



## ASX Announcement

30 August 2024

### Cluey delivers significant cost savings and improvement in FY24 Underlying EBITDA

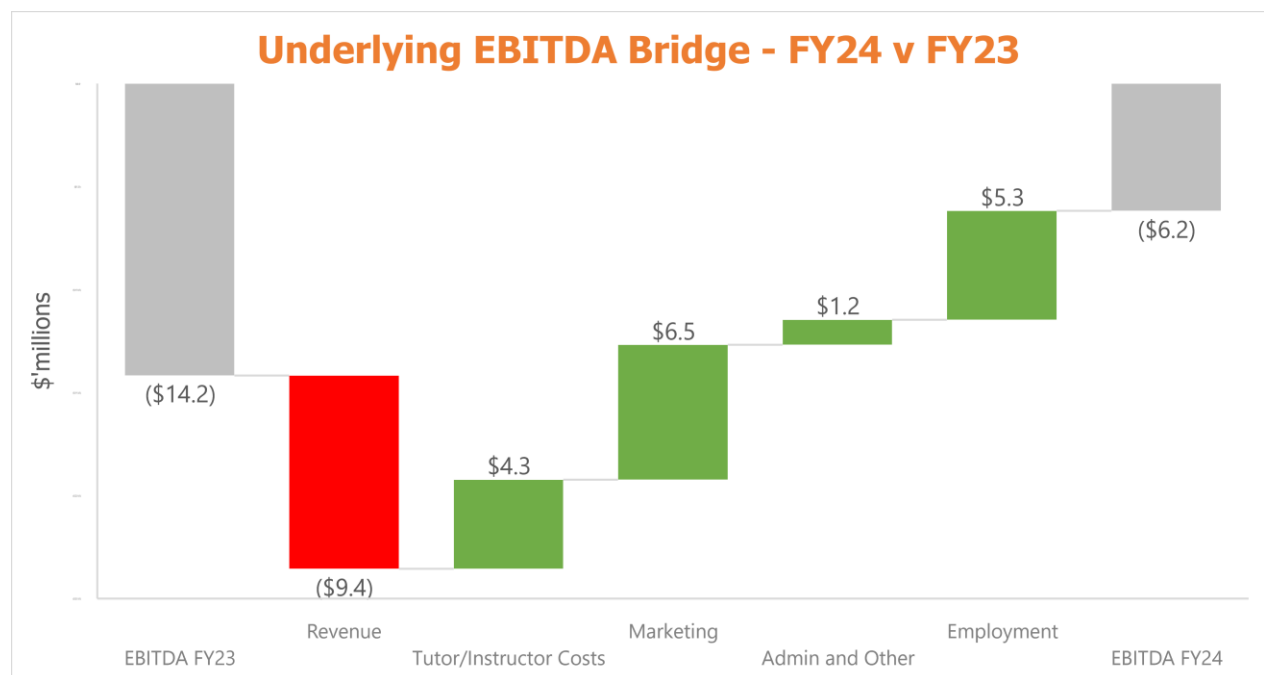
Cluey Ltd (ASX: CLU) ("Cluey" or the "Company") today announced its results for the financial year ended 30 June 2024 ("FY24").

Matteo Trinca, Joint CEO, said: "Last financial year was challenging for Cluey. The hard work we put into restructuring costs and calibrating growth-focused investments is now paying off, with our sixth consecutive quarter of reduced cash burn versus the prior corresponding quarter.

We remain focused on achieving profitability and regaining growth momentum. We see encouraging signs across the business, particularly in our online tutoring division."

#### FY24 Group<sup>1</sup> Key highlights:

- 56% improvement in Group Underlying EBITDA<sup>2</sup> loss of \$6.2 million in FY24 compared to the prior corresponding period (FY23) ('PCP') loss of \$14.2 million.

