



## ASX ANNOUNCEMENT

16 August 2024

### 3PL announces FY24 Full Year Results & Outlook

#### FY24 Full Year Results Summary

The Directors of 3P Learning Limited (ASX: **3PL**) announce its results for the financial year ended 30 June 2024. Revenue and other income was \$110.0m, up 2.5% or \$2.7m on the prior corresponding period ("**pcp**"), Underlying EBITDA<sup>A</sup> was \$12.0m (FY23: \$15.9m), and statutory net loss after tax was \$57.0m (FY23: profit after tax of \$6.3m).

FY24 underlying performance includes after tax adjustments for significant items stemming from the acquisition of US schools Distribution Rights for Reading Eggs ("**US Distribution Rights**")<sup>B</sup> for \$14.4m, a non-cash goodwill impairment relating to the B2C segment of \$44.5m, and depreciation and amortisation relating to the acquisitions of Blake eLearning and Brightpath Progress and other proforma costs of \$9.9m.

Key Financial Information	FY24 Guidance <sup>C</sup>	FY24	FY23	Variation %
<b>A\$m</b>				
<b>Revenue</b>	<b>&gt; 112.0 &lt; 115.0</b>	<b>110.0</b>	<b>107.4</b>	+2.5%
<b>Underlying EBITDA</b>	<b>&gt; 13.0 &lt; 15.0</b>	<b>12.0</b>	<b>15.9</b>	-24.3%
Underlying Net Profit After Tax		11.8	14.1	-16.3%
Statutory Net (Loss)/Profit After Tax		(57.0)	6.3	<i>nmf</i>
30 June Net Cash <sup>D</sup>		5.1	27.0	-81.1%
30 June Undrawn loan facility		9.0	10.0	-10%

Underlying cashflow from operations before tax was \$11.0m, closely aligned to Underlying EBITDA of \$12.0m. Net Cash<sup>D</sup> as at 30 June 2024 was \$5.1m, after \$20.5m paid for the US Distribution Rights, and \$4.5m invested in the 3PL share buy-back program.

<sup>A</sup> "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 buy-back of distributor rights, corporate advisory costs, impairment losses, restructure and integration costs, and unrealised foreign exchange gains and losses.

<sup>B</sup> These US Distribution Rights, prior to being assigned in perpetuity to Edmentum Inc. in 2010, were an "internally generated intangible asset", which cannot be capitalised under Australian Accounting Standards irrespective of how the costs are incurred e.g., paid to a third party (Edmentum Inc.). As a result, the total US Distribution Rights cost has been expensed in full during the year.

<sup>C</sup> FY24 Underlying EBITDA guidance was updated on 21 December 2023 to between \$13.0m-\$15.0m from \$15.0m-\$17.0m.

<sup>D</sup> Net Cash is calculated as: \$2.0m cash and cash equivalents plus \$4.1m restricted cash minus \$1.0m external borrowings.



3P Learning's CEO, Jose Palmero, said: "In FY24 we achieved our B2B product and US strategy objectives and started transitioning from product build, to go to market stage. We have now reached peak product development costs and look forward to achieving a good return on this investment from FY25 and beyond."

No dividend has been declared.

### **B2B Strategic Direction**

3P Learning's Executive Chairman, Matthew Sandblom, said: "In July 2024, we launched the 3 Essentials suite of programs to Australian and New Zealand schools with plans to roll out similar suites of programs in the United Kingdom and North America over the next 12 to 18 months. We have also restructured our APAC sales team to greatly increase the number of frontline sales positions who are responsible for both renewal and new business. We believe that the 3 Essentials strategy gives us the best chance of achieving significant growth in the schools market in the years to come. 3 Essentials provides our best programs to help students learn the essential academic skills of reading, maths and writing."

### **Outlook**

We are not issuing earnings guidance at this time but expect both revenue and Underlying EBITDA to be better than FY24 performance.

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

For further information, please contact:

3P Investor Relations  
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#### **FY24 Results Briefing Dial-In Details**

Pre-registration for the webcast or teleconference is available.

**Date:** 16 August 2024 at 10.30am AEST

**Webcast** <https://ccmediaframe.com/?id=dmKfKYsO>

**Dial in Numbers:** available on registration [here](#)

A recording of the webcast will also become available on our website shortly after the event.