



REDHILL EDUCATION

2018 Annual General Meeting
Chief Executive Officer's Address

22 November 2018



**Where we
have been**



**Current
state**



**Future
outlook**

FY13 - FY18

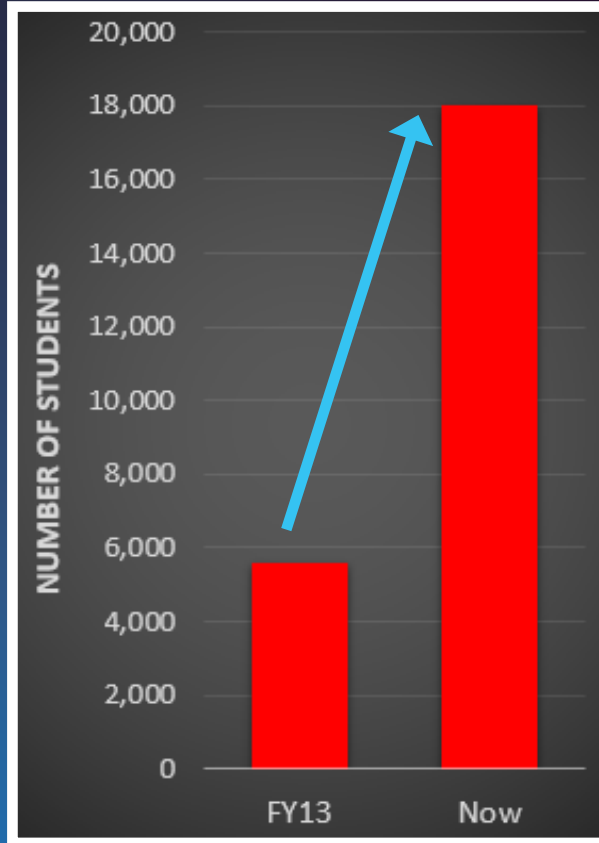
FY19

FY19+

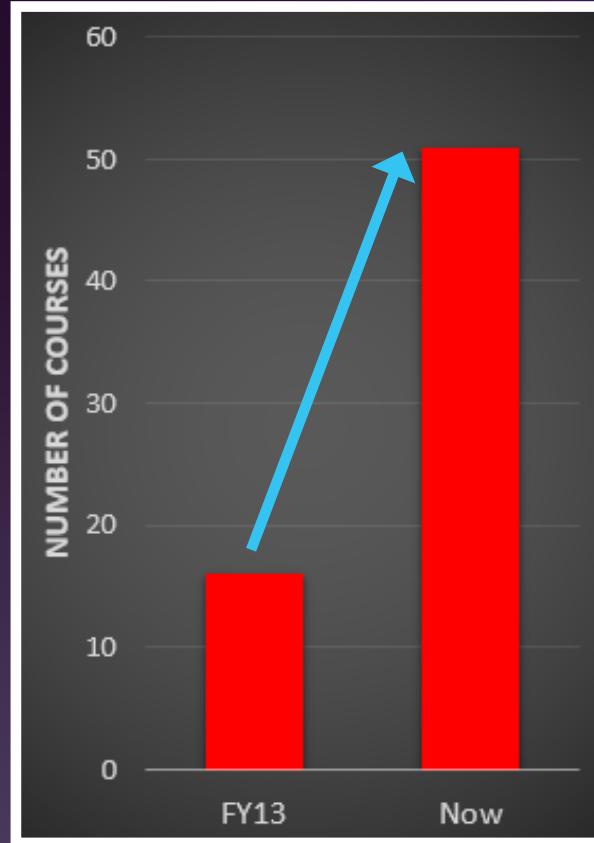


Growth in student numbers and range of courses

Number of RedHill students



Number of RedHill courses

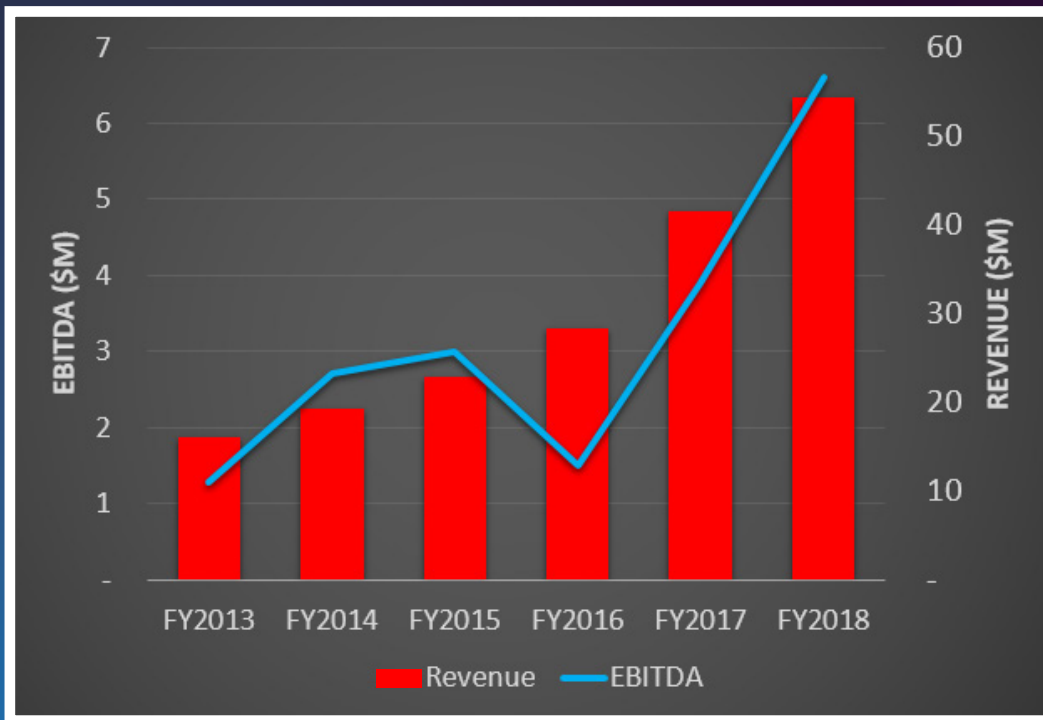


Increases in student numbers and the range of courses delivered has resulted in significant growth in revenues and profits.



Growth in financial performance

Revenue and EBITDA