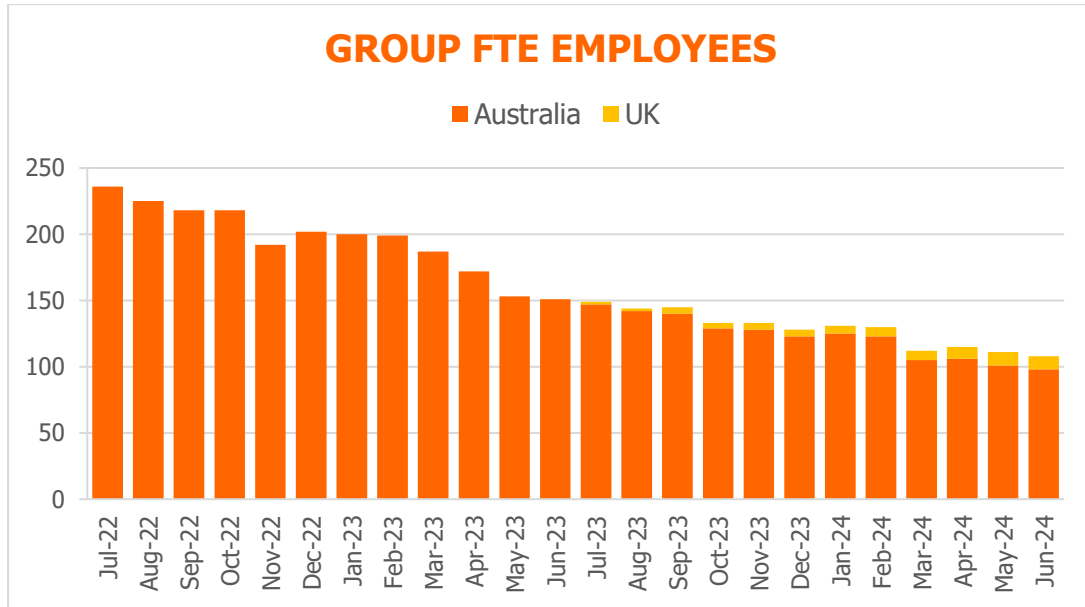


- The implementation of a range of cost-saving initiatives during FY23 and FY24 resulted in the reduction of Group Operating and Marketing costs by \$13.0 million (36%) in FY24 compared to PCP (refer to the chart above).

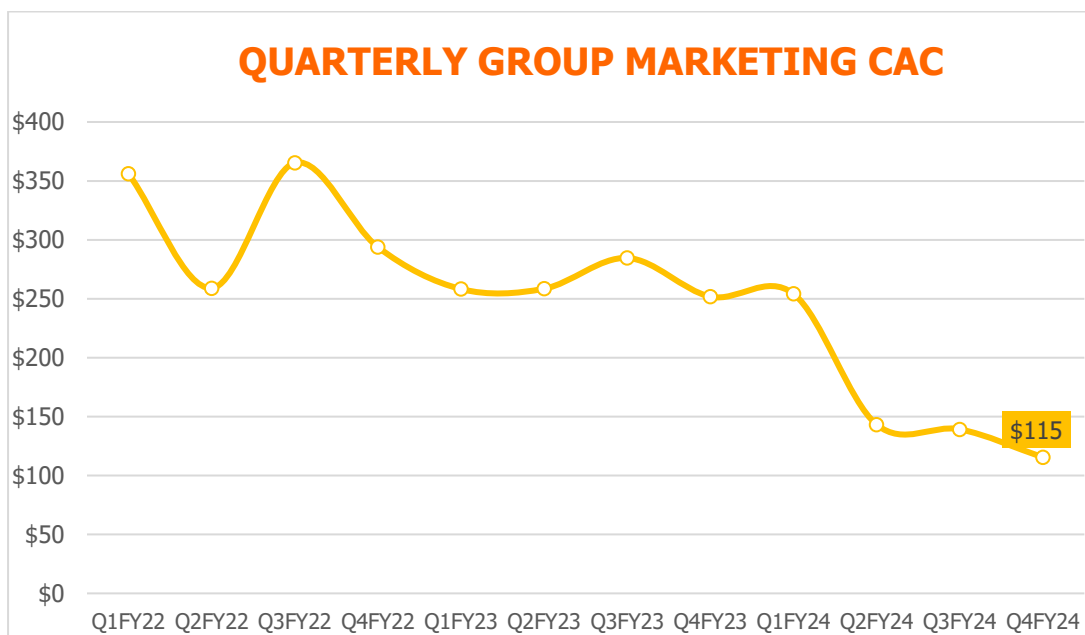
<sup>1</sup> The Group comprises Cluey Ltd, Cluey Learning Pty Ltd and subsidiaries ('Cluey Learning') and Codecamp Holdings Pty Ltd and subsidiaries ('Code Camp')

