

# STADIO

— HOLDINGS —

2021 Annual General Meeting  
22 June 2021

PRESENTING:



# CONSTITUTION OF THE MEETING

A quorum was present and the meeting was properly constituted.

# PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

- **15 March 2021:** Annual financial statements for the year ended 31 December 2020 were published
- **30 April 2021:** Annual integrated report for the year ended 31 December 2020 was published
- **30 April 2021:** Distributed the Notice of AGM to shareholders including:
  - the audited summary financial statements;
  - the reports of the directors and the audit and risk committee; and
  - the remuneration report
- All items can be found on the STADIO Holdings website at [www.stadio.co.za](http://www.stadio.co.za)

# ORDINARY RESOLUTIONS

- 
- ORDINARY RESOLUTION NO. **1** Confirmation of appointment of Dr TV Maphai as an independent non-executive director
  - ORDINARY RESOLUTION NO. **2** To re-elect Dr TH Brown as an independent non-executive director
  - ORDINARY RESOLUTION NO. **3** To re-elect Dr CR van der Merwe as a non-executive director
  - ORDINARY RESOLUTION NO. **4** To re-elect Dr CB Vilakazi as an independent non-executive director

# ORDINARY RESOLUTIONS

- 
- ORDINARY RESOLUTION NO. **5** To re-appoint Ms M Mokoka as a member and chairperson of the Audit and Risk Committee of the Company
  - ORDINARY RESOLUTION NO. **6** To re-appoint Dr CB Vilakazi as a member of the Audit and Risk Committee of the Company
  - ORDINARY RESOLUTION NO. **7** To re-appoint Dr TH Brown as a member of the Audit and Risk Committee of the Company
  - ORDINARY RESOLUTION NO. **8** To re-appoint PricewaterhouseCoopers Inc. as the auditor

# ORDINARY RESOLUTIONS

ORDINARY RESOLUTION NO. **9** General authority to issue ordinary shares for cash

ORDINARY RESOLUTION NO. **10** Non-binding endorsement of STADIO Holdings' Remuneration Policy

ORDINARY RESOLUTION NO. **11** Non-binding endorsement of STADIO Holdings' Implementation Report on the Remuneration Policy

# SPECIAL RESOLUTIONS

- 
- SPECIAL RESOLUTION NO. **1** Remuneration of chairperson of the Board
- SPECIAL RESOLUTION NO. **2** Remuneration of members of the Board
- SPECIAL RESOLUTION NO. **3** Remuneration of chairperson of the Audit and Risk Committee
- SPECIAL RESOLUTION NO. **4** Remuneration of members of the Audit and Risk Committee

# SPECIAL RESOLUTIONS

- 
- SPECIAL RESOLUTION NO. **5** Remuneration of chairpersons of the Remuneration and Nominations Committee
- SPECIAL RESOLUTION NO. **6** Remuneration of members of the Remuneration and Nominations Committee
- SPECIAL RESOLUTION NO. **7** Remuneration of chairperson of the Transformation, Social and Ethics Committee
- SPECIAL RESOLUTION NO. **8** Remuneration of members of the Transformation, Social and Ethics Committee

# SPECIAL RESOLUTIONS

- 
- SPECIAL RESOLUTION NO. **9** Ad hoc remuneration of members of the Board under rare circumstances
- SPECIAL RESOLUTION NO. **10** General authority to provide inter-company financial assistance
- SPECIAL RESOLUTION NO. **11** General authority to provide financial