Education With Purpose

ASX Market Release

27 August 2026

Record 1H26 Results

EDU Holdings Limited (**EDU**, **the Company** or **the Group**), a leading Australian tertiary education group, is pleased to report its results for the six months ended 30 June 2026 (**1H26**).

Important notes: All comparisons are to the previous corresponding period (1H25), unless otherwise stated. EDU's financial year ends on 31 December. References to "first half" or "1H" refer to the period from 1 January to 30 June, and "second half" or "2H" refer to the period from 1 July to 31 December. All percentage movements are calculated on an unrounded basis. Forward-looking statements are based on assumptions and current circumstances and should not be relied upon. EBITDA is a non-IFRS measure that represents earnings before interest, tax, depreciation and amortisation, and is presented on a post-AASB 16 basis. From 1 January 2026 the Group is reported as a single operating segment, and comparative segment information has been restated.

Highlights

- **Revenue up 50% to $54.3m (1H25: $36.1m)**
- **EBITDA up 54% to $16.8m (1H25: $10.9m), with margin up 1 ppt to 31%**
- **Profit before tax up 61% to $13.3m (1H25: $8.3m)**
- **Net profit after tax up 49% to $9.3m (1H25: $6.3m), with margin unchanged at 17% despite a higher effective tax rate**
- **Basic earnings per share up 73% to 7.21 cents (1H25: 4.17 cents)**
- **Higher education enrolments up 57% to 5,847 (1H25: 3,725), now 83% of Group enrolments (1H25: 70%).**
- **Diversification progressing well: T2'26 domestic new student enrolments (NSEs) up 98%; and postgraduate NSEs up 174%**
- **Cash of $24.0m and no debt at 30 June 2026 (31 December 2025: $18.5m), after $15.2m returned to shareholders through buybacks and dividends**
- **Interim fully-franked dividend of 3.0 cents per share declared (1H25: 1.0 cent)**

Group

Revenue increased 50% to $54.3m, driven by enrolment growth in higher education. Group enrolments at the end of the half-year were 7,036, up 32%, of which higher education represented 83% (1H25: 70%). International student revenue was $49.0m, up 51%, and domestic student revenue $5.3m, up 41%.

Gross margin improved 2 ppts to 63%, reflecting the shift in mix to higher education and, within it, postgraduate courses, which carry higher tuition fees than vocational qualifications.

Operating expenses were $15.6m, up 61%, with the increase mainly in payroll, reflecting student volume growth over 2025 and the first half of 2026, investment in offshore recruitment capability, and additional academic staff to support new program accreditation.

EBITDA increased 54% to $16.8m, with margin improving 1 ppt to 31%. Profit before tax increased 61% to $13.3m, with margin improving to 24.5% (1H25: 22.9%). Net profit after tax increased 49% to $9.3m; the NPAT margin was unchanged at 17%, notwithstanding an increase in the effective tax rate to 30% (1H25: 24%).

Cash generation remained strong, with net cash from operating activities of $25.1m (1H25: $19.7m). Cash and cash equivalents were $24.0m at 30 June 2026 (31 December 2025: $18.5m) and the Group has no borrowings. Cash is typically stronger at the half-year due to the seasonality of tuition fee inflows.

During the half-year the Company bought back and cancelled 20.2m ordinary shares at a total cost of $11.4m, and paid dividends of $3.8m. Basic earnings per share increased 73% to 7.21 cents (1H25: 4.17 cents), ahead of the 49% increase in net profit after tax, reflecting the reduction in shares on issue.

On 27 August 2026 the Board declared an interim fully-franked dividend of 3.0 cents per share (1H25: 1.0 cent), totalling $3.8m. The dividend is payable on 30 September 2026 to shareholders on the register at the record date of 18 September 2026.

Higher education – Ikon

Ikon enrolments at period-end were 5,847, up 57%, with new student enrolments of 1,929, up 21%.

In T2'26, international new student enrolments grew 12%, notwithstanding the National Code change to onshore transfer rules from 1 April 2026. Diversification initiatives are progressing well. Domestic new student enrolments grew 98% and represented 22% of the T2'26 intake (1H25: 14%), with growth coming from postgraduate programs launched during 2025 and early 2026 and from increased sales and marketing activity. Postgraduate new student enrolments grew 174% and were 45% of the T2'26 intake (1H25: 20%). Postgraduate student enrolments in T2'26 were 1,430, 24% of Ikon's total.

Ikon currently offers nine degree programs – five undergraduate and four postgraduate. It commenced delivery of the Bachelor of Social Work and the Master of Social Work (Qualifying) in T1'26, completing the product development plan approved in late 2022. Both programs were accredited by TEQSA for the maximum seven-year period, without conditions. Under the new plan approved in FY25, a further nine programs have been identified for development over the next three to four years, of which two have been submitted to TEQSA for accreditation.

