



STI EDUCATION SYSTEMS
HOLDINGS

STI Education Systems Holdings, Inc.

Full Year Results ending March 31, 2019 and
Second Quarter Results ending September 30, 2019

Who We Are

- ✧ STI Holdings owns, maintains, and operates the Philippines' largest, private, for-profit network of educational institutions with more than 83,000 students enrolled in 69 STI-branded colleges and 7 education centers, one university (STI West Negros University) and one non-STI branded college (iACADEMY).
- ✧ STI ESG offers associate and baccalaureate programs in Information and Communications Technology, Tourism and Hospitality, Education, Business Administration, and Communications. STI WNU, for its part, offers basic education and tertiary courses in Engineering, Education, Criminology, Business Administration, Hospitality and Tourism Management, Computer Science and Information Technology, and Maritime Training Courses which are required by the Maritime Industry Authority for officers and crew on board Philippine- and/or foreign- registered ships operating in Philippine and/or international waters. It also offers post-graduate courses such as Master's degrees in Business Administration, Public Administration, Nursing, and Education, and Doctorate degrees in Public Administration and Educational Management. iACADEMY offers degree programs in animation, multimedia arts and design, fashion design and technology, software engineering, game development, web development, marketing management, financial management and real estate management. STI ESG, STI WNU and iACADEMY also offer Senior High School programs.
- ✧ STI ESG also has a 20% interest in Maestro Holdings which provides educational saving plans, among others.



38 OWNED SCHOOLS
38 FRANCHISED SCHOOLS



STI West Negros University

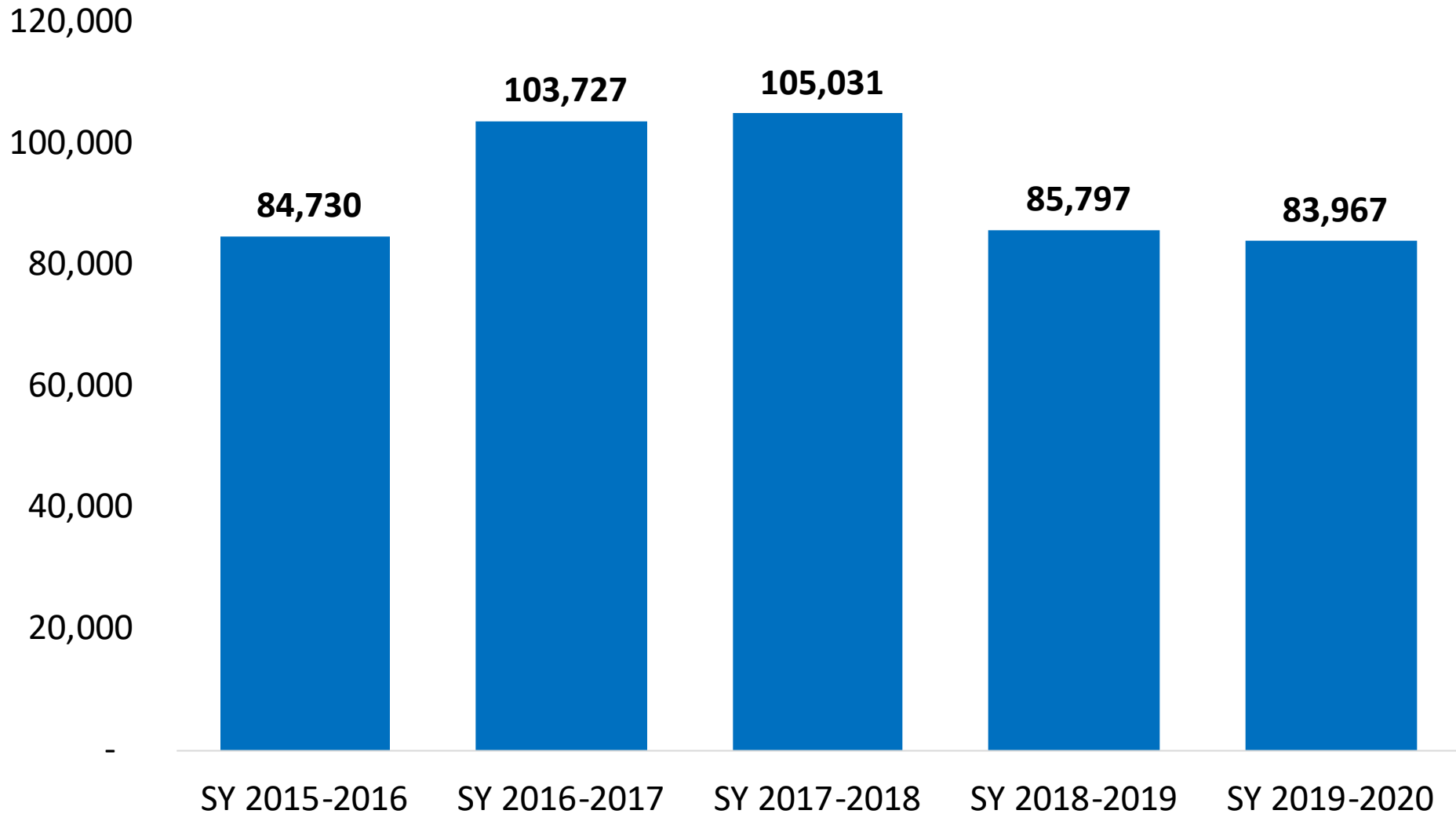
1 UNIVERSITY



1 NON-STI BRANDED COLLEGE

83,967 total students

STI Holdings Combined Student Enrollment



Nationwide presence with wide range of program offerings

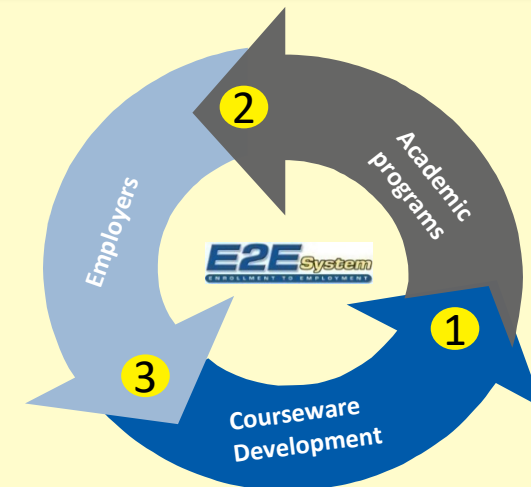
- Reaches a larger student base and students not otherwise serviced by other institutions
- Encompasses a mixed mode of both wholly-owned and franchised schools based on geographic demand



STI Branded	University	Colleges	ECs	Total
Owned	1	37	1	39
Franchised		32	6	38
Total	1	69	7	77

