

ASX ANNOUNCEMENT

20 February 2024

3PL Announces FY24 Half Year Results & Confirms FY24 Guidance

FY24 Half Year Results Summary

The Directors of 3P Learning Limited ("3PL") announce its results for the half financial year ended 31 December 2023. Revenue was \$53.9m, up \$1.3m on the prior corresponding period ("pcp"), Underlying EBITDA^A was \$3.4m, down \$2.4m on pcp, and statutory net loss after tax was \$12.0m, down \$12.4m on pcp. The statutory net loss after tax of \$12.0m includes \$13.7m after tax acquisition of US schools Distribution Rights from Edmentum Inc.

Key Financial Information	FY24 Guidance	1H24	1H23	Variation %
A\$m				
Revenue and other income	> 112.0 < 115.0	53.9	52.6	+2%
Underlying EBITDA	> 13.0 < 15.0	3.4	5.8	-41%
Underlying Cash Used in Operations Before Tax		(2.4)	(5.6)	+57%
Underlying Net Profit After Tax		5.3	3.8	+39%
Statutory Net (Loss)/Profit After Tax		(12.0)	0.4	nmf

3P Learning's CEO, Jose Palmero, said "Revenue for the first half was 2% higher than in the pcp, which was a bit lower than expected. This was mainly due to lower performance in the US B2B market, with Annual Recurring Revenue 2% lower to \$64.2m and reinforces our timeliness in taking over direct distribution of Reading Eggs US schools business.

On the other hand, despite a tougher consumer market globally, B2C billings increased 7% to \$21.8m which was a good result. As we shift from product build to Go to Market, sales and marketing costs increased in this half, but we still delivered Underlying EBITDA of \$3.4m. Underlying cash used in operations before tax was \$2.4m, which was a \$3.2m improvement on pcp."

3P Learning's Executive Chairman, Matthew Sandblom, said "FY24 has been a big year so far. We launched major new products including Writing Legends (Years 1-3, APAC and EMEA), Mathletics New Courses (Fractions Years 3-6, APAC), Brightpath Progress Writing (EMEA) and Mathseeds Prime (Year 4, APAC). As previously announced, we re-acquired Reading Eggs US schools Distribution Rights from Edmentum.

A "Underlying" is a non-statutory measure and is the primary reporting measure used by the CEO, CFO and Board of Directors for assessing the performance of our business. EBITDA is earnings before interest, tax, depreciation and amortisation, excluding unrealised foreign exchange gains or losses, corporate advisory costs, restructure and integration costs, and buy-back of distributor rights. .



Since FY22 to date, we will have funded approximately \$33m in acquisitions, more than \$68m in product development, and \$2.4m in the share buy-back program, all from operational cash flow, with no debt. We have honed our focus on highest growth opportunities and made cuts in low priority areas to achieve \$5m of annualised savings initiatives from March 2024.

With all key strategy pieces now in place we are focused on completing product rollout, and execution of sales and marketing strategies for all major markets to fully deliver on opportunities.”

No dividend has been declared.

FY24 Guidance Reaffirmed

The Company reaffirms FY24 guidance of Revenue between \$112.0m and \$115.0m and Underlying EBITDA between \$13.0m and \$15.0m.

This announcement has been authorised for release by the Board of 3PL.

The results briefing dial-in details can be found further below.

For further information, please contact:

3P Investor Relations
investors@3plearning.com

FY24 Half Year Results Briefing Dial-In Details

(Pre-registration for the [teleconference](#) or [webcast](#) is recommended.)

Date: Tuesday 20 February 2024 at 10.30am AEDT

Conference ID: 10035523

Dial in Numbers:	Australia	1800 809 971 or +61 2 9007 3187
	USA/Canada	1 855 881 1339
	UK	0808 051 8245
	Singapore	800 101 2785
	Hong Kong	800 966 806
	New Zealand	0800 453 055
	<u>Other</u>	

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