



CURRO

ANNUAL GENERAL MEETING

5 JUNE 2019

#Learners2Leaders



CURRO

RESOLUTIONS

ANNUAL GENERAL MEETING

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GENERAL MATTERS

To accept the
presentation of
the audited financial
statements for the
year ended
31 December 2018





ORDINARY RESOLUTIONS

-  **Resolution number**  Confirmation of appointment of Ms Zandile Nangamso (Nan) Mankai as independent non-executive director
-  **Resolution number**  Confirmation of appointment of Ms Tsholofele (Tsholo) Molefe as independent non-executive director
-  **Resolution number**  Re-appointment of Ms Susan Louise (Santie) Botha as director





ORDINARY RESOLUTIONS

-  **Resolution number**  Re-appointment of Prof. Sibongile Winnie Frieda Muthwa as director
-  **Resolution number**  Re-appointment of Dr Christiaan Rudolph (Chris) van der Merwe as director
-  **Resolution number**  Appointment of Ms Zandile Nangamso (Nan) Mankai as member and Chairperson of the audit and risk committee









ORDINARY RESOLUTIONS

-  **Resolution number**  Appointment of Prof. Sibongile Winnie Frieda Muthwa as member of the audit and risk committee
-  **Resolution number**  Appointment of Mr Zitulele Luke (KK) Combi as member of the audit and risk committee
-  **Resolution number**  Appointment of Ms Tsholofele (Tsholo) Molefe as member of the audit and risk committee





ORDINARY RESOLUTIONS

-  **Resolution number**  10 Re-appointment of PricewaterhouseCoopers Inc as the auditor
-  **Resolution number**  11 General authority for the issuing of shares for cash (limited to 10%)
-  **Resolution number**  12 Non-binding advisory vote on the Company's remuneration policy



ORDINARY RESOLUTIONS

 **Resolution number**  **13** Non-binding advisory vote on Curro's implementation report on the remuneration policy



 **Resolution number**  **14** Amendment to the Curro Holdings Limited Share Incentive Trust



SPECIAL RESOLUTIONS

Remuneration of non-executive directors



 **Resolution number**  1.1 Approval of remuneration of the chairperson of the board



 **Resolution number**  1.2 Approval of remuneration of the board members



SPECIAL RESOLUTIONS







 **Resolution number**  Approval of remuneration of the audit and risk committee chairperson

 **Resolution number**  Approval of remuneration of the audit and risk committee members

 **Resolution number**  Approval of remuneration of the remuneration and nominations committee chairperson







SPECIAL RESOLUTIONS

-  **Resolution number**  1.6 Approval of remuneration of the remuneration and nominations committee members
-  **Resolution number**  1.7 Approval of remuneration of the social, ethics and transformation committee chairperson
-  **Resolution number**  1.8 Approval of remuneration of the social, ethics and transformation committee members



SPECIAL RESOLUTIONS

-  **Resolution number**  General authority to provide financial assistance to related or inter-related companies
-  **Resolution number**  General authority to provide financial assistance for the acquisition of securities in the company or a related or inter-related company
-  **Resolution number**  General authority for the Company and its subsidiaries to repurchase shares issued by Curro

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CEO PRESENTATION







ANNUAL GENERAL MEETING

5 JUNE 2019

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AGENDA

-  2018 Year in review
-  2019 Business update
-  Future development
-  Capacity utilisation
-  Giving back: our passion
-  Conclusion



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2018

YEAR IN REVIEW

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Our vision: To make independent school education **accessible** to more learners **throughout southern Africa.**



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EXPANDING OUR MODELS



Model	Curro Castles	LSEN	Curro Schools	Curro Select Schools	Curro Academy Schools	Meridian Schools	DigiEd schools	NCV Colleges
Campuses	7 campuses		42 campuses		18 campuses		1 campus	
Learners	1 353 learners		38 344 learners		17 512 learners		43 learners	24 learners
Average monthly fees	R3 900		R4 600		R1 900 – R2 900		R1 900	R3 000 – R4 500
Learners per class	25 maximum class size		25 maximum class size		35 maximum class size			
Ages	3 months – 5 years		3 months – 18 years		5 – 18 years		14 – 18 years	16 – 18 years

Our vision continues ... to make independent school education **accessible** to more learners throughout southern Africa.