RedHill's FY18 financial results featured:

- Revenues of \$54.6 million - 32% increase*
- EBITDA of \$6.6 million - 70% increase*
- Profit after income tax of \$3.5 million - 102% increase*
- Net cash from operating activities of \$8.2 million - 64% increase* or \$3.2 million

RedHill's growth and improvements in financial performance have resulted from our focus on a range of organic expansion initiatives, including:

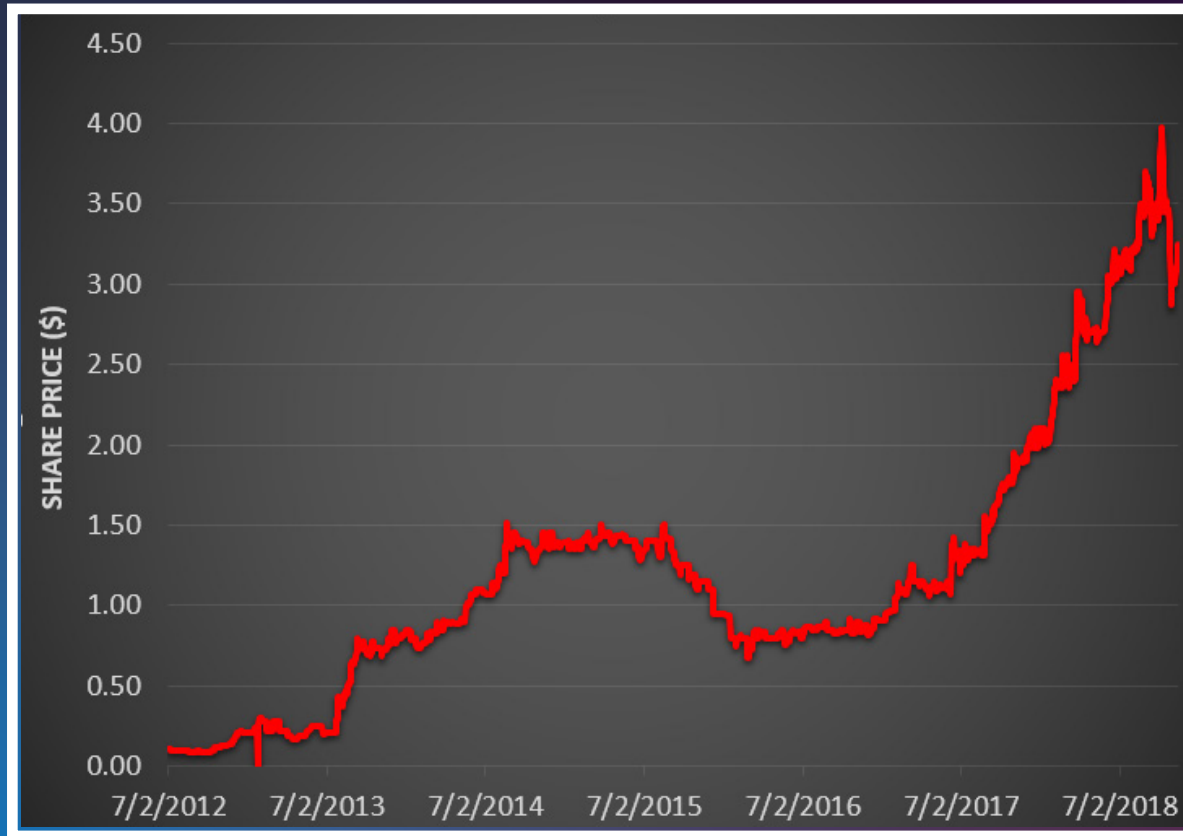
- launching of new business brands
- launching of new courses within existing brands
- major campus expansion in Australia
- opening of new overseas student agency offices

