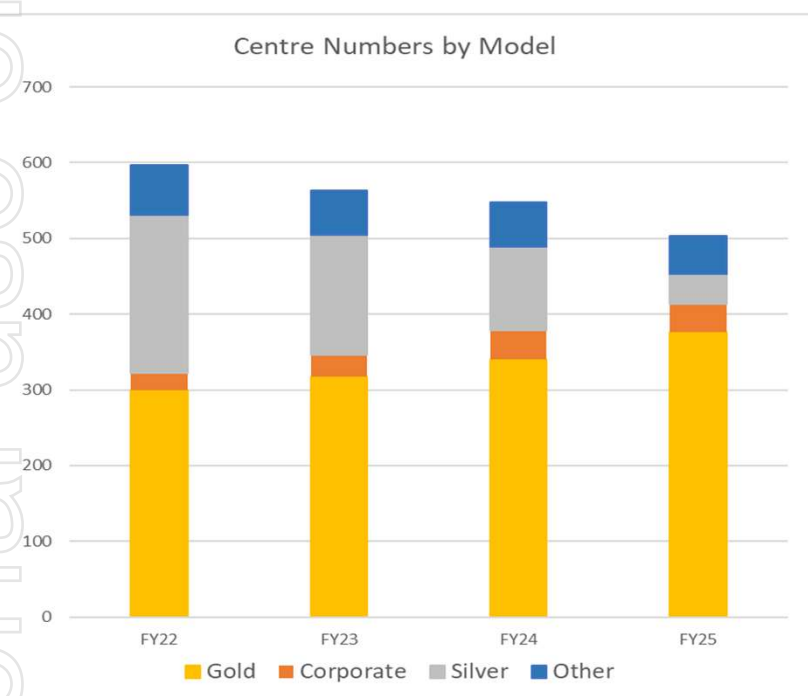
Lesson Numbers

Lesson Numbers

FY25 lessons numbers fell slightly YoY.
Overall lesson numbers remain relatively flat over past 4 years with +/- 2% fluctuations.



453 Centres - clear trend in Gold increase to continue



Centre Numbers

Physical centres continue to be a cornerstone of Kip McGrath's global operations. Continued conversion to Gold remains a focus to ensure the highest quality offering for Parents, Students and Franchisees.

(Other relates to centres in locations where Gold Partner services are not offered)

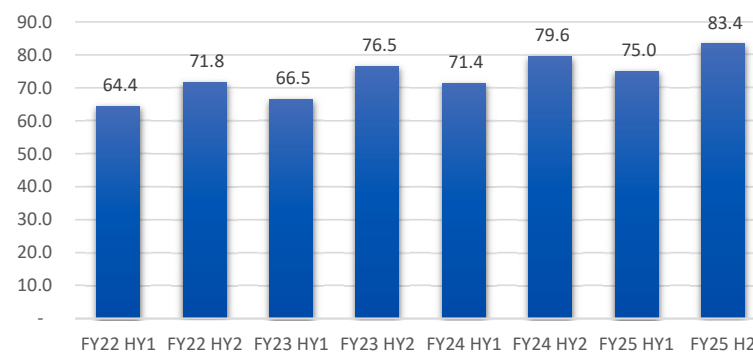
Average Weekly Lesson numbers per Centre

New training and software updates are driving adoption of 48-week and 52-week tutoring packages, up from the traditional 40 weeks. This supports our curriculum guidance of "continuous learning" rather than a discontinuous lesson plan.

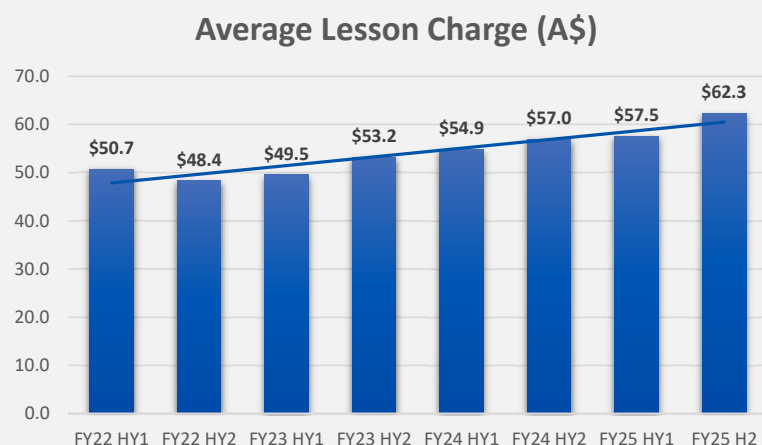
FY25 saw an increase in Average Weekly Lesson numbers per centre in both seasonal halves.