KEY INDICATORS

		Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018	YOY Growth	4-year CAGR
Campuses	#	31	41	48	51	58	14%	17%
Schools	#	79	100	114	127	138	9%	15%
Learners	#	27 916	35 148	42 343	45 870	51 305	12%	16%
% of built capacity	%			69%	70%	69%		
% of eventual capacity	%	51%	50%	52%	53%	53%		
Revenue	Rm	966	1 345	1 714	2 099	2 496	19%	27%
Schools EBITDA	Rm	256	375	487	594	772	30%	32%
EBITDA	Rm	191	292	377	473	627	33%	35%
EBITDA Margin	%	19%	21%	22%	23%	25%		
Net interest expense	Rm	55	91	70	78	138	77%	26%
HEPS - continuing ops	Cents	16.0	26.2	41.8	49.0	60.1	23%	39%
Learner/teacher ratio	#	15	15	17	17	17		
Capital invested	Rm	1 305	1 030	1 486	1 136	1 746	54%	
Cumulative capital invested	Rm	3 834	4 864	6 350	7 486	9 232	24%	25%
Total building size	m ²	392 314	449 067	558 683	598 194	656 081*	10%	14%

*Approximately 66 rugby fields

J-CURVE

	Number at 31 Dec 2018		Learner numbers		Growth		EBITDA** (R million)		Growth		EBITDA margin		Built capacity		Eventual capacity	
	Campuses	Schools	2017	2018	16/17	17/18	2017	2018	16/17	17/18	2017	2018	2017	2018	2017	2018
Developed schools	41	98	28 315	31 798	15%	12%	342	464	33%	36%	27%	32%	64%	63%	45%	47%
2009 and before	4	9	3 443	3 874	(1%)	13%	55	64	25%	16%	26%	30%	83%	82%	87%	71%
2010	2	6	2 254	2 205	1%	(2%)	37	39	19%	5%	35%	35%	79%	75%	70%	55%
2011	5	15	4 552	4 166	0%	(8%)	53	65	2%	23%	28%	31%	62%	59%	47%	50%
2012	2	6	1 904	1 977	6%	4%	25	34	32%	36%	28%	33%	72%	75%	57%	59%
2013	4	12	6 149	6 427	7%	5%	104	127	12%	22%	39%	42%	71%	74%	63%	64%
2014	4	8	1 833	2 148	20%	17%	6	17	100%	183%	9%	20%	47%	55%	27%	44%
2015	8	19	5 748	6 193	21%	8%	38	52	124%	37%	21%	24%	66%	63%	37%	47%
2016	4	8	1 179	1 682	101%	43%	15	37	N/a	147%	22%	37%	35%	45%	20%	32%
2017	3	8	1 253	2 485	0%	98%	9	38	–	322%	18%	37%	41%	72%	23%	40%
2018	5	7	–	641	–	0%	–	(9)	–	0%	–	(37%)	–	19%	–	10%
Acquired schools	17	40	17 555	19 507	(1%)	11%	268	324	15%	21%	30%	33%	84%	76%	73%	68%
2012 and before	7	17	6 919	6 985	1%	1%	142	153	9%	8%	37%	41%	77%	73%	72%	61%
2013	2	2	4 233	3 837	(10%)	(9%)	35	30	(17%)	(14%)	25%	23%	85%	64%	70%	78%
2014	2	6	2 618	2 744	7%	5%	56	70	30%	25%	33%	36%	91%	96%	92%	80%
2015 and 2016	4	11	3 785	4 142	5%	9%	35	47	94%	34%	20%	24%	92%	100%	72%	74%
2018	2	4	–	1 799	–	0%	–	24	–	0%	–	37%	–	79%	–	86%
Property rental and royalties							(16)	(16)								
Total	58	138	45 870	51 305	8%	12%	594	772	22%	30%	28%	31%	70%	69%	53%	53%