Vocational education and training – ALG

ALG enrolments at period-end were 1,189, down 26%, with new student enrolments of 197, down 46%. This decline reflects the continued contraction of the VET market for international students.

ALG broadens the Group's student offering and provides students with progression pathways into higher education, including for students who do not meet Ikon's direct entry requirements.

Operating environment

Department of Education data for the year to May 2026 records 752,784 international student enrolments in Australia, an 8% decline on the same period in 2025, and 216,884 commencements, also 8% lower. Within that total, the higher education sector recorded enrolment growth of 2%, while all other sectors declined.

Amendments to the National Code took effect on 1 April 2026. Providers may no longer pay commission to education agents for international students who transfer from another provider prior to completing their principal course. Students remain permitted to transfer between providers, and agents may continue to assist them on a fee-for-service basis.

The Group began preparing for the change before it took effect, developing alternative agent engagement models, building direct recruitment capability for onshore international students, increasing investment and focus on domestic and offshore recruitment channels, and continuing to invest in course portfolio expansion. While the full effect of the reforms is not yet known, early results of these initiatives have been encouraging.

On 3 July 2026, the Government confirmed the National Planning Level (NPL) for new international student commencements at 295,000 for 2027 – up from 270,000 in 2025 and unchanged from 2026. The NPL guides the prioritisation of offshore visa processing under Ministerial Direction 115, with each provider's position against its indicative allocation (Provider Limit) determining the priority tier for its offshore visa applications. Ikon's Provider Limit for 2027 increased from 205 to 900, and ALG's from 471 to 488.

Importantly, the NPL and Provider Limits do not limit the number of visa applications that may be lodged, granted or refused.

Most Ikon and ALG students apply for their visas onshore in Australia and are therefore less directly affected by offshore processing priorities. Domestic students are not affected.

Outlook

The Board expects the Group to record higher revenue, EBITDA and net profit after tax in FY26 compared to the PCP, reflecting enrolments at the end of the half-year and momentum entering the second half. Further guidance will be provided later in the year.

Ikon is expected to record continued growth in international and domestic enrolments in T3'26. ALG's enrolments are expected to decline, reflecting the continued contraction of the VET market for international students.

Diversifying the Group's revenue base remains a key focus. The Group continues to invest in offshore and direct recruitment capability and in expanding its course portfolio, with two postgraduate programs remaining with TEQSA for accreditation and others in development.

Fit-out works at the new Adelaide campus, which adds 1,115 sqm of teaching space, are expected to complete imminently, with teaching to begin in T3'26. A capital works program at the Melbourne campus is expected to commence in the second half, to accommodate further student growth and upgrade the teaching facilities. The project is expected to be delivered in phases through to June 2027.

The international education sector remains subject to material regulatory and policy uncertainty. While the extent and timing of any effect is not yet known, the Board remains confident in the Group's long-term positioning and strategy, with a focus on higher education – the only sector to record growth in international student enrolments in the year to May 2026 – and on fields of study aligned to Australia's skills priorities.

CEO comments

Commenting on the results, Adam Davis, Chief Executive Officer, said:

"EDU delivered a substantially stronger first half, with revenue up 50%, profit before tax up 61% and net profit after tax up 49%. That result comes from the shift we have been making towards higher education, which now represents 83% of our total enrolments.

Given the recent regulatory changes in the international student market, the mix of that growth matters as much as the total. Our investment in diversification is paying off, with domestic new student enrolments up 98% and postgraduate commencements up 174% – the courses added under our product development plan are finding their markets.

National Code reforms changed the onshore transfer rules from 1 April. We adapted our recruitment models ahead of that change and, while it is still too early to assess the full effect, early indications have been encouraging.

We enter the second half with $24.0m in cash, no debt and continued enrolment momentum, having returned $15.2m to shareholders during the half. The 1H26 dividend payable on 30 September 2026 will return a further $3.8m to shareholders.

We remain focused on expanding our course portfolio and on diversifying our student base."

This announcement was authorised for release by the EDU Board of Directors.

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About EDU Holdings Limited

EDU Holdings Limited (ASX: EDU) is a leading Australian tertiary education group, delivering employment-focused higher education and vocational education and training (VET) programs in high-demand sectors.

The Company has a strong track record of profitable growth, cash generation, and disciplined capital management, and is led by an experienced management team with meaningful equity ownership.

The Group currently supports more than 7,000 domestic and international students across its national campus network and online delivery platforms. It offers entry-level certificates through to professionally accredited postgraduate degrees in Education and Human Services-related disciplines aligned with Australia's workforce needs and skilled migration priorities.

EDU's growth strategy is focused on expanding its course portfolio, campus footprint, recruitment and delivery channels, while also pursuing strategic growth opportunities.