Non-STI Branded				
Owned		1		1
Total	1	70	7	78

Wide breadth of programs with tailored course offerings to suit market demand



ICT



Education



Healthcare



Business



Hospitality



Liberal Arts

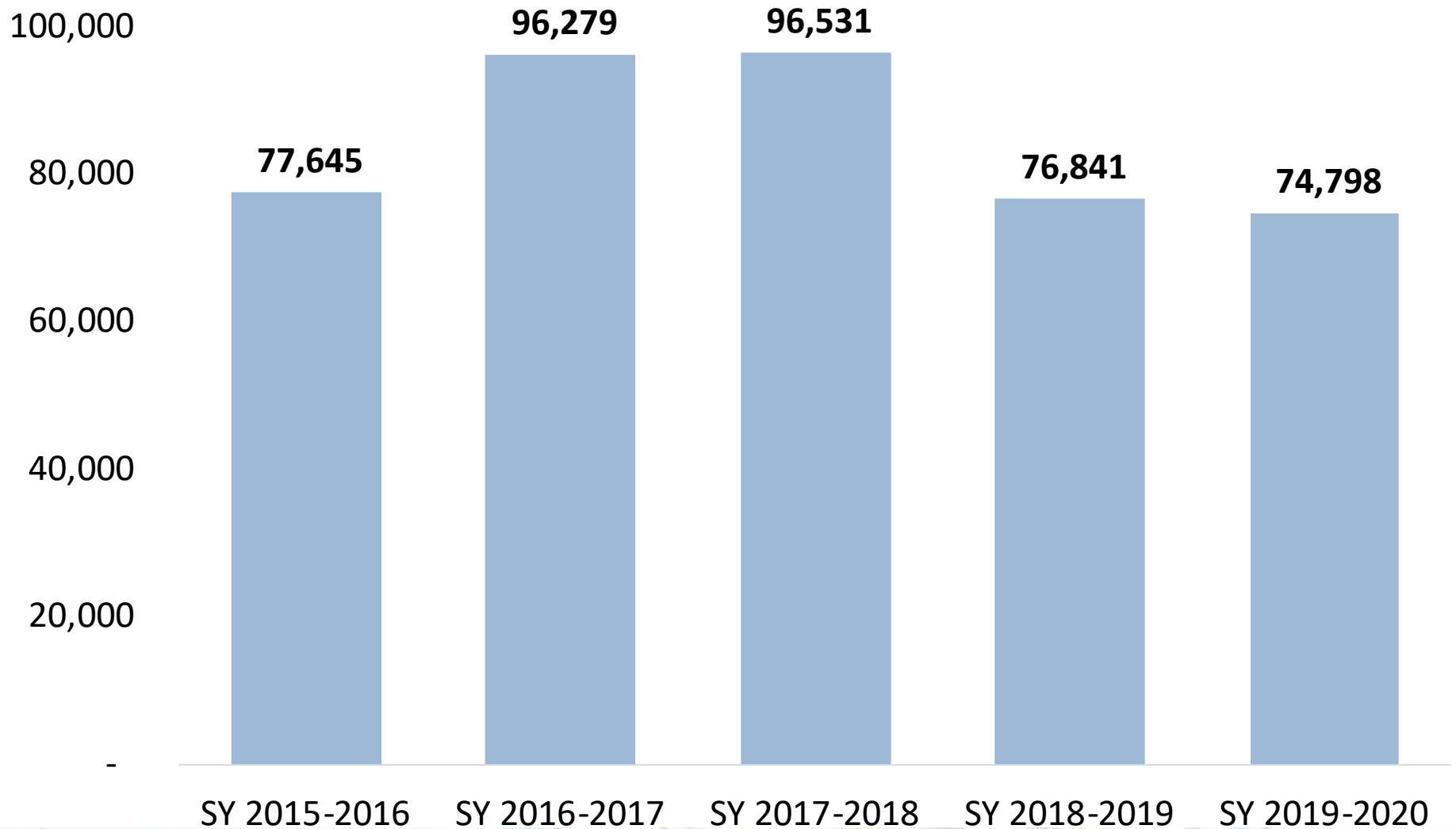


Engineering

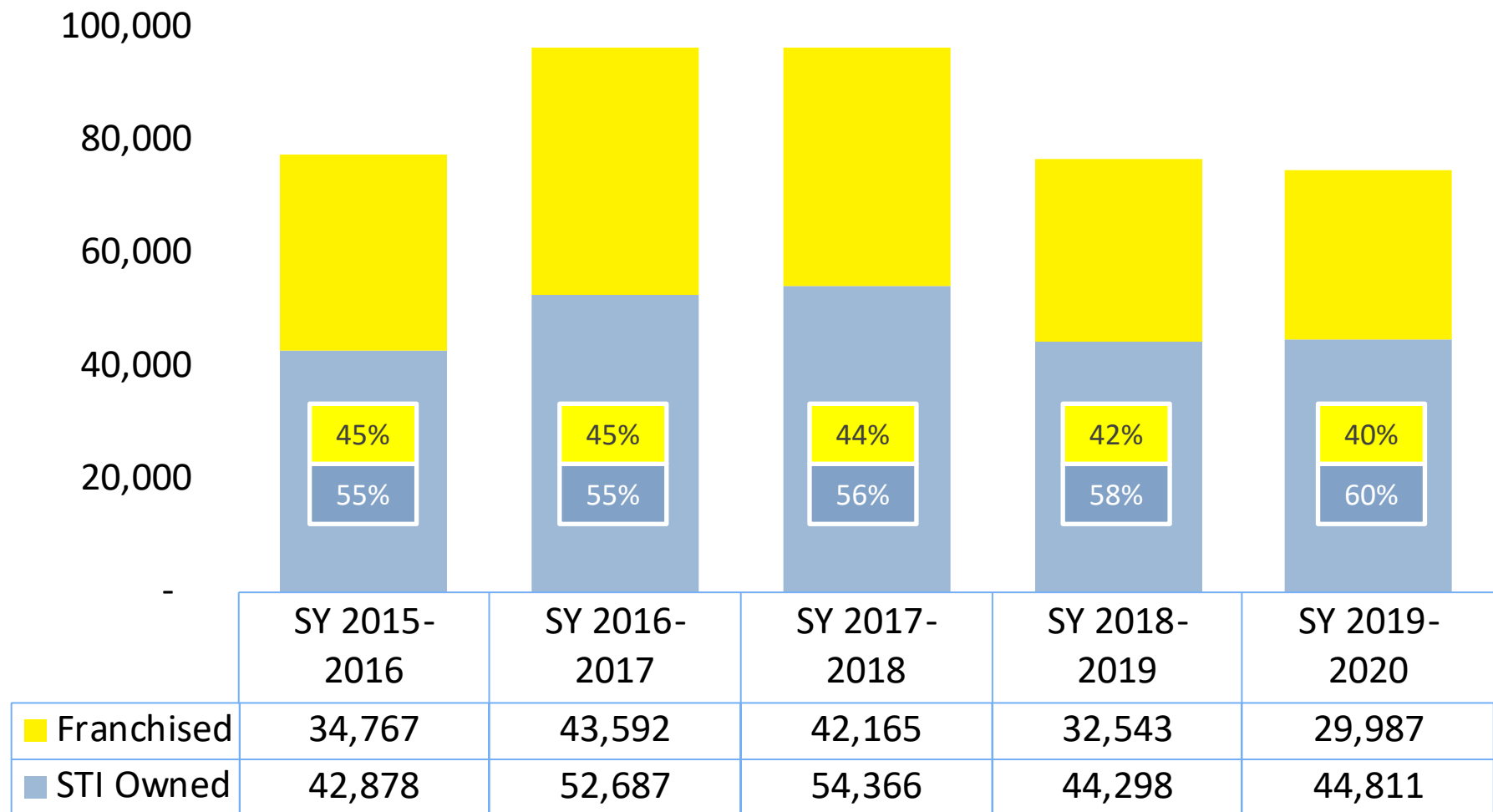


STI Education Services Group

STI ESG Student Enrollment

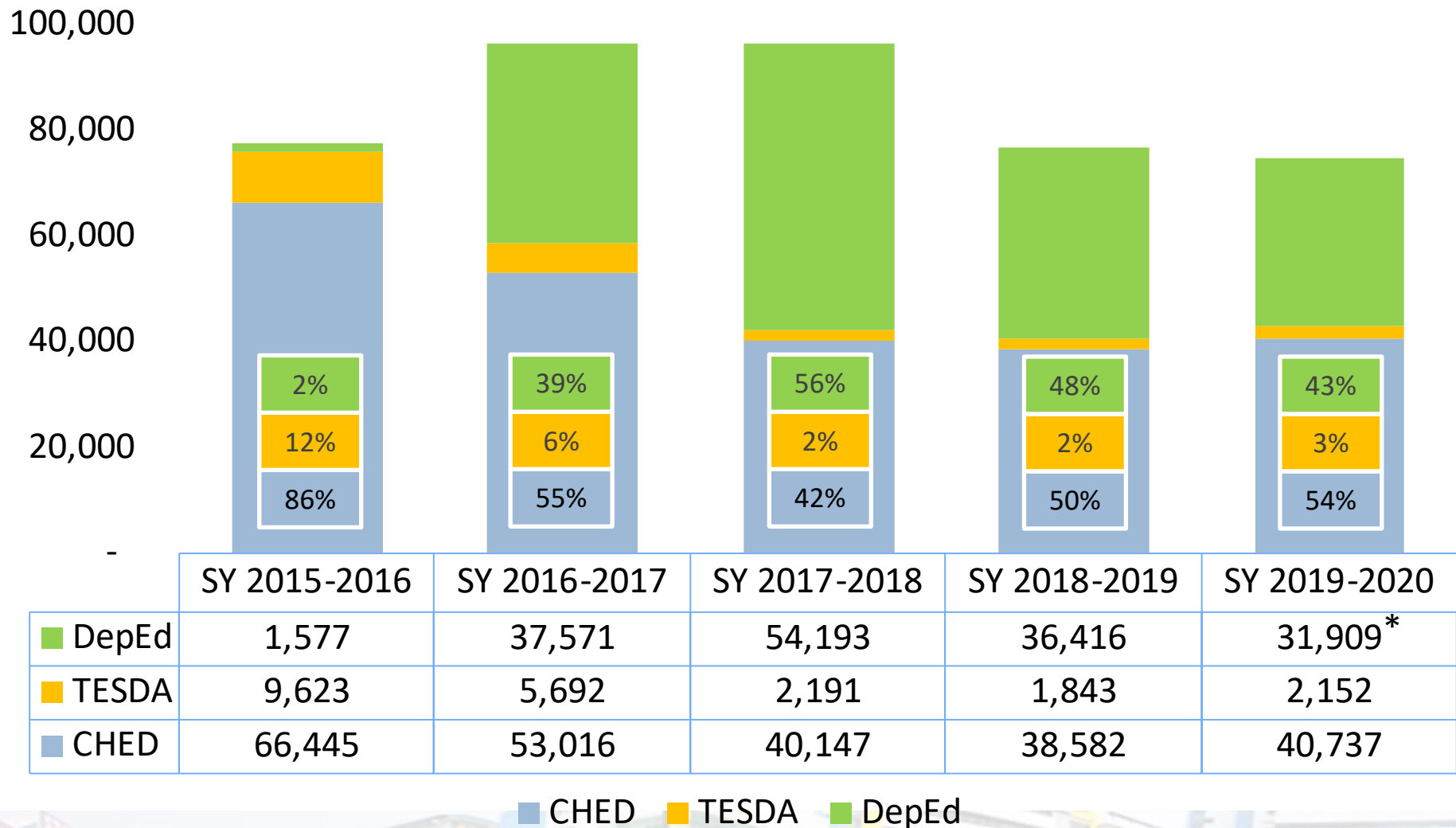


STI ESG Student Enrollment (Owned vs. Franchised)