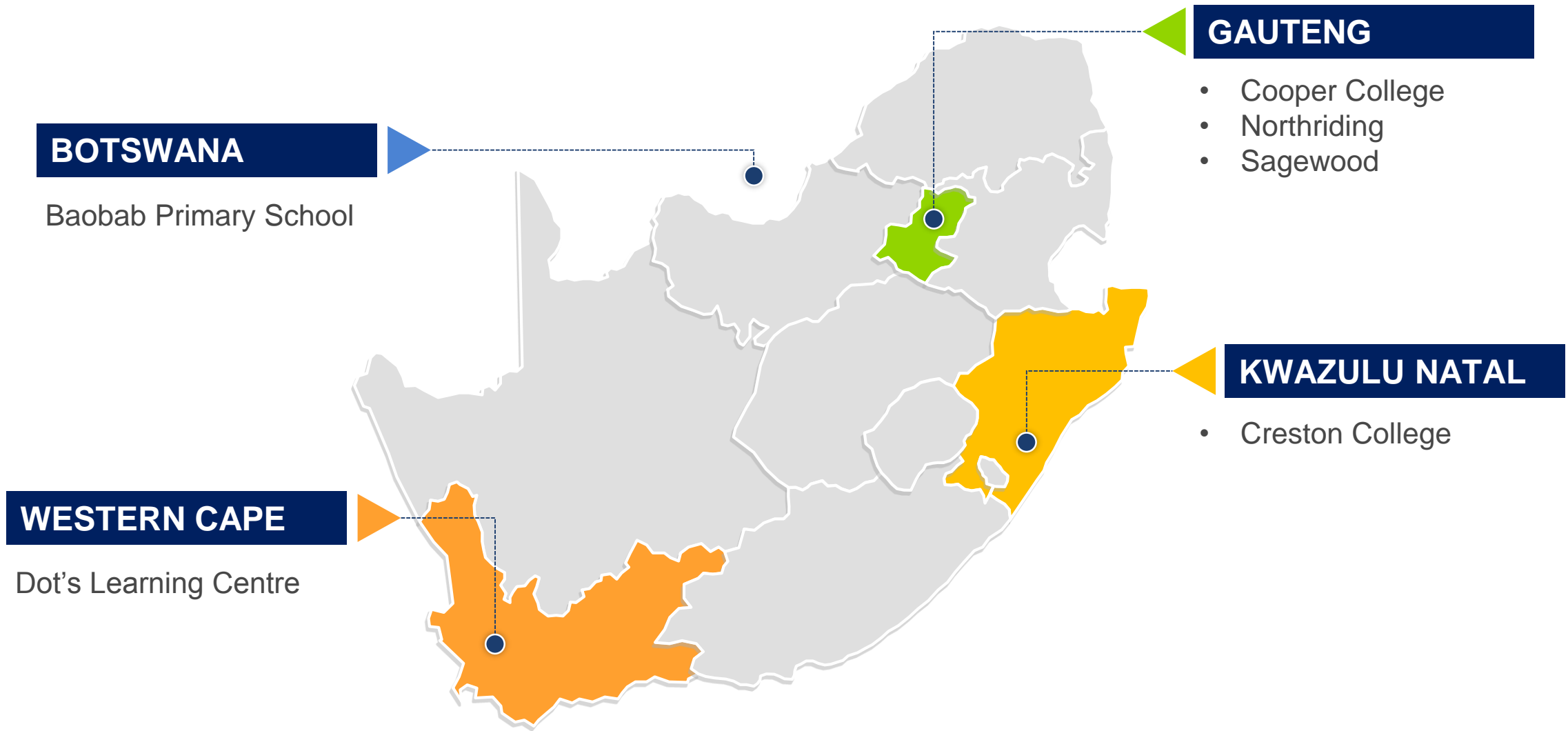
Excluding greenfields 2018: Eventual capacity: **57%**
Built capacity: **72%**

SCHOOLS PER EBITDA CONTRIBUTION

	Learner numbers			EBITDAR			EBITDAR Margin			Eventual capacity utilised		
	2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
Top 20%	16 239	18 679	21 228	288 246	363 523	461 259	39%	39%	41%	72%	73%	71%
60% - 80%	10 348	11 566	13 498	116 371	150 854	202 809	28%	28%	30%	60%	59%	51%
40% - 60%	5 857	7 157	7 446	63 760	69 066	81 366	26%	25%	27%	51%	40%	44%
20% - 40%	5 800	5 116	5 875	29 580	36 646	49 567	17%	19%	21%	29%	37%	51%
0% - 20%	4 099	3 352	3 258	(6 931)	(10 846)	(6 851)	(6%)	(10%)	(6%)	21%	26%	26%
Total	42 343	45 870	51 305	491 026	609 243	788 149	28%	28%	32%	51%	51%	53%
Rent				(4 000)	(15 485)	(16 623)						
EBITDA				487 026	593 758	771 526						
Top 20% EBITDA % of Total				59%	61%	60%						