<sup>2</sup> Underlying EBITDA is earnings before interest, tax, depreciation and amortisation, adjusted for one-off restructuring costs, share-based payment expense and impairment charges.

- The Group implemented a streamlined organisational design and extensive automation of internal processes, resulting in a 58% reduction in full-time equivalent ('FTE') employees in Australia from July 2022 to June 2024 (refer to the chart below). UK FTE employees continued to increase to support the significant growth in the UK operations.



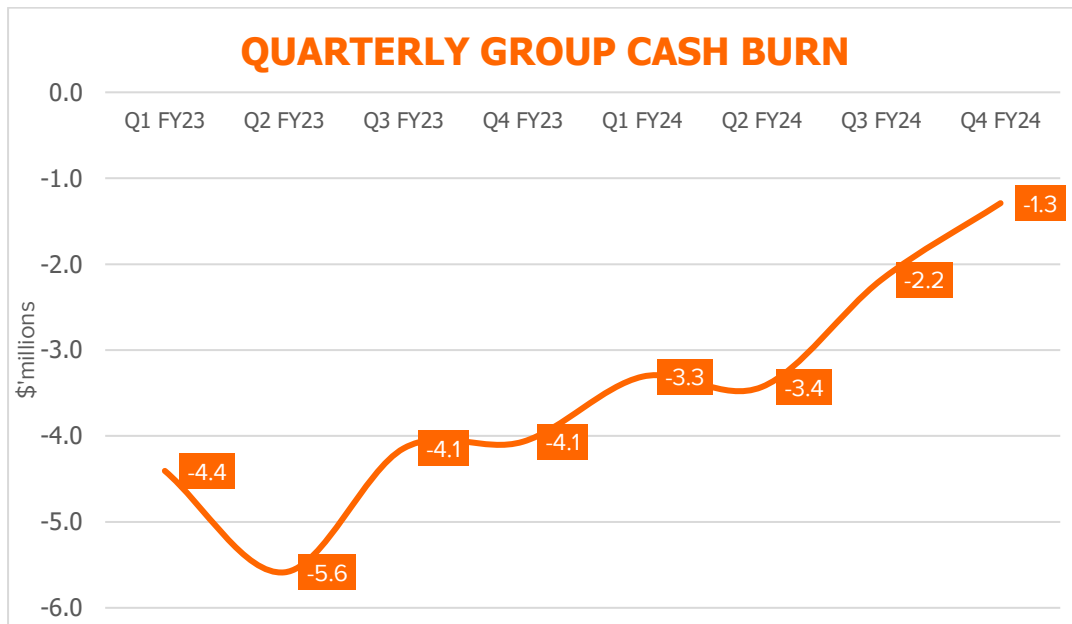
- Ongoing sales and marketing optimisation initiatives reduced Group Variable CAC<sup>3</sup> in FY24 to \$270, a 23% improvement on PCP.
- Group Marketing CAC<sup>4</sup> improved throughout FY24, achieving a record low of \$115 in Q4 FY24, an improvement of 54% on Q4 FY23 (refer to the chart below). Group Marketing CAC is now at the lowest level since inception.



<sup>3</sup> Variable CAC (customer acquisition costs) per New Student is a non-IFRS measure used for management purposes which represents variable acquisition expenditure for a period divided by New Students. Variable acquisition expenditure is calculated based on total marketing media expenses and brand investment, plus learning advisor (sales) employment costs and commission (included in employee benefits expense).