** Over the previous corresponding financial year*



Growth in shareholder value

RDH Share Price - FY13 to 19/11/2018



Significant increase in market capitalisation.

Dividends paid in relation to FY18 represented 35% of net profit for that period:

- fully franked dividend of 2 cents per share paid in April 2018
- fully franked dividend of 2 cents per share paid in September 2018



RedHill at a glance

Founded in

2006



Information
Technology



5

Campuses in
Sydney
Melbourne
Brisbane

Number of employees:

420

44

Articulation
Partnerships with
other education
providers

Listed on ASX in

2010



Design



Interactive
Media



Film &
Video



Management



Student Agency

Total Student Population

18,000



From

94

Countries
worldwide

12 Student
Agency offices
supporting
over

6,000

students studying each year

15 English
Language
course levels
with over

8,000

students studying each year

25 Vocational
courses
with over

3,000

students studying each year

11 Higher
Education
courses with
over

1,000

students studying each year

8 Overseas student
agency offices in
Europe and South
America

- Rome
- Milan
- Toulouse
- Barcelona
- Madrid
- Valencia
- Mexico City
- Medellin

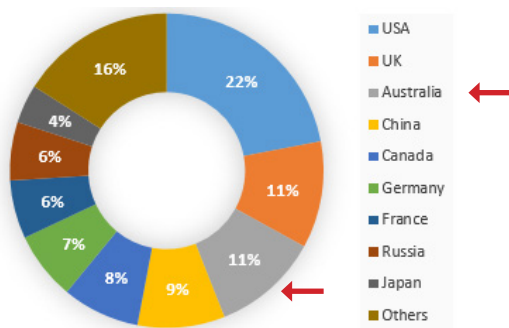
**Accredited to deliver ELICOS,
Vocational and Higher Education
courses to domestic and
international students**



International Education in Australia:
1st largest service export /
3rd largest export overall

Wide range of study options for domestic and international students

Australia known as a quality destination for education and is resilient to global change (e.g. Brexit/Trump)



Global market share of international global students for leading study destinations. Source: IE/Project Atlas 2017

Increased regulatory scrutiny to weed out poor provider behaviours and increased requirements for new entrants

Increased funding supporting vocational education likely post next federal election

Alert to changes in political sentiment
towards immigration policy



Department of Education and Training



TEQSA

Technology used for innovative course delivery
and curriculum expansion supporting
emerging industries and skills

Improvements in cost effective tools
for student recruitment and
engagement

Rise of EdTech sector – challenging traditional approaches to education





RedHill positioned for more growth

Vision:

*We strive to be the first choice for private education services in Australia,
and to be admired for our student outcomes.*

International
Student Agency

English
Language Courses
(ELICOS)

Vocational
Courses
(VET)

Higher Education
Courses
(HE)