16% of schools >40% EBITDA margin
39% of schools >30% EBITDA margin

ACQUISITIONS – 2018 and January 2019



GREENFIELDS – OPENED JANUARY 2019

WESTERN CAPE

CURRO CASTLE

- Curro Castle Burgundy

NEW HIGH SCHOOL MODEL (DigiEd)

- Curro Foreshore

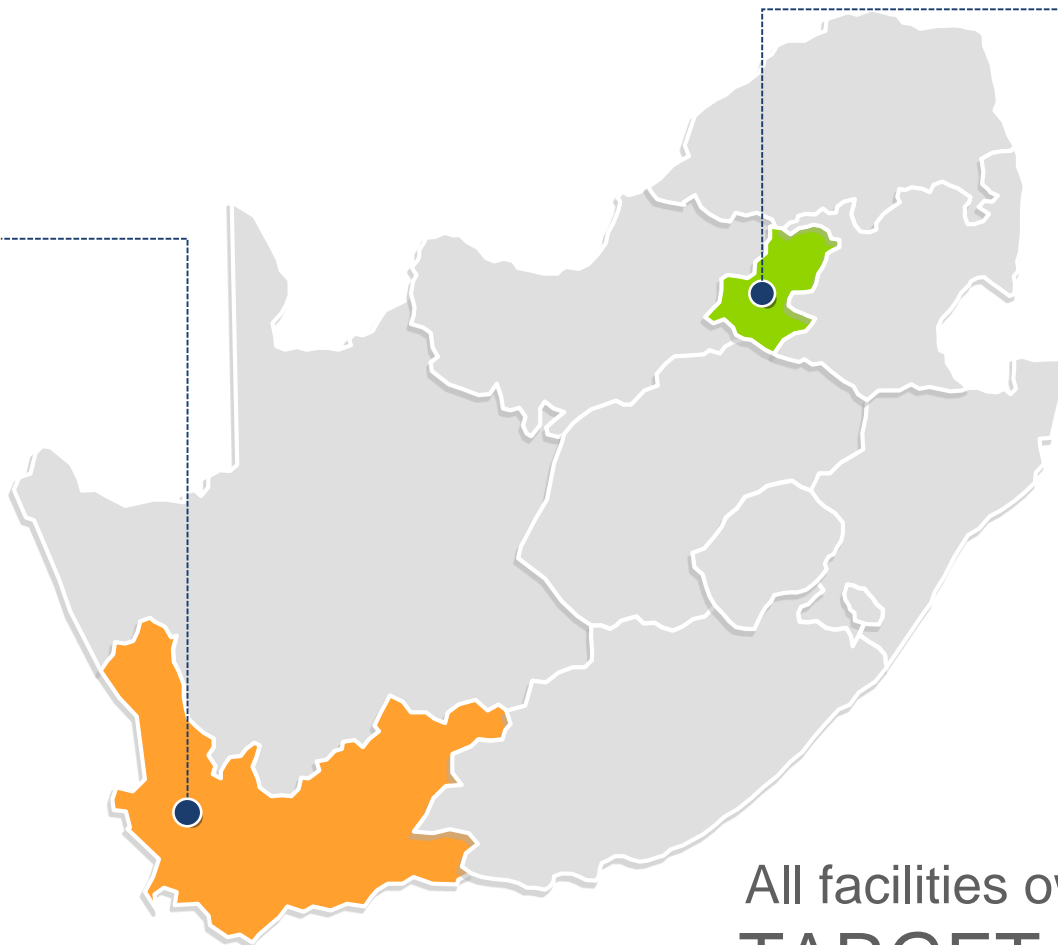
GAUTENG

CURRO SCHOOLS

- Curro Vanderbijlpark
- Curro Edenvale

CURRO ACADEMY SCHOOLS

- Curro Academy Protea Glen (Soweto)
- Curro Academy Savanna City
- Curro Academy Parkdene



