



ASX RELEASE

11 December 2024

## NEXTED ACQUIRES EXCLUSIVE RIGHTS TO RE-ENROL 1,800 STUDENTS FROM INTERNATIONAL HOUSE

NextEd Group Limited (**ASX: NXD**) (**NextEd**), one of Australia's leading providers of tertiary education services to international and domestic students, today announces that it has signed an agreement with IH Sydney Training Services Pty Ltd and its administrators (**IH**) to provide an exclusive right to re-enrol approximately 1,800 English language and vocational students, and to acquire relevant course materials from IH, in Sydney, Melbourne, Adelaide and the Gold Coast (**Transaction**).

NextEd is pleased to be able to support students of a market competitor to complete their studies after IH entered external administration on 29 November 2024. The agreement is effective from 10 December 2024.

For clarity, NextEd is not acquiring a legal entity or a business. No leases or premises are being acquired, nor will any employees be automatically transferring to NextEd. Students who elect to re-enrol to NextEd will transition to existing NextEd campuses improving campus utilisation rates, and cashflow.

Approximately 950 English language students and 850 vocational students are anticipated to re-enrol from IH to NextEd representing an approximate increase of 30%\* of English language students, and 25%\* of Vocational students. Re-enrolment activities, including providing new student agreements and enrolling students into NextEd courses, will take place over the next two weeks with students continuing their studies with NextEd in the new year.

NextEd expects to generate incremental revenues in the range of \$6.0 - \$7.0 million for the second half of FY25, based on the expected student re-enrolments, student payments already made, and study durations. NextEd has agreed to honour any prior student payments made to IH so as not to disadvantage any student re-enrolling with NextEd.

NextEd will pay \$0.7 million to acquire the exclusive rights and course materials with the Transaction expected to be earnings accretive from H2FY25. Completion is scheduled for 20 December 2024. The Transaction will be funded from existing cash reserves.

IH has historically been a key competitor to NextEd's international vocational education business. Both colleges have sizeable ELICOS and VET programs, with a high degree of course overlap. All current IH English language students, and the majority of Vocational students who elect to re-enrol will be absorbed into existing NextEd courses and delivered on existing NextEd campuses.

IH and Greenwich have many overlapping agent relationships, and this Transaction is expected to be well received by the agent network.

Commenting on the Transaction NextEd CEO, Mark Kehoe, said: *"This is a great outcome for students and for NextEd. We are delighted to be able to assist IH's students to complete their education with us. NextEd's position as one of Australia's largest providers of English Language and Vocational Training means we are uniquely equipped to step in and deliver continuity for students during challenging circumstances. Our ability to act swiftly during market disruptions highlights our capacity and commitment to supporting students and maintaining high education standards."*

*The Transaction will be earnings accretive from H2FY25 with a low cost of implementation due to numerous synergies delivering additional revenue to our business for modest incremental operating investment. We look forward to providing a further update as part of our H1FY25 results release update in February 2025."*

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

\* compared to average student numbers for the period July – October 2024 as disclosed at the recent AGM (refer to CEO and CFO Address released to ASX on 21 November 2024)

**For further information**

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**Disclaimer – forward-looking statements**

This announcement contains certain "forward-looking statements". Forward looking words such as, "expect", "anticipates", "should", "will", "believe", "estimate", and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements opinions, and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

This announcement contains forward looking statements that are subject to risk factors associated with the markets in which NextEd operates. NextEd believes the expectations reflected in these statements are reasonable, but they may be affected by a range of uncertainties and variables, many of which are beyond the control of NextEd, which could result, trends or circumstances to differ materially. Such forward-looking statements, only speak as to the date of this announcement, and NextEd assumes no obligation to update such information. No representation or warranty is or will be made by any legal or natural person in relation to the currency, accuracy, reliability or completeness of all or part of this document, or the accuracy, likelihood of achievement or reasonableness or any forecasts, prospects or returns contain in, or implied by, the information or any part of it. To the full extent permitted by law, NextEd disclaims any obligation or undertaking to release any updates or revisions to the information contained in this document to reflect any change in expectations or assumptions.

You are cautioned not to place undue reliance on any forward-looking statements regarding our belief, intent or expectations with respect NextEd's businesses, market conditions and/or results of operations (particularly in light of the current economic uncertainties and volatility).

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