GO STUDY
AUSTRALIA



GREENWICH
English College



iscd
INTERNATIONAL SCHOOL OF
COLOUR+DESIGN



THE
LEFT
BANK



Creative
Technology
Educators



GREENWICH
Examination Centre



GREENWICH
Management College



coder
ACADEMY

Over 6,000
students per year

Over 8,000
students per year

Over 3,000
students per year

Over 1,000
students per year

REDHILL
SUPPORT FUNCTIONS

IT

Group Marketing

Finance

People & Culture

Compliance &
Accreditation

- ✓ Vision + Values
- ✓ Corporate structure
- ✓ Sector diversification
(student agency, ELICOS, VET, HE)
- ✓ Broad range of target markets:
domestic & international
- ✓ Industry alignment for specialist
courses





FY19 investments

RedHill has a proven track record of making investments that deliver growth and positive financial returns.

FY19 H1 includes significant investment activities to support future growth and improvements in financial performance, including:

- further 50% expansion of our Melbourne campus in July 2018
- recruitment of key senior functional executives to enhance the senior management team
- refurbishment of Sydney campuses to improve the student experience and support growth
- continuing our programme of development of new courses



Melbourne campus expansion



Our people

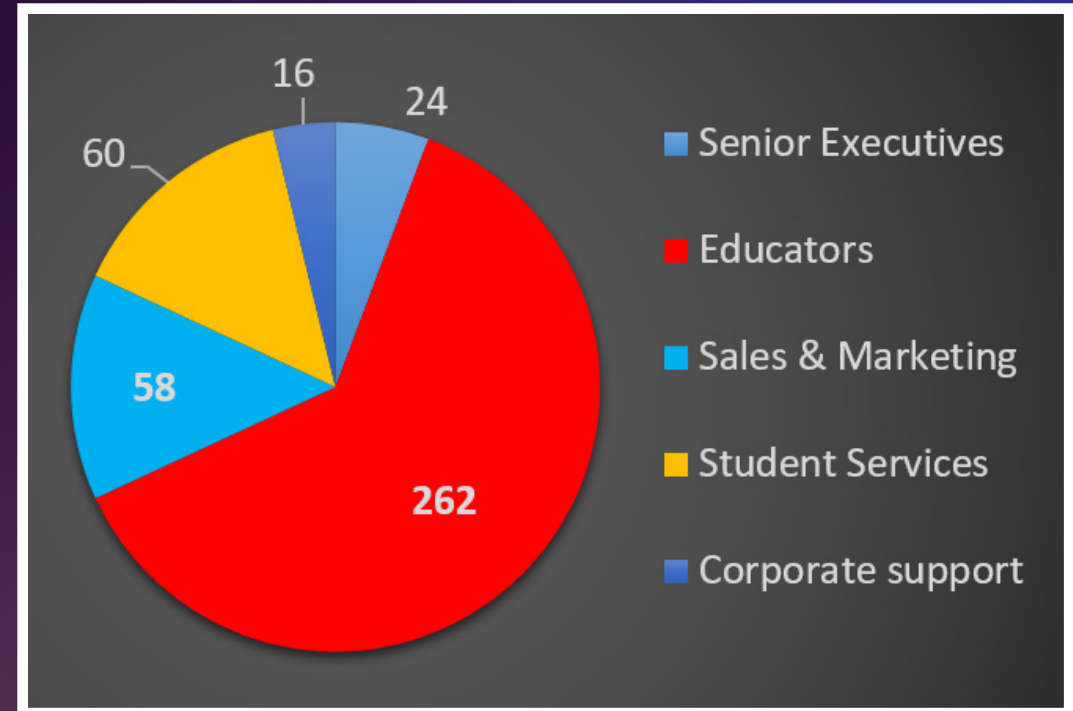
RedHill has a strong and engaged senior executive team and depth in it's capabilities across all business functions.

RedHill's Senior Executive Team



From left to right: Emma Thompson, John O'Brien, Eve Ollerenshaw, Glenn Elith, Simon Costain, Gizelle Rezende, Gabriel Providel, David Leslie, Shin Shimizu.