All facilities owned
TARGET IRR 25%+

IEB RESULTS – 2018 vs 2017



IEB

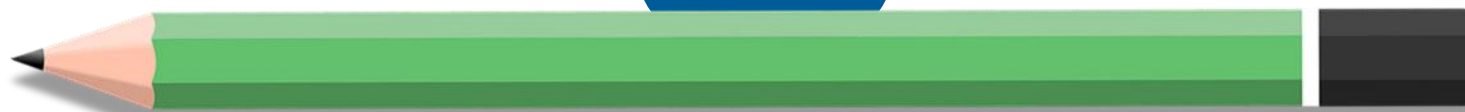


	Curro schools	Candidates	Achieved a DB Pass		Achieved an A aggregate		Achieved a C average and better	
2018	23	1 196	1 054	88,1%	137	11,5%	876	73,2%
2017	22	1 144	974	85,1%	112	9,8%	804	70,3%

NSC RESULTS – 2018 vs 2017



NSC



	Curro schools	Candidates	Pass rate	Achieved a DB Pass		Achieved an A aggregate
2018	9	860	94,3%	448	52,1%	19
2017	9	824	92,1%	346	42,0%	9






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2019

BUSINESS UPDATE

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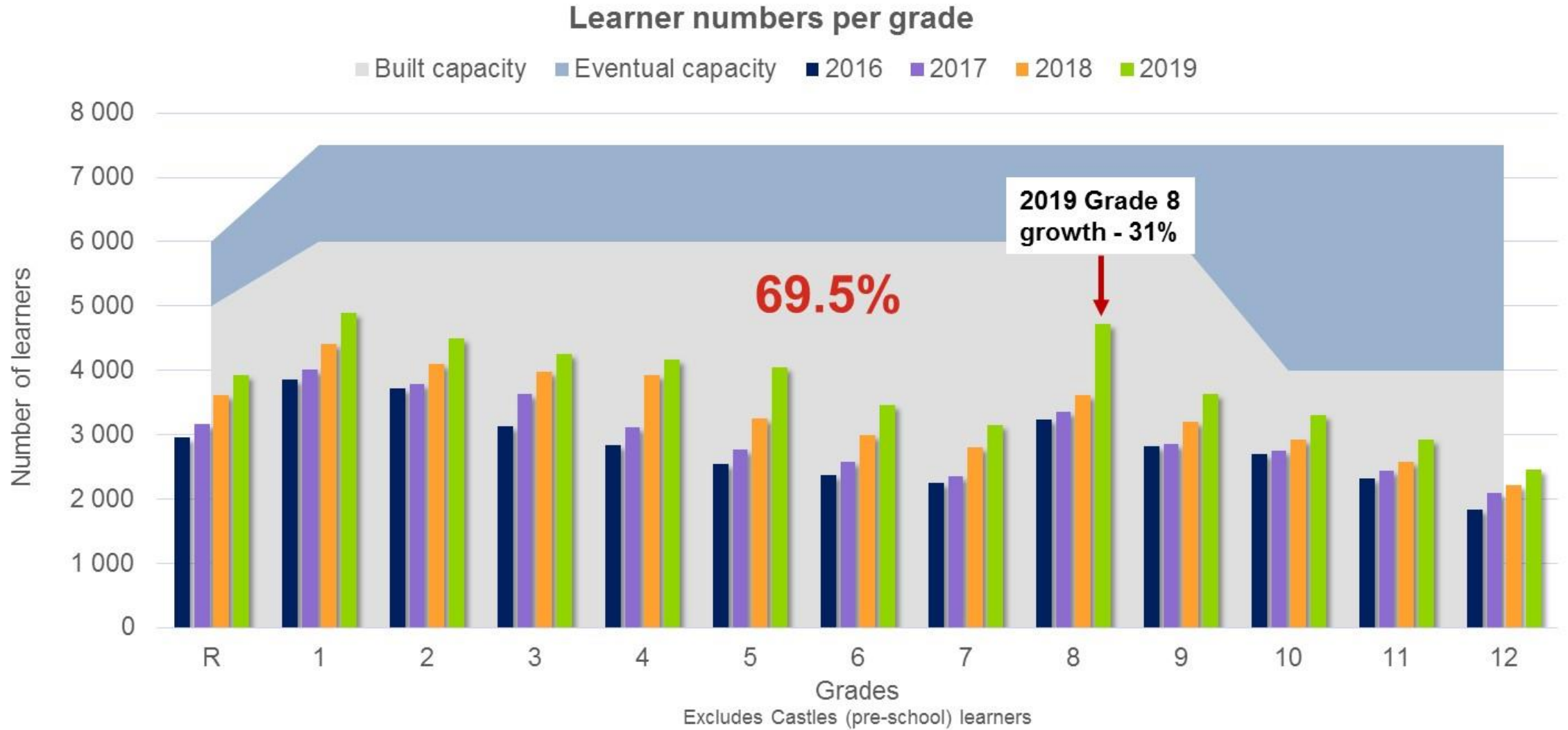
JANUARY 2019 – GROWTH