Average Weekly Lesson Numbers per centre

Average Weekly Lesson numbers per Centre



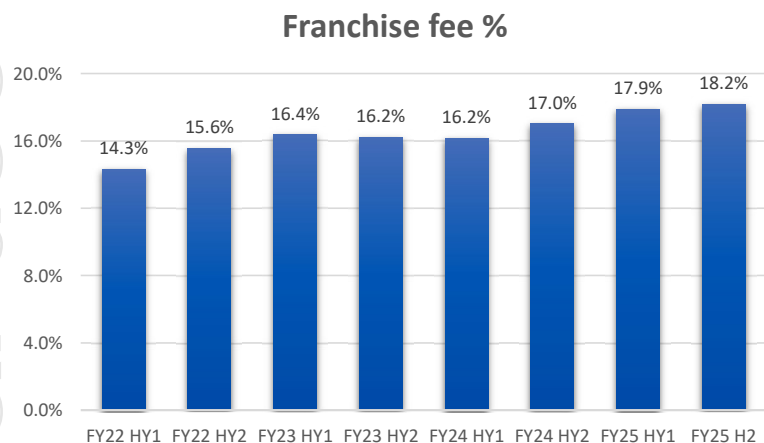
Average Lesson Charge



Average Lesson Charge (\$A per week)

To maintain strong margins, lesson pricing is designed to balance competitiveness, customer value, and investment in top-tier educators with premium tutoring systems. With modest price increases in key markets during this period, average lesson fees increased in FY25.

Franchise Fee Percentage

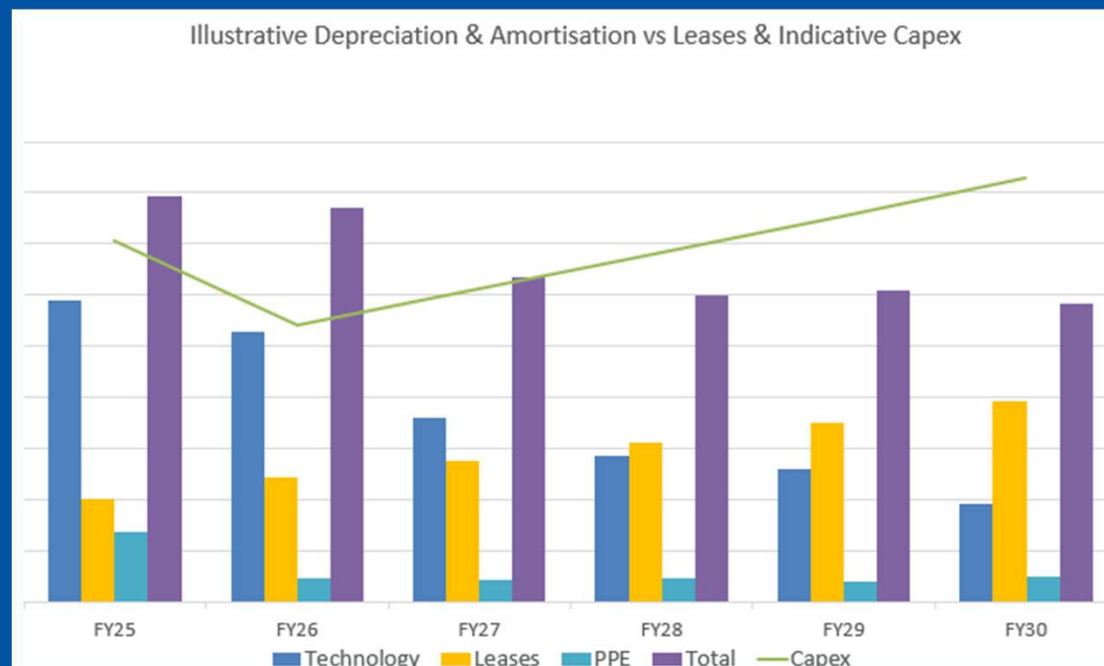


Franchise Fees Percentage

The shift towards more Gold Partner contracts, which carry a circa 20% franchise fee compared to the circa 10% fee for Silver, is contributing to an overall increase in franchise fee percentages.

The rising number of Gold Partners has continued to boost the average franchise fee towards a plateau of 18.5%-19.2%.

Illustrative depreciation vs Leases & Indicative Capex FY25-30



FY26 Outlook

- **Lesson numbers** expected to be flat YoY
- **Revenue** expected to achieve mid-single digit growth through price uplift
- **Costs** to grow at less than revenue with savings on D&A of circa A\$0.5m
- **NPAT** expected to be early double-digit increase
- Small reduction in franchisee numbers due to not converting Silver to Gold, partly offset by centre openings
- CAPEX expected at circa A\$1.7m driven by technology (circa A\$1m), centre acquisitions (circa A\$0.2m-A\$0.4m) and other (circa A\$0.2-A\$0.5m)



Questions



**Kip
McGrath™**
Leaders In Learning