Staff by function (as at November 2018)





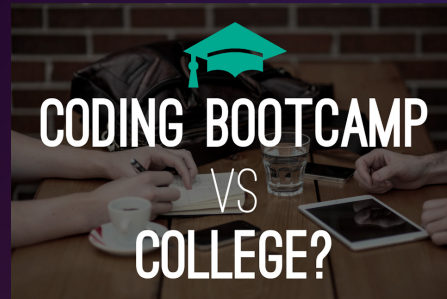
FY19 operational focus areas

Industry engagement

- Engagement with industry experts
- Internship, job placement programs



Challenging traditional education models



86%

Coder Academy's employment rate within 3 months of graduating:



- Launched unique bootcamp delivery mode
- Continuing to invest in online education
- Co-develop curriculum with corporate partners
- Internship placements embedded into courses



FY19 financial update

FY19 H1

Our investments in growth in FY19 H1 will have a short term negative impact on EBITDA.

FY19 H1 consolidated revenue is expected to grow approximately 10% against the prior corresponding half year period, with revenue growth expected to be achieved by all RedHill operating segments.

FY19 H1 consolidated EBITDA is expected to be approximately \$350k to \$650k lower than the prior corresponding half year period as the result of important investments in campus expansion, systems and people which we expect will support future growth in revenues and profits.

FY19 Outlook

We expect that our investments in FY19 H1 will have a positive impact upon full year financial performance.





Future outlook - massive market opportunity

RedHill is a relatively small provider operating in a large addressable market, and it's strategic focus will be to continue driving strong growth in revenues and profits.

We believe that there are major growth opportunities in private tertiary education in Australia for RedHill to exploit.

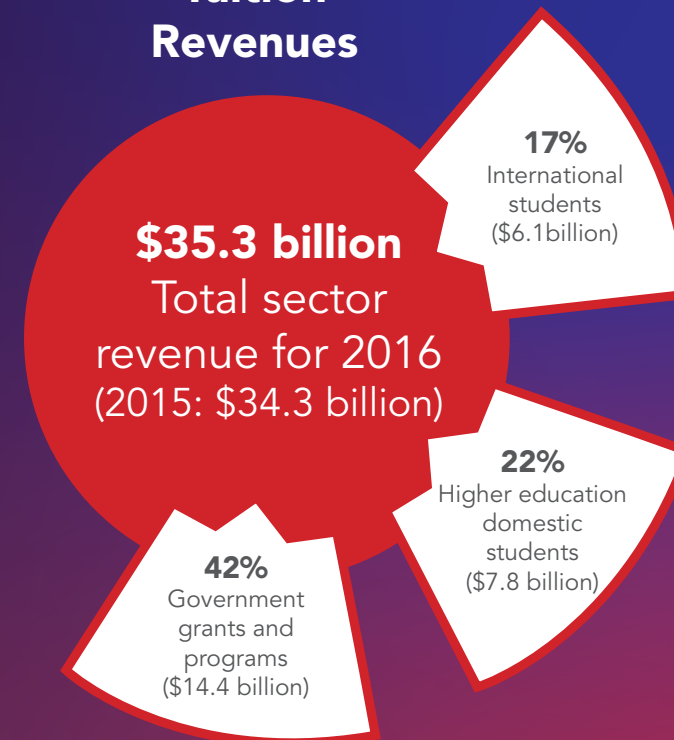
Total value of the international education market



22% growth in 2017

*includes tuition, accommodation and economic value of family/relatives visiting Australia

Tuition Revenues





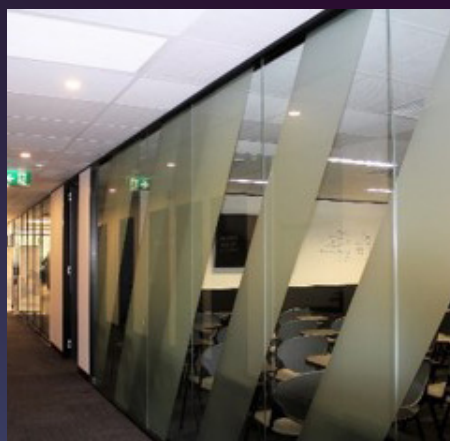
Future outlook

RedHill's areas of focus will include:

- evaluating options for the launch of a substantial Brisbane campus (currently operating under sub-lease arrangements)
- seeking greater market penetration for existing courses at current campuses
- delivering further brand and course range expansion across all of the sectors in which we operate
- considering possible accretive acquisitions
- being alert to opportunities to accelerate growth of Vocational courses to domestic students if Commonwealth tuition funding arrangements become more favourable



COMING
SOON!





REDHILL EDUCATION

THANK YOU