	2011	2012	2013	2014	2015	2016	2017	2018	2019**	8-year CAGR
 Campuses	12	22	26*	32*	41	48	51	58	68	24%
 Schools	24	61	72	80	100	114	127	138	164	27%
 Learners	4 200	12 473	21 027	28 737	35 148	42 343	45 870	51 305	57 465	39%

*Includes Embury Institute for Teacher Education

** Figures might differ at end of year

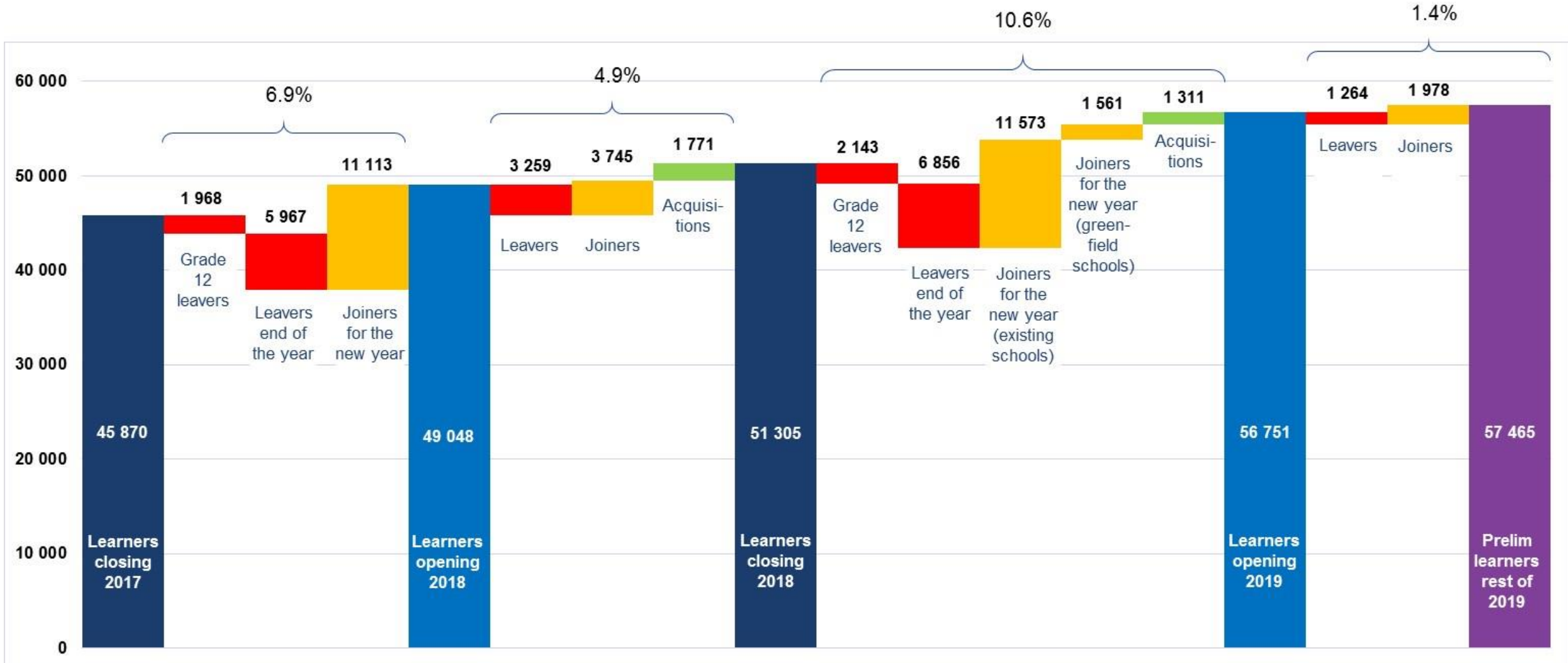
LEARNERS PER GRADE – CAPACITY



LEARNER MOVEMENT

▶ Number of campuses: 68

▶ Number of schools: 164



