

## 2026 Half Year Financial Results Investor Presentation Transcript

**Date:** Tuesday, 24 February 2026

**Time:** 10:30 am (Sydney Time)

**Location:** Chorus Call – Webcast

(10:30 am, 24 February 2026)

**Mr Sandblom:** Hello, I'm Matthew Sandblom and here we are today presenting 3P Learning's results for the first half of the 2025/26 financial year. I will be joined today by Jose Palmero, CEO of 3P Learning and Adam McArthur the CFO.

**(Chairman)**

The financial results for the first half of the financial year 2025/26 resulted in a \$5.7 million EBITDA, which is down 16% from the corresponding period. Total revenue was down 2% at \$51.9 million. B2C revenue was up 1% to \$22 million while B2B revenue was down 3% to \$29.8 million.

We had underlying cash of \$7.5 million at the end of the period with \$1.8 million used in operations which is usually the case in the first half of the financial year. We get more cash in in the second half of the financial year.

Our customer numbers are now running at \$4.9 million annualised with B2B licences making up \$4.7 million which is down 4% from the previous period and B2C licences down 5% at \$266,000.

Our total product investment was \$11.2 million dollars, of which only about \$1 million was capitalised.

Overall, we are not satisfied with the performance of the 3P Learning business in the first six (6) months of the financial year with declining top line revenue and some decrease in EBITDA.

So we are having a close look at all parts of the business, our cost base, our product offering, our Go-To-Market strategies. We are reviewing all these as we have made a considerable investment, as you would know in our product suite over the last few years, including new products like Writing Legends, revamp of Mathletics, the integrated 3 Essentials offering. But so far none of them are showing signs that the investment has generated a good return as we would have liked, so we are having to really rethink that and how much we do invest in new product and we need to definitely improve our performance in that respect.



So while we do generate good amounts of cash and we do have quite a lot of recurring business every year, the churn rate on the schools business is still higher than we would like in most markets and we still have a subscale US schools business that we need to find a better strategy in that market whether it is partnering; whether it is focusing on narrower markets. These will all be things that we will be reviewing over the next couple of months. But overall we definitely have to get a better return for the amount of money we have invested in this business and that's a key focus of both the board and management.

I will now hand you over to Jose Palmero who will go through these issues in more details, to be followed by Adam McArthur with details on the financial performance.

**Jose Palmero:  
(CEO Update)**

Thank you Matthew and good morning everyone. I will start with an update on the progress and lessons learnt from our key B2B and B2C strategies before handing over to our CFO, Adam McArthur who will cover segment performance and financial results for this first half ended 31 December 2025. I will then provide an outlook and guidance for the full year 2026 before inviting questions.

Despite the modest revenue decline in the first half of the year 3P enjoys a solid financial position with strong cash generation and leading products in APAC. We also control the intellectual property and distribution channels for our programs across all key markets in B2B and B2C.

Many of the major product development projects over the last few years have been completed, and we are now focusing on smaller, targeted projects that can provide more immediate returns.

It is worth noting that we have funded all product development costs from cash generated by the business and that we have no debt.

We are facing some challenges, however, with B2B churn exceeding new sales across all regions, and a structurally harder B2B market, particularly in the US, where our brand recognition and product positioning are not as strong as in APAC.

The B2C segment has continued to be more resilient, but we are seeing higher marketing costs, which puts more pressure on B2C margins.

Looking at our main strategies for B2C in more detail, we launched HomeSchool Max in May 2025 in the US as a pilot project and have seen encouraging results.

Homeschooling in the US is a large and growing market, supported by ESA government funding.

Reading Eggs is a good fit for this market segment so following the initial pilot, we now need to determine the level of investment required to turn this into a significant opportunity.



For B2B, our main strategies this year focused on Revenue Growth in APAC and EMEA through our latest bundled offering, the 3 Essentials, while expanding in the US following the acquisition of the Reading Eggs US schools distribution rights from Edmentum in February 2024.

Although we have seen good early signs from 3 Essentials, there hasn't been enough sales growth to offset churn at this stage. Schools still prefer individual, tailored programs, so we will be adjusting our approach in response.