<sup>4</sup> Group Marketing CAC (customer acquisition costs) is the total marketing media cost for the Group divided by the number of new students who had a session in the period.

- The cost-savings mentioned above, coupled with a focus on driving profitability, resulted in a significant improvement in quarterly Group Cash Burn<sup>5</sup> (refer to the chart below).



#### Key Group metrics – FY24

Revenue	Gross Profit
\$30.0m -24% on PCP	\$17.5m -22% on PCP
Gross Profit Margin (%)	Underlying EBITDA
58.3% +2% on PCP	-\$6.2m +56% on PCP
Operating Cashflow Result <sup>6</sup>	New Students <sup>7</sup>
-\$8.8m +44% on PCP	29,797 -31% on PCP
Student Sessions <sup>8</sup>	Variable CAC per New Student
516k -14% on PCP	\$270 -23% (improvement) on PCP

The decline in Cluey's revenue, new students and student sessions in FY24 compared to FY23 was primarily due to:

- Management's strategic decision to reduce spend on customer acquisition and prioritise cash preservation ahead of growth.
- A compositional shift from Cluey Learning student sessions to Code Camp after-school sessions, with Code Camp after-school sessions yielding a lower average revenue per student.
- The macro-economic environment characterised by increasing pressure on household budgets and reduction in discretionary spend

<sup>5</sup> Cash Burn includes net cash from / used in operating activities and investing activities

<sup>6</sup> Operating cashflow result per the ASX Appendix 4C

<sup>7</sup> New Students for Cluey Learning and Code Camp are those students who had a session in the period.

<sup>8</sup> Includes Cluey Learning tutoring sessions and attendance days at Code Camp after-school and school holiday programs.

## Trading Update and FY25 Outlook

As a result of significant cost-saving initiatives implemented over the last 18 months, including a streamlined organisation design, extensive automation of internal processes, and improved unit economic metrics, the Company is now in a position to accelerate growth in new students, student sessions, and revenue in FY25.

As part of its growth strategy, Cluey will focus on expansion opportunities, including new courses an extended range of learning services, multiple service configurations, and extension into other education segments and international markets.

During FY25, the Company will continue to build a portfolio of learning services, building on its reputation as a trusted destination for school-age students and their parents by:

- Extending product, technology and platform advantages.
- Scaling co/extracurricular offerings.
- Leveraging generative AI to support data-driven decision-making and learning analytics.
- Maintaining financial discipline.
- International expansion.

Subject to achieving ongoing operating improvements and revenue targets, the Company expects to break even during H2 FY25 and be profitable thereafter.

Given cost-of-living pressure driven by macroeconomic factors, Cluey may be affected by changes in consumer behaviour. Cluey's diversified portfolio of education services, that meet a range of family needs, is designed to insulate the Company against significant impacts.

The Company's cash balance of \$4.5 million (as at June 2024) combined with the additional \$4.5 million raised in August 2024, is judged sufficient to fund working capital and growth as Cluey drives towards achieving operating cashflow breakeven.

ENDS

Authorised for release to the ASX by the Board of Cluey Ltd.

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### ABOUT CLUEY

- Cluey is an innovative, ASX-listed Edtech company that combines education and technology to deliver quality education outcomes and an enhanced experience for students. Cluey provides curriculum-aligned academic support for students in Australia and New Zealand. In addition, Cluey delivers co-curricular online, holiday camps and after-school programs in Australia and the United Kingdom through its wholly owned subsidiary, Code Camp. Cluey has a highly experienced management team and Board with a track record of building successful education businesses. Cluey is headquartered in Sydney.
- Cluey has been recognised in the prestigious HolonIQ inaugural list of the most innovative Edtech companies in Australia. Cluey was also the winner of the 2022 Australian Growth Company Awards - Technology Growth Company of the Year; 2021 Technology Scale-up Edtech of the Year Award, and recognised as the 5th fastest growing technology company in Australia in the Deloitte Technology Fast 50 2021 Awards.