STI Owned Franchised

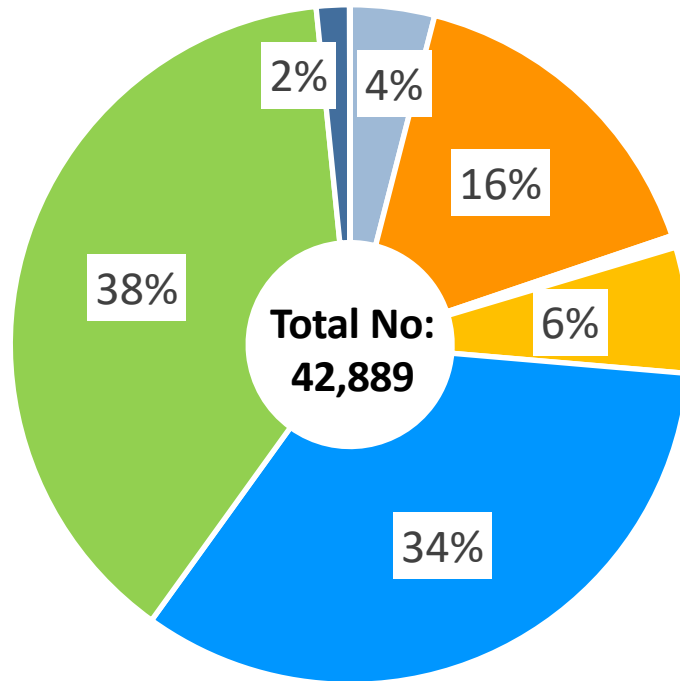
STI ESG Student Enrollment (CHED/TESDA/DepEd Mix)



*Includes 454 students enrolled in Basic Education

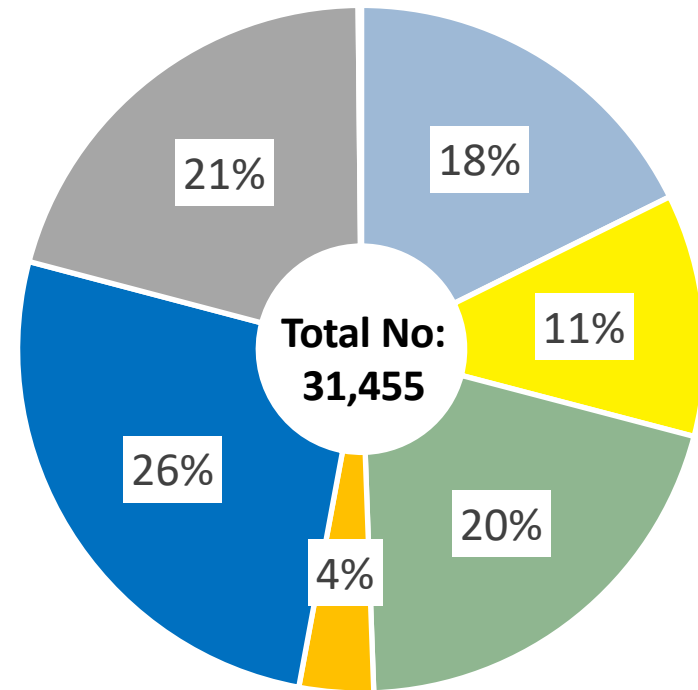
STI ESG Student Enrollment (By Program, SY 2019-2020)

- Arts and Sciences
- Business and Management Education
- Engineering
- Information and Communications Technology
- Tourism and Hospitality Management
- Maritime
- Graduate Studies



TERTIARY

- Accountancy, Business and Management
- Humanities and Social Sciences
- Science, Technology, Engineering and Mathematics
- General Academic
- Information and Communications Technology
- Home Economics
- Maritime