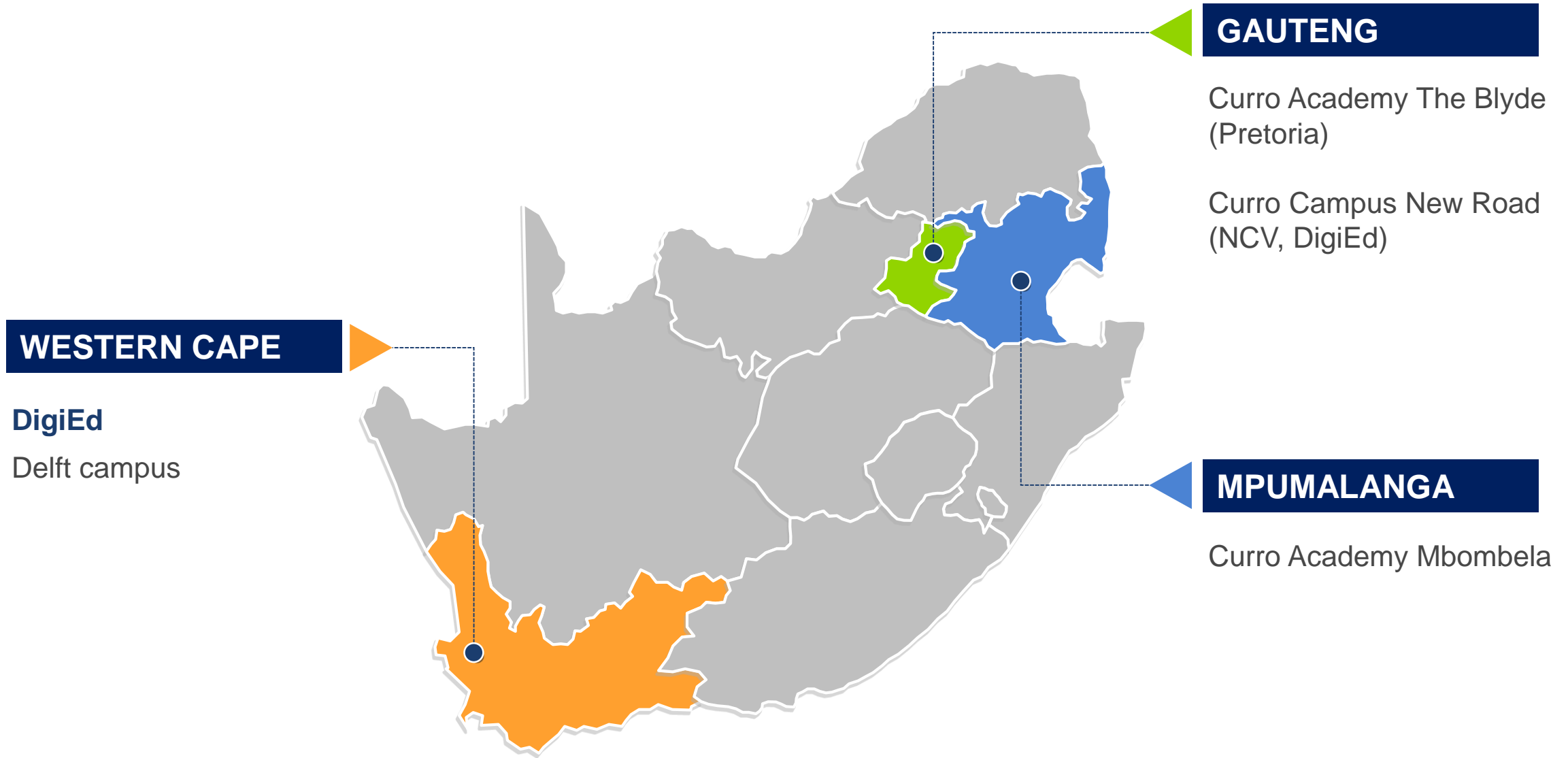
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2019

FUTURE DEVELOPMENT

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GREENFIELDS – TO OPEN IN 2020



CAPITAL FORECAST 2019

	2019 Planned (R million)
Existing campuses	
• Replacement of moveables	30
• Expansions immovable	780
• Expansion moveables	160
• Land banking	110
Building of new campuses	220
Subtotal	1 300
Land banking	60
Subtotal	1 360
Acquisitions	200
Total	1 560



