

ASX Announcement

22 June 2022

Kip McGrath FY22 Guidance Update

Kip McGrath Education Centres Limited ('Kip McGrath' or the 'Company') (ASX:KME), a leading tutoring provider, is pleased to provide an update on trading conditions and financial guidance for the financial year ending 30 June 2022 (FY22).

Key Highlights

- **FY22 revenue of \$24.0m - \$24.4m, approximately a 25% increase on pcp of \$19.3m**
- **FY22 EBITDA of \$5.8m - \$6.2m, approximately a 17% increase on pcp of \$5.1m**
- **Revenue growth supported by demand in the UK and the US, with Australasia transitioning to a return to normal in demand**
- **Recent signing of new contract in the Middle East with expected \$0.7m in net annual earnings**
- **Investments in technology and corporate centre networks remains key to Kip McGrath's growth**

The company has witnessed improving trading conditions over the second half of the financial year with FY22 revenue guidance expected to be between \$24.0m - \$24.4m and EBITDA guidance between \$5.8m - \$6.2m.

While COVID-19 continued to impact tutoring in Australasia with increased rates of absenteeism, the Company is beginning to witness a shift as students specifically in Australia and New Zealand return to school post-lockdowns. Demand for lessons in the UK has seen a return to normal to pre-pandemic levels as the region is now approximately 9 months out of lockdown. The Company views the return of demand in the UK as an effective signal of expected timing for Australasian demand to return to normalised levels.

Kip McGrath's CEO and Managing Director Storm McGrath said, "The business continues to see growth across all geographies, with demand expected to return to pre-pandemic levels across all regions over the coming year. The tutoring landscape is evolving and we are increasingly working with government bodies to further develop our offerings, principally in the US with Tutorfly and through our key Master Franchisee in the Middle East.

Developing our business and the student experience continues to be a core focus, investment in the progress of our corporate centers is expected to deliver future growth in student numbers. We are in the process of launching new software across the business to assist with growth and continue to invest in the development of our technology with a focus on improving automation and analytics to drive performance for both students and the business alike.”

Authorised for release by the Board of Kip McGrath Education Centres Limited.

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About Kip McGrath

Kip McGrath Education Centers Limited has been helping tutor primary and secondary children since 1976, helping to improve their literacy and numeracy skills. The Company operates corporate centres and franchises globally, employing qualified teachers who use proven methods and techniques both online and in-person across 560 locations globally.

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