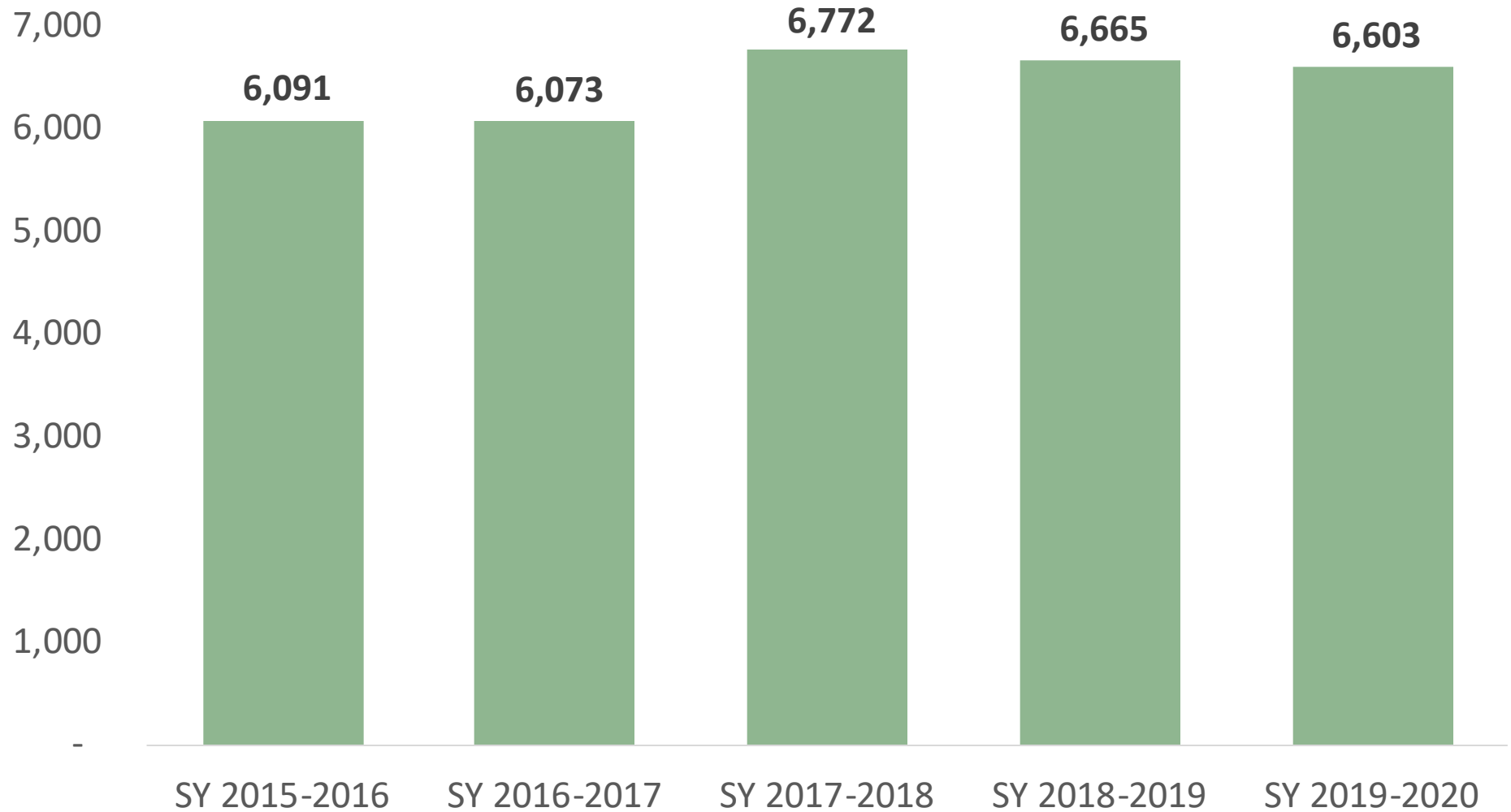


SENIOR HIGH SCHOOL

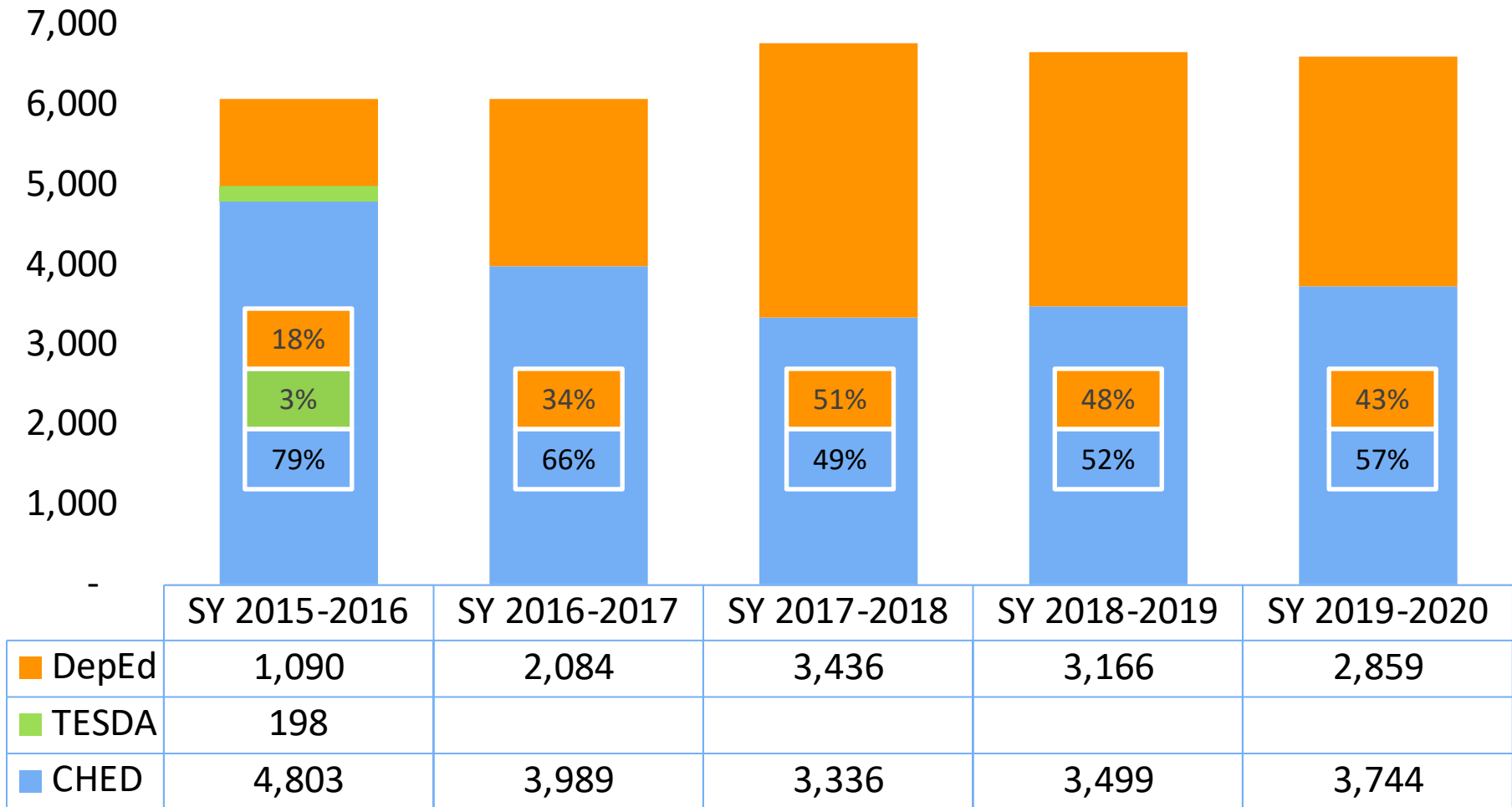


**STI West Negros
University**

STI WNU Student Enrollment

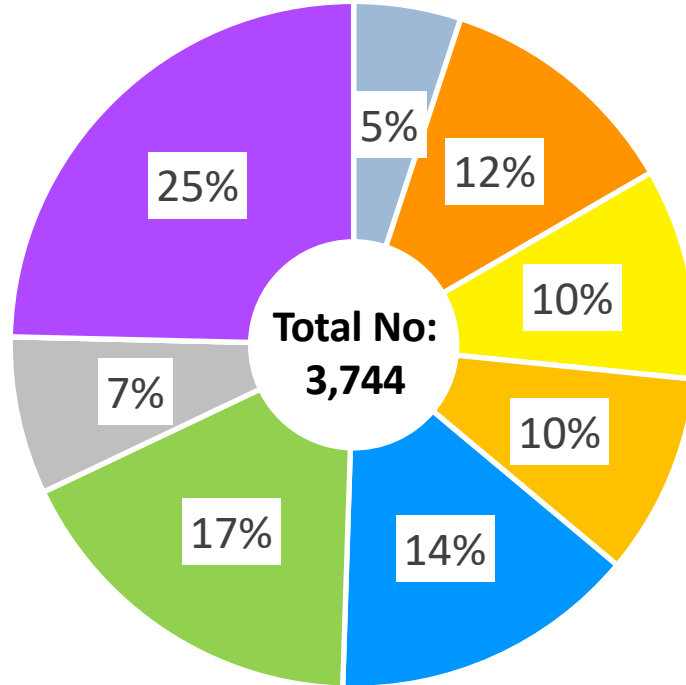


STI WNU Student Enrollment (CHED/TESDA/DepEd Mix)



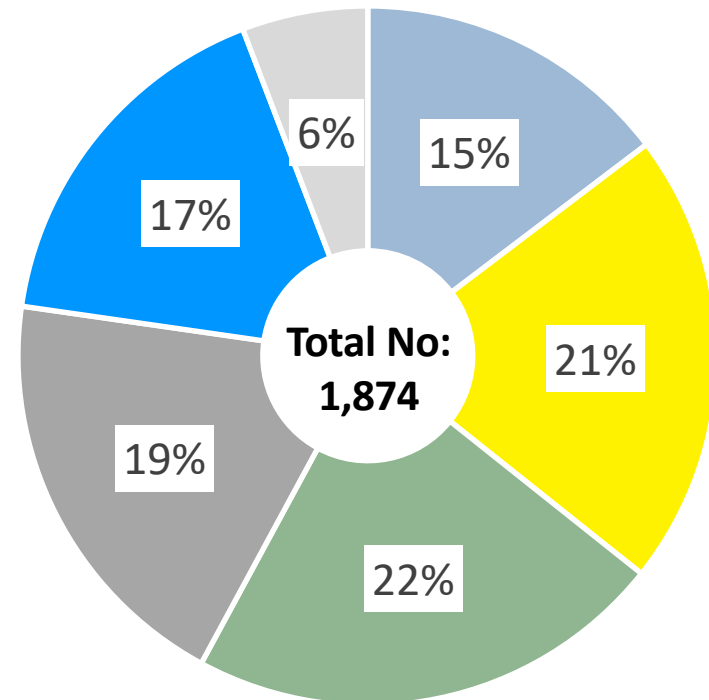
STI WNU Student Enrollment (By Program, SY 2019-2020)

- Arts and Sciences
- Business and Management
- Education
- Engineering
- Information and Communications Technology
- Tourism and Hospitality Management
- Criminology
- Graduate Studies



TERTIARY

- Accountancy, Business and Management
- Humanities and Social Sciences
- Science, Technology, Engineering and Mathematics
- Home Economics
- Information and Communications Technology
- Maritime