GEARING

Debt Measures	2017	2018	2018 Pro-forma Illustrative
Net Debt/Equity			
Excluding Meridian	24%	49%	75%
Including Meridian	36%	53%	78%
ISCR			
Excluding Meridian	5.6	4.1	2.9
Including Meridian	4.9	3.3	2.5
Ave Net Debt/EBITDA			
Excluding Meridian	1.4	3.1	4.3
Including Meridian	2.3	3.5	4.6

* 2017 EBITDA on 2018 projected debt service levels

- Debt utilisation will pick up but remains within reasonable levels for the amount of cash generation (excluding Meridian)
 - ISCR >2.5 times (covenant 1.75)
 - Debt/EBITDA <4.5 times (no covenant)
- Barring significant acquisitions, Curro does not foresee the need to raise additional equity capital

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CAPACITY UTILISATION

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CAPACITY UTILISATION

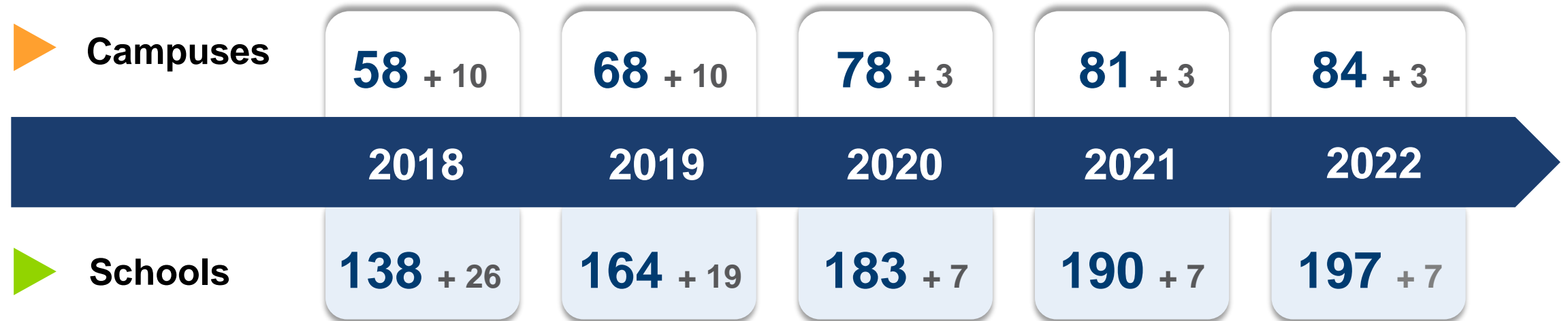
Classrooms and other capital

	2017		2018	
	Actual	Illustrative	Actual	Illustrative
Learners	45 870	77 982	51 305	87 122
Capacity utilisation	53%	90%	53%	90%
Revenue	2 099	3 564	2 496	4 238
EBITDAR	489	1 426	643	1 695
EBITDAR margin	23%	40%	26%	40%
HEPS	49	178	60	211
Yield	7%	19%	8%	20%

Assumptions

- Another R2bn in capital spend to complete capacity of existing campuses to eventual capacity
- Yield is calculated as EBIT/Adjusted Asset Value. Adjusted Asset Value is book value of assets adjusted by inflation

PIPELINE





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GIVING BACK

OUR PASSION

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Video

RUTA SECHABA



2018

260

beneficiaries including the Titans cricket programme.

- A total of 244 learners, on academic and sports scholarships excluding Titans, wrote and passed the final December examinations.
- All 27 Ruta matrices, passed with either a BD pass or a C average.
- The top seven performers achieved 41 distinctions between them with the top 3 all achieving seven distinctions.

2019

Applications received	1 400
Applications granted	400
Funding	R15 million



BURSARIES AND SCHOLARSHIPS

In 2018, Curro offered school-level academic and sports bursaries to the value of **R81 million.**





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CONCLUSION

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IN CONCLUSION

- ▶ Solid performance in 2018 despite challenging economic environment.
- ▶ 30% of campuses are growing into high school.
- ▶ New business strain – 17 campuses in the last 18 months.
- ▶ Improve operational efficiencies – learner retention, capacity utilisation.
- ▶ Balance sheet well-g geared to fund 2019 capital expenditure (and beyond).
- ▶ Proven growth despite economic challenges (Learner and HEPS growth)



THANK YOU

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