



RedHill Education Limited

FY2019 MARKET GUIDANCE

RedHill Education Limited (**RedHill**) announces the following information in relation to expected FY2019 results:

1. FY2019 SECOND HALF YEAR FINANCIAL RESULTS

RedHill expects the FY2019 second half year financial results to include:

- Revenue in the range of \$31.2 million to \$32.2 million, being an increase in the range of 9% to 12% against the previous corresponding half year (FY2018 second half year Revenue: \$28.6 million)
- EBITDA* in the range of \$3.1 million to \$3.5 million, being a decrease in the range of \$0.4 million to \$0.8 million against the previous corresponding half year (FY2018 second half year EBITDA*: \$3.9 million)

2. FY2019 FULL YEAR FINANCIAL RESULTS

RedHill expects the FY2019 full year financial results to include:

- Revenue in the range of \$60.0 million to \$61.0 million, being an increase in the range of 10% to 12% against the previous year (FY2018 Revenue: \$54.6 million)
- EBITDA* in the range of \$5.6 million to \$6.0 million, being a decrease in the range of \$0.6 million to \$1.0 million against the previous year (FY2018 EBITDA*: \$6.6 million)

Profitability has been impacted by important investments made in the first half of FY2019 to support future revenue and profit growth, including:

- expanding RedHill's Melbourne campus by 50% (additional rental and utility costs of approximately \$0.9 million in FY2019); and
- making new senior executive appointments in the marketing, people & culture, and regulatory compliance functions (additional salary and recruitment costs of approximately \$0.6 million in FY2019).

** EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents net profit under AAS adjusted for specific non-cash and significant items. The directors consider EBITDA to reflect the core earnings of the consolidated entity.*

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