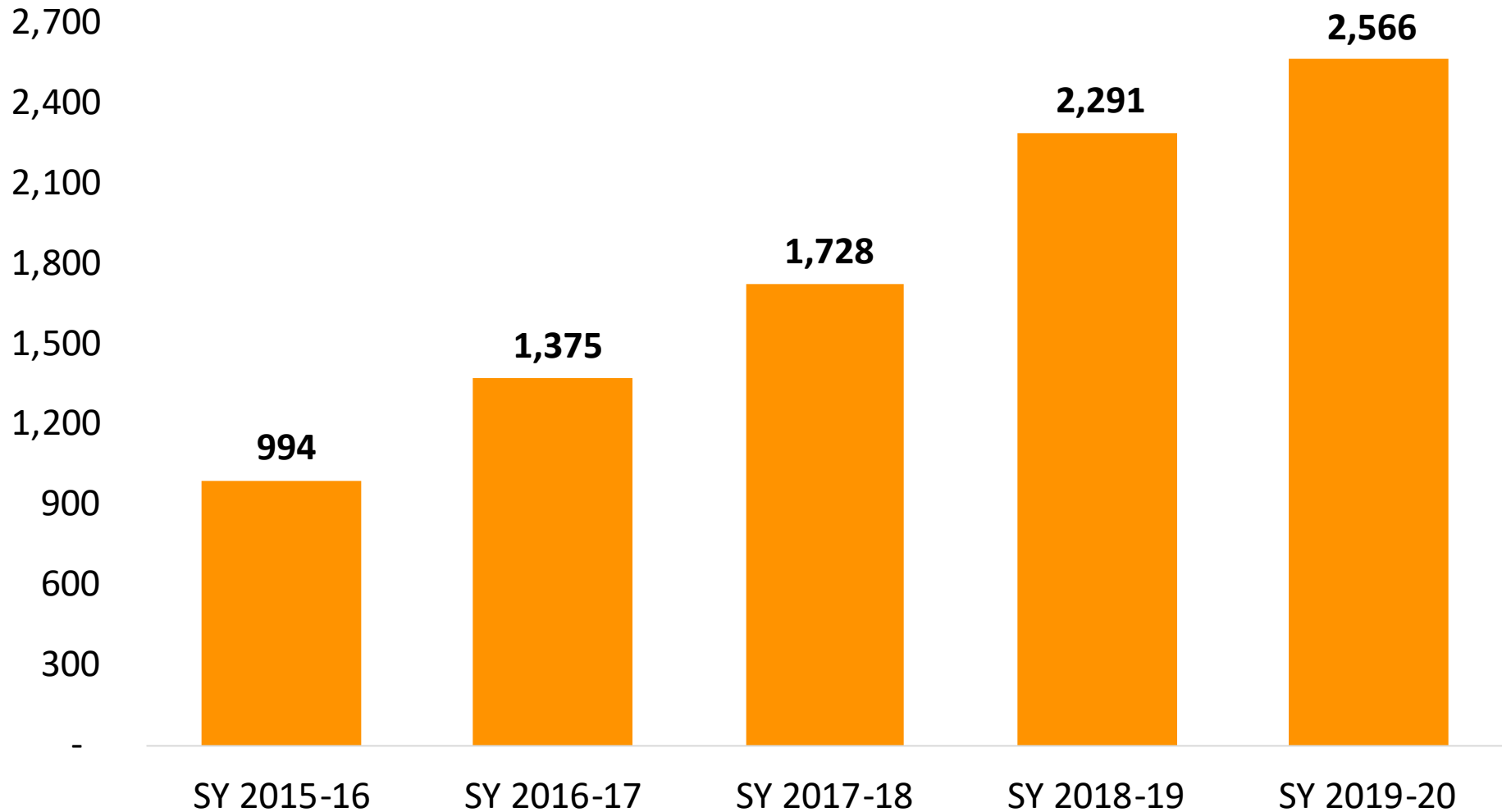
SENIOR HIGH SCHOOL



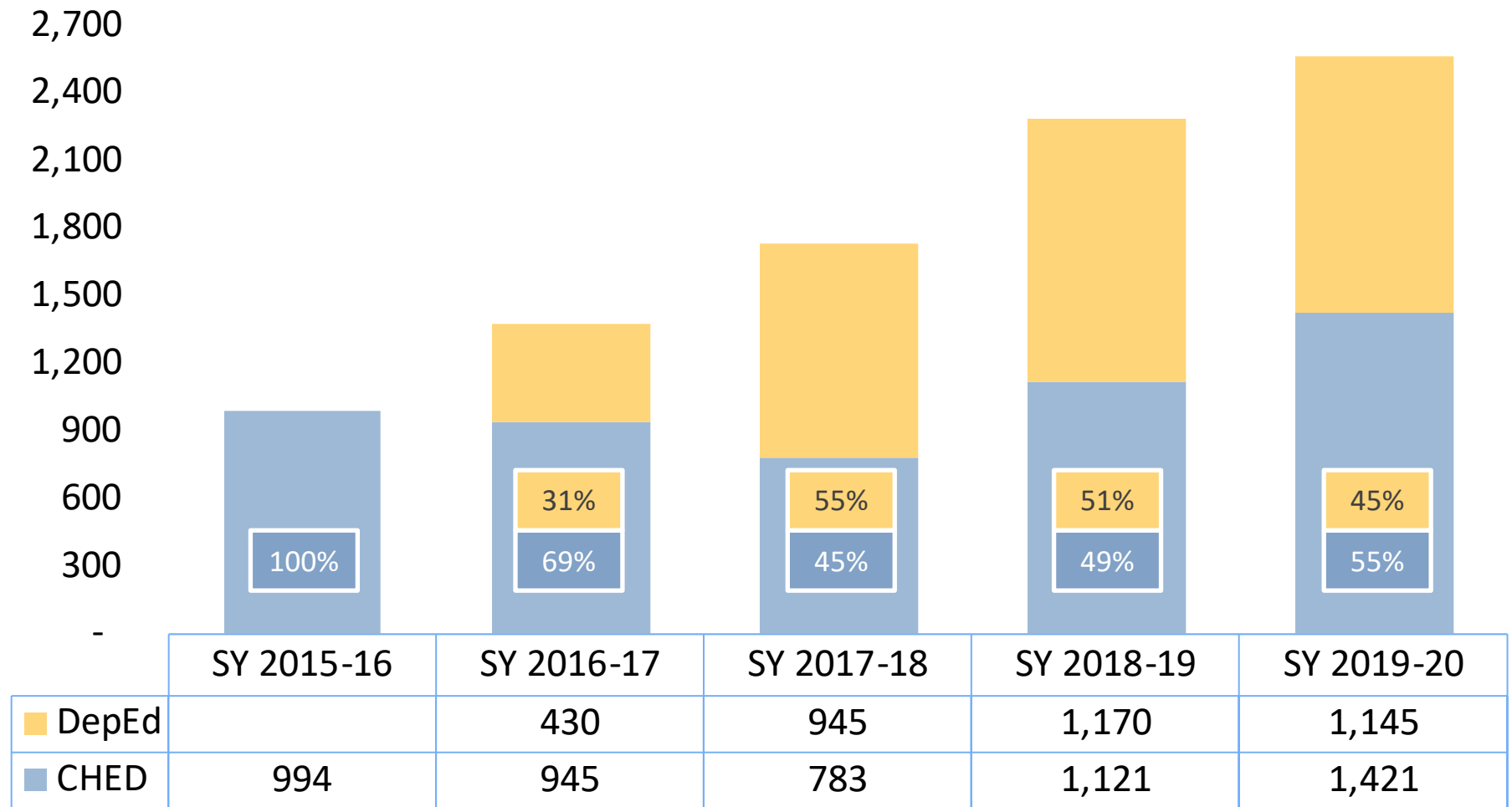
iACADEMY

SCHOOL OF COMPUTING • SCHOOL OF BUSINESS AND LIBERAL ARTS • SCHOOL OF DESIGN

iACADEMY Student Enrollment



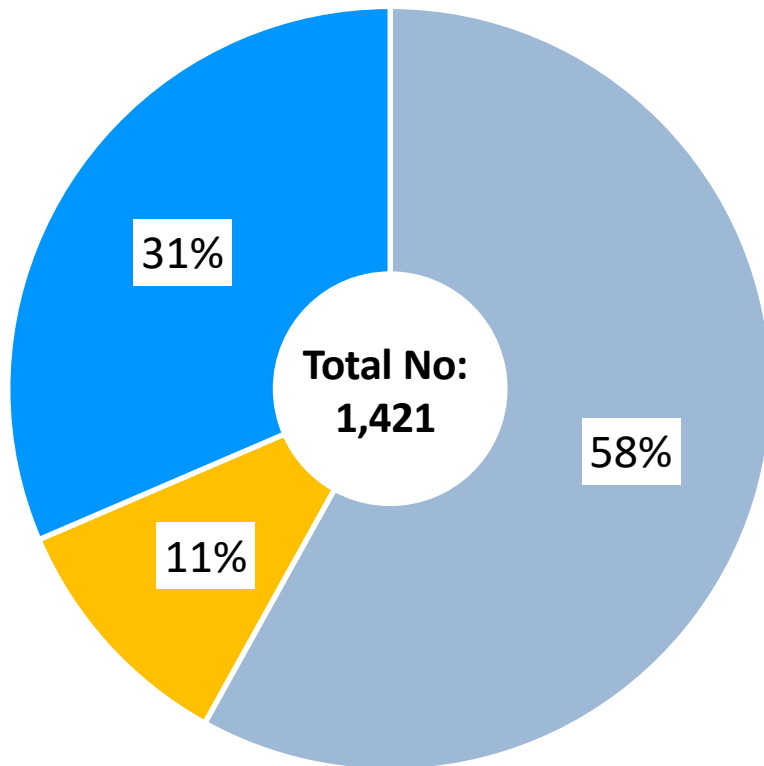
iACADEMY Student Enrollment (CHED/DepEd Mix)



■ CHED ■ DepEd

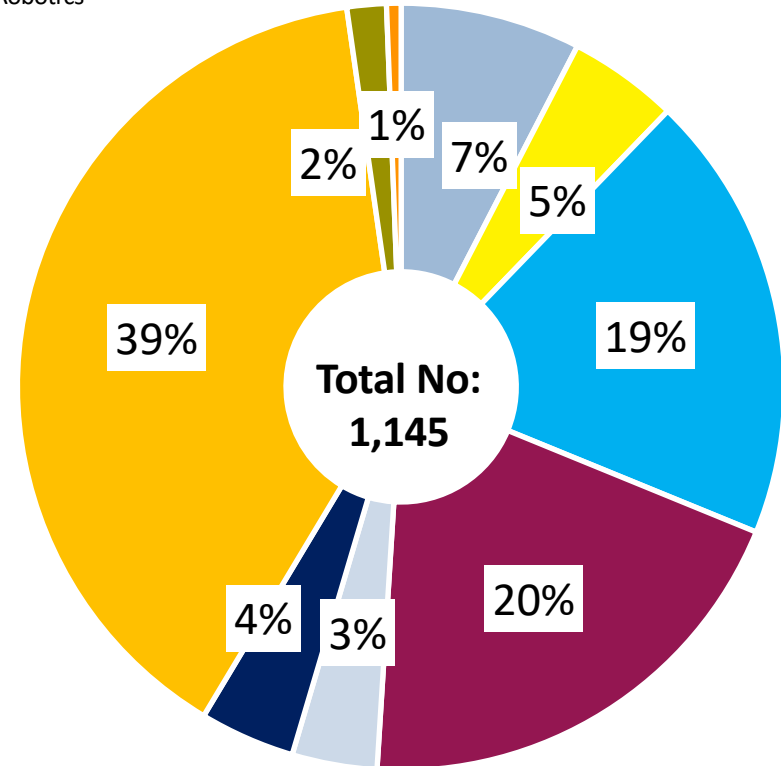
iACADEMY Student Enrollment (By Program, SY 2019-2020)