US School distribution is now directly managed by us, but this is an expensive market to service when sub-scaled, so we are exploring go to market options, including partnering and strategic alliances, to accelerate our plans.

As Matthew mentioned earlier, considering the first half results and lessons learnt, we are conducting a business review focusing on three key themes:

1. For B2B - unit economics and churn reduction for all markets, and regional performance, particularly in the US.
2. For B2C - Given the initial success of the HomeSchool Max launch in the US, increase our investment in B2C growth opportunities.
3. We will also continue to improve cash balances through careful cost management, and running a lower cost operating model focused on ROI.

I will now hand over to Adam for the financial results and segment performance.

**Adam McArthur:  
(CFO Update)**

Thanks Jose. Now let me take you through a summary of our first-half financial performance. The revenue picture this half reflects the challenges in our B2B business which softened, consistent with the churn that's still above where we want it to be.

On the other hand, B2C held steady. This continues to prove a resilient segment for us.

We've kept our cost base steady despite inflationary pressure and this half, our capitalisation rate on product development was around \$1.4 million lower than the prior corresponding period. The key driver here is a change in the mix of work. More of our development effort relates to ongoing enhancements rather than long-life capitalisable projects.

Importantly, despite the top-line pressure, we finished with a better cash position.

B2C revenue, excluding other income, grew by \$0.3 million on the prior corresponding period. This uplift was primarily driven by ESA-related sales in the US homeschool market, which continues to perform strongly.



While the overall B2C top line is relatively modest in growth terms, it demonstrates stability in an environment where acquisition costs and broader consumer spending pressures remain elevated.

Contribution for the margin for the half was 38%. This was down from 41% in the prior period.

Importantly, margin remains healthy and consistent with our strategy. We are balancing disciplined spending with targeted growth opportunities in the US market.

B2B revenue excluding other income was \$29.8 million, a 3% decline on the prior corresponding period. This result is driven primarily by higher churn across all regions and less new business being closed.

The regional revenue profile highlights that while we still see good signs from bundling in EMEA and APAC, this is not yet material enough to offset elevated churn levels.

In AMER, our school district sales motion is progressing, but these cycles take time. We continue to build pipeline but conversion remains slower due to the nature of district procurement.

Contribution margin for B2B was flat at 51%.

Total revenue for the half was \$51.9 million, down \$0.8 million on the prior period

Total expenses were steady at \$43.5 million, aided by a tight cost management.

Capitalised Product and Technology allocation was \$1.4 million lower than the prior period, which negatively impacted EBITDA.

Our underlying EBITDA for the half was \$5.7 million. This was down \$1.1 million compared to the prior period. The decline is primarily due to B2B revenue pressure and the lower capitalisation rate of development expenditure.

Statutory net profit after tax was \$0.4 million, an improvement of \$1.1 million on the prior period. This improvement reflects lower non-cash and pro-forma adjustments compared to HY25.

On Slide 18 you can see our cash bridge. Underlying cash flow used in operations before tax was an outflow of \$1.8 million for the half. This reflects the usual seasonality in our business, where cash generation is weighted towards the second half of the year due to the APAC school-year billing cycle.

We ended the half with a net cash position of \$7.5 million, a significant improvement on the \$1.9 million position at the prior corresponding period.



Net cash is defined as cash plus \$3.1 million of restricted cash, less external borrowings, and as at period end, we had no external borrowings. We continue to maintain a debt-free balance sheet and are well-positioned for stronger cash conversion in the second half.

Now I will hand back to Jose for the Outlook.

**Jose Palmero:  
(CEO Update)**

Thank you Adam. Before closing, I will provide our outlook and guidance for the full financial year 2026.

Just as a reminder, 3P generates about half of its revenue from APAC. Billings and cash receipts are therefore stronger in the second half of the financial year. This has a corresponding effect on revenue because most schools in APAC are invoiced in February and March each year.

With the expected improved cash position, we will undertake shareholder-focused capital management, including the intention to assess a dividend for the full financial year 2026 in accordance with our dividend policy.

We provide guidance ranges for financial year 2026 as follows:

Revenue:	between \$105 million to \$107 million
Underlying EBITDA:	between \$13 million and \$15 million
Net Cash:	between \$16 million and \$18 million

That concludes our presentation today.