- School of Design and Arts
- School of Business and Liberal Arts
- School of Computing



TERTIARY

- Accountancy, Business and Management
- Computer Programming
- Graphic Illustration
- Media and Visual Arts
- Robotics
- Humanities and Social Sciences
- Animation
- Fashion Design
- Audio Production



SENIOR HIGH SCHOOL



Full Year 2018 - 2019 Financial & Operating Results

STI Holdings Balance Sheet Overview



Key Balance Sheet Items

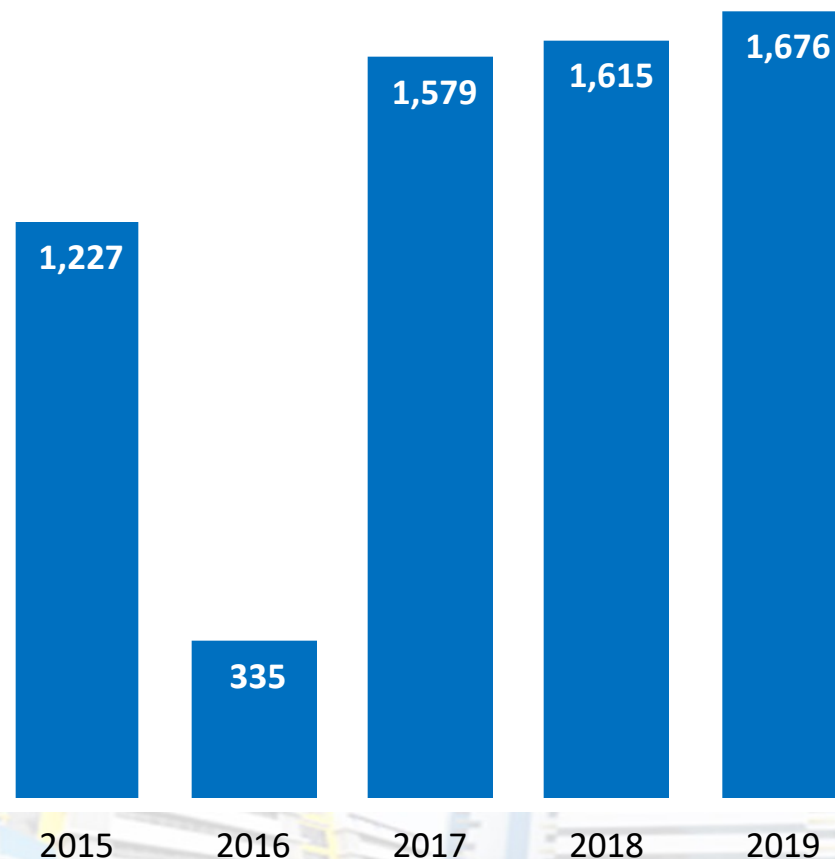
(PHP millions)

	March 31,				
	2015	2016	2017*	2018	2019
Cash	803	665	3,199	1,858	777
PP&E	5,581	5,610	6,876	8,427	9,964
Investments in and Advances to Associates	1,622	1,425	857	42	44
TOTAL ASSETS	10,036	10,500	14,052	14,416	14,775
Total Loans / Bonds Payable	1,387	1,151	4,676	4,190	4,471
TOTAL LIABILITIES	2,380	2,270	5,740	5,613	6,047
EQUITY	7,656	8,230	8,312	8,803	8,728

* Restated

Capital Expenditures - March 31

(PHP millions)



Key Profit & Loss Data

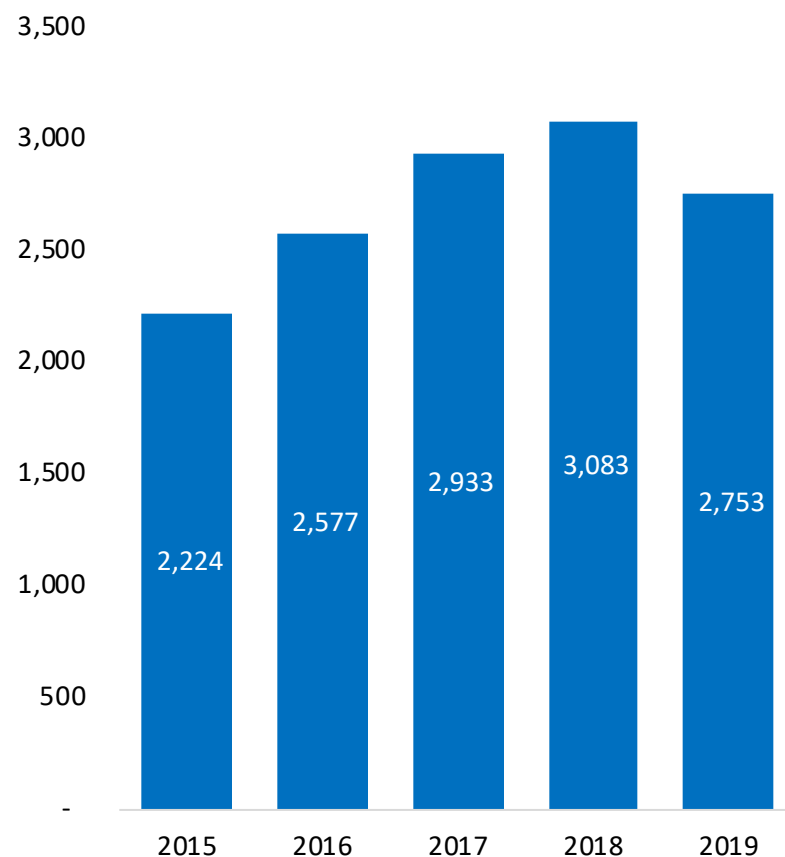
Fiscal Years Ending March 31 (PHP millions)	2015*	2016*	2017*	2018	2019
Revenues	₱2,224	₱2,577	₱2,933	₱3,083	₱2,753
Direct Costs	717	805	945	1,014	1,048
Gross Profit	1,507	1,772	1,988	2,069	1,705
Operating Expenses	990	1,069	1,066	1,194	1,309
Operating Profit	517	703	922	875	396
Other Income (Expenses) – Net	283	407	(264)	(294)	(69)
Income Before Income Tax	800	1,110	658	581	327
Net Income	731	883	558	503	284
EBITDA	848	1,127	1,413	1,392	1,000

* Restated

Strong Growth in Revenues

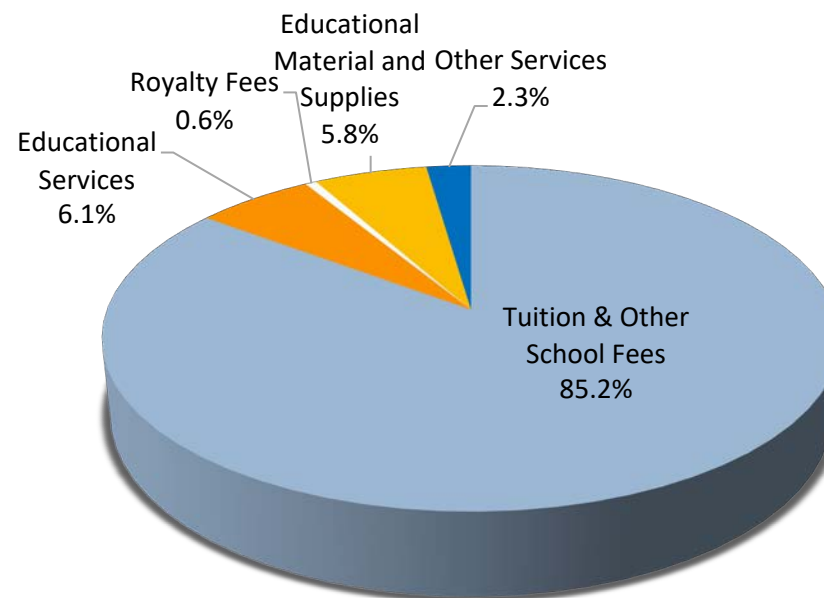
Revenues

(PHP millions)



Breakdown of Revenues for FY 2018 - 2019

(as a percentage of total)

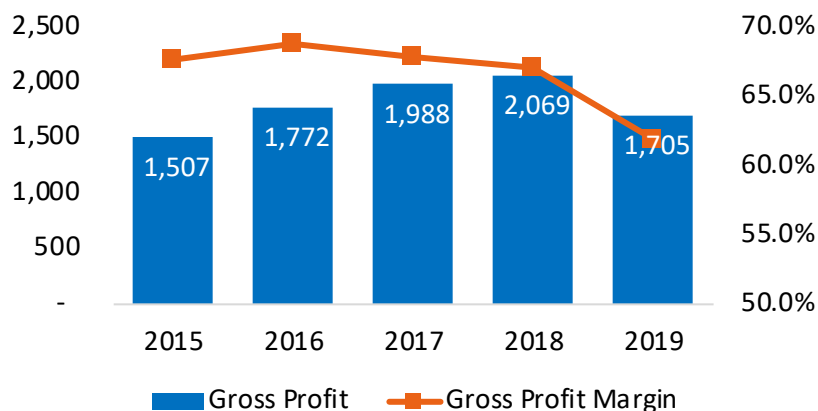


STI continues to achieve strong revenue growth, with a CAGR of **5.5%** from 2015-2019.

Operating Profit and Margin Profile

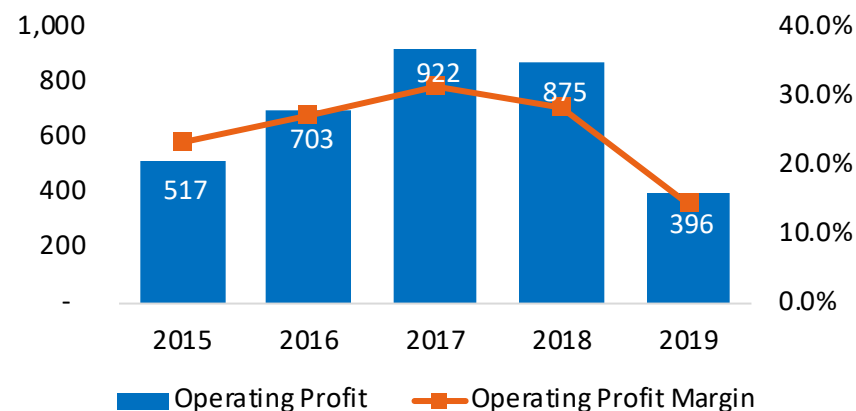
Gross profit

(PHP millions)



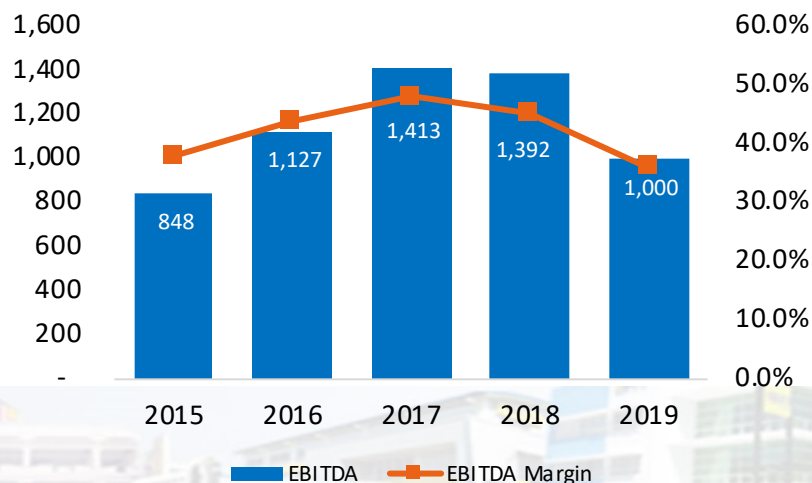
Operating profit

(PHP millions)



EBITDA

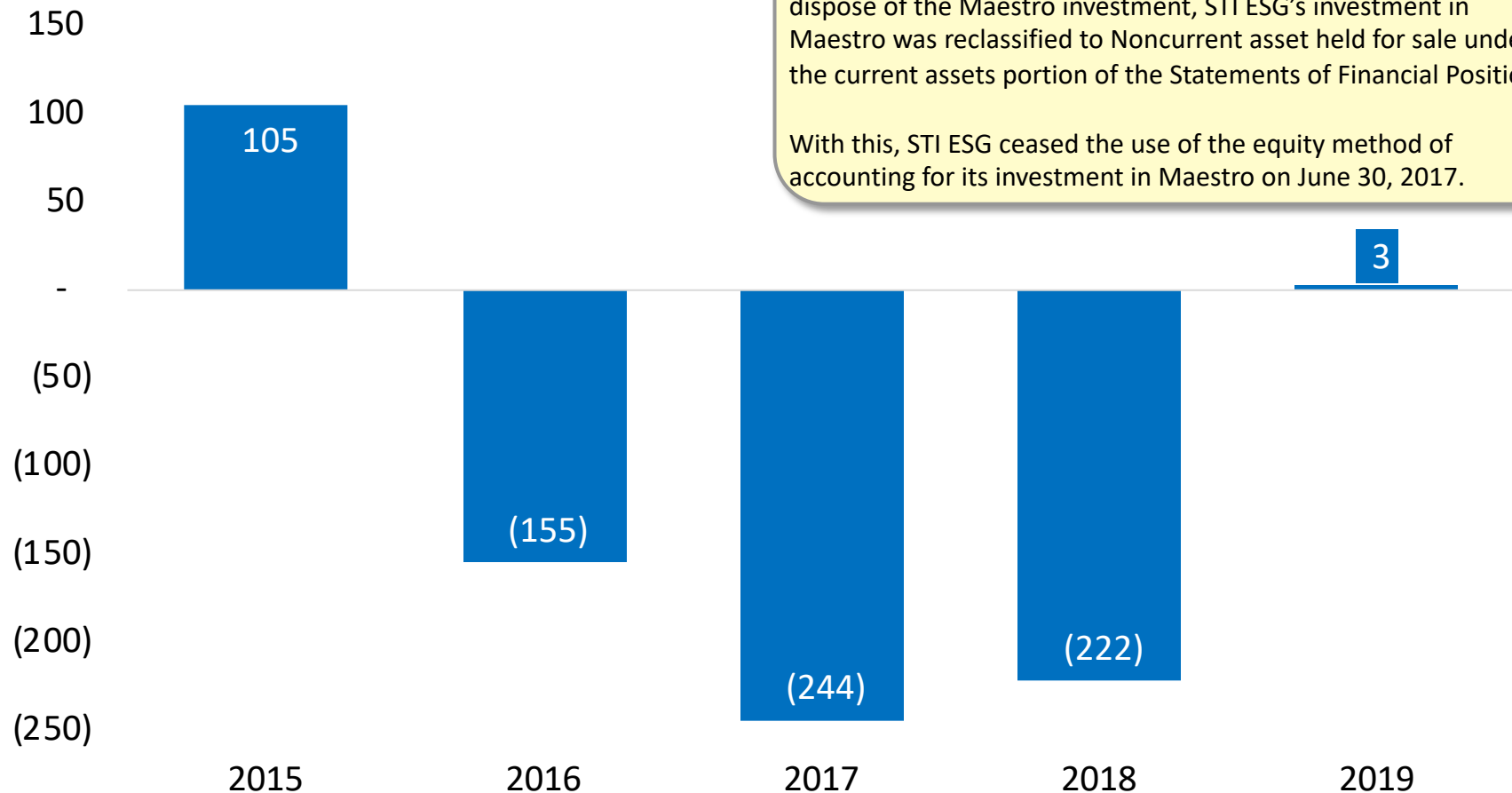
(PHP millions)



- ✧ STI increased its gross profit from PHP1,507 million in FY 2014-2015 to PHP2,069 million in FY 2017-2018. Gross profit stood at PHP 1,705 million in FY 2018-2019.
- ✧ Operating profit has increased from PHP517 million in FY 2014-2015 to PHP875 million in FY 2017-2018. Operating profit stood at PHP396 million in FY 2018-2019.
- ✧ EBITDA has increased from PHP848 million in FY 2014-2015 to PHP1,392 million in FY 2017-2018. EBITDA was PHP1,000 billion in FY 2018-2019.

Equity in Net Earnings/(Losses) of Associates & Joint Ventures*

(PHP millions)



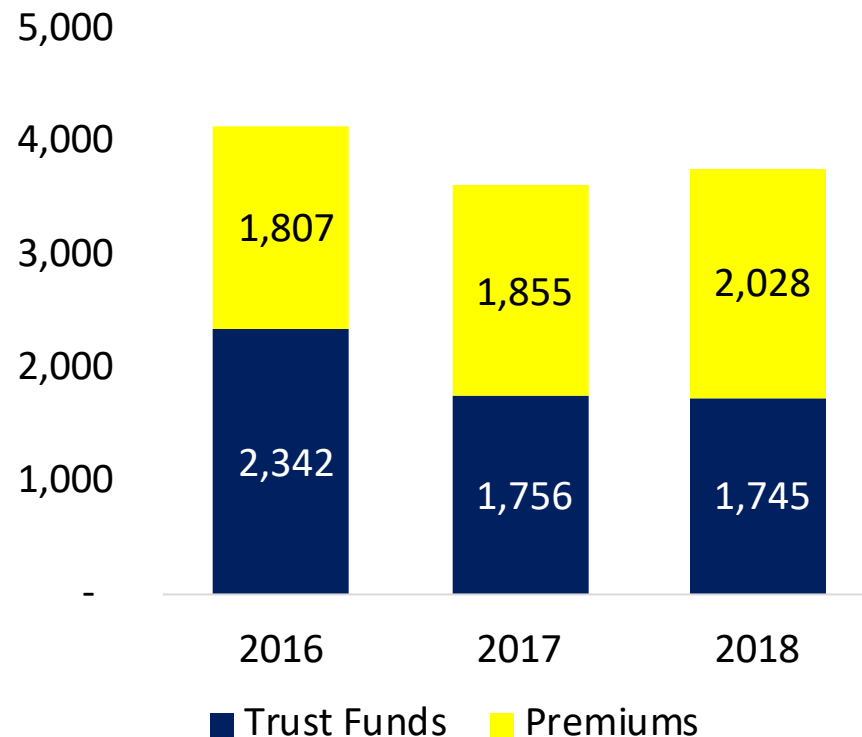
STI ESG's Board of Directors approved the disposal of its 20% stake in Maestro Holdings on June 27, 2017. With this decision to dispose of the Maestro investment, STI ESG's investment in Maestro was reclassified to Noncurrent asset held for sale under the current assets portion of the Statements of Financial Position.

With this, STI ESG ceased the use of the equity method of accounting for its investment in Maestro on June 30, 2017.

**For the years ended March 31.
Figures for 2016 and 2017 have been restated.*

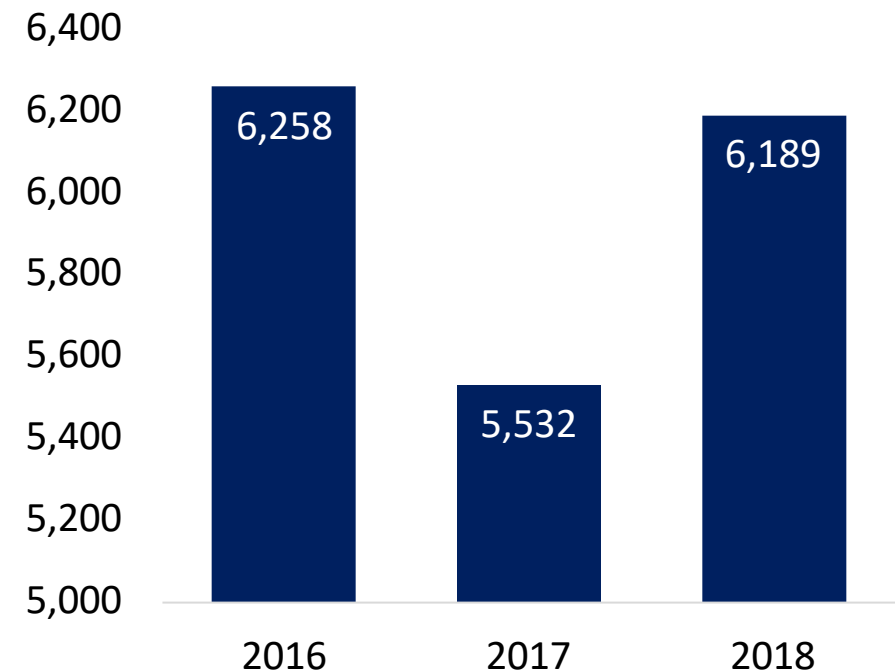
Maestro Holdings Revenue*

(PHP millions)



Maestro Holdings Book Value*

(PHP millions)



**For the years ended December 31.*

Revenues for 2016 and 2017 and Book Value for 2016 have been restated.



2nd Quarter ending September 30, 2019 Financial & Operating Results

Financial Highlights

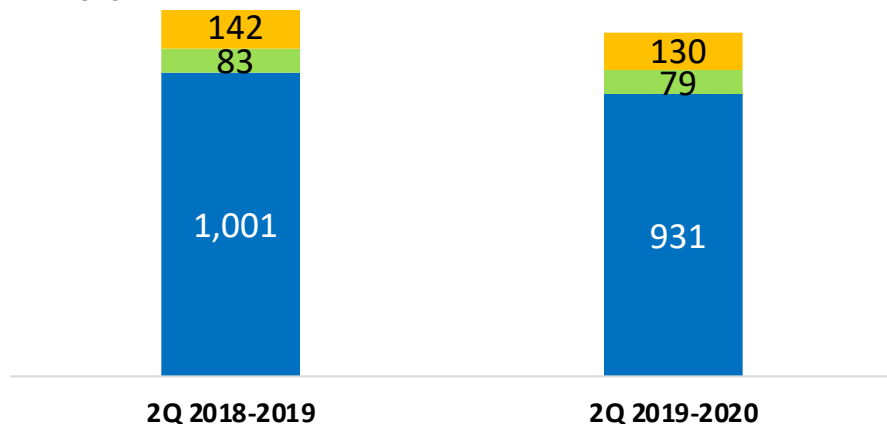
PHP millions (Except gross profit, operating and EBITDA margins)		Six months ended September 30		Y-o-Y Change (%)*	
		2018 (SY 2018-2019)	2019 (SY 2019-2020)		
		Unaudited			
Revenues					
	Tuition & Other School Fees	₱ 1,001	₱ 931	(7)	↓
	Educational Services	76	72	(5)	↓
	Royalty Fees	7	7	(4)	↓
	Others	27	27	1	↑
	Sale of educational materials & supplies	115	103	(11)	↓
	Total Revenues	1,226	1,140	(7)	↓
Gross Profit		738	628	(15)	↓
	Gross Profit Margin	60%	55%		
	Operating Profit (Loss)	84	(28)	(133)	↓
	Operating Margin	7%	(2%)		
	EBITDA	370	331	(10)	↓
	EBITDA Margin	30%	29%		
	Net Income (Loss)	52	(89)	(271)	↓
	Core Income (Loss)	51	(88)	(273)	↓

* Percentage changes were derived using figures in the financial statements and Financial Highlights and Key Performance Indicators section of the report for the six months ended 30 September 2019.

Revenues & EBITDA

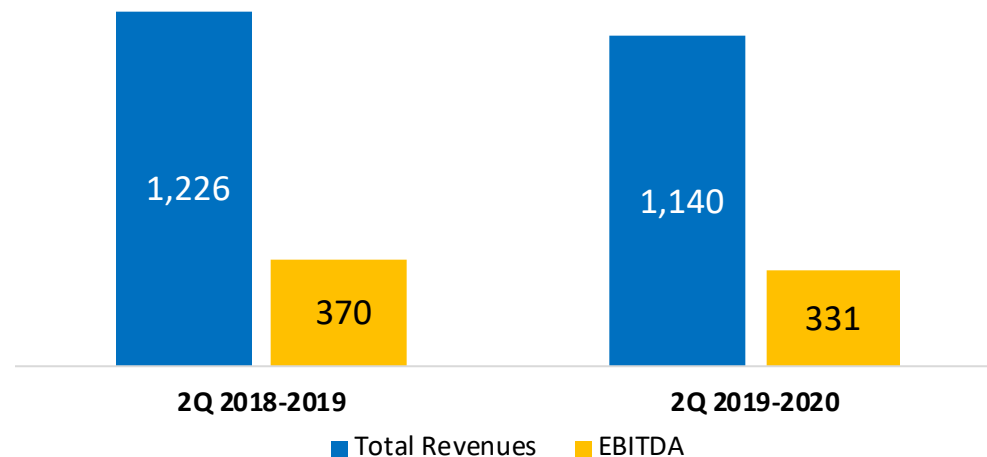
SIX MONTHS' REVENUES

PHP millions



SIX MONTHS' REVENUES & EBITDA

PHP millions

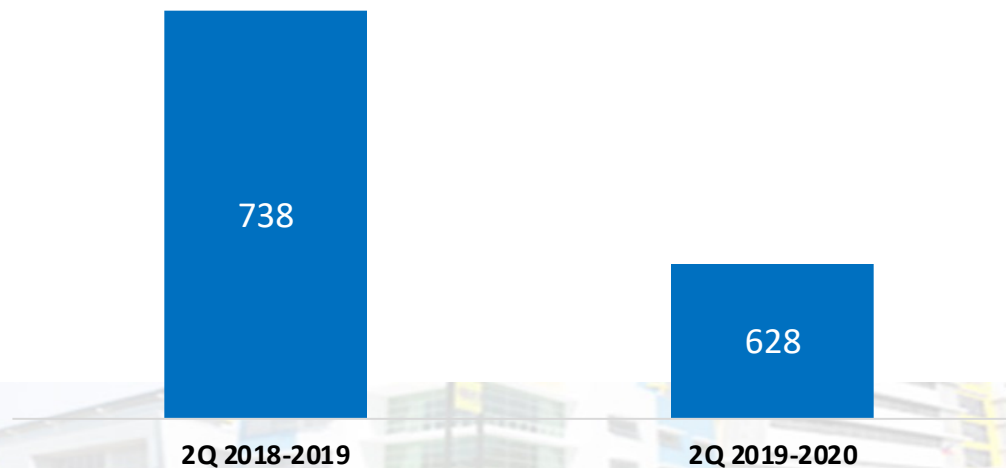


- Tuition & Other School Fees
- Educational Services & Royalties
- Educational Materials & Others

- Total Revenues
- EBITDA

SIX MONTHS' GROSS PROFIT

PHP millions



Operating Profit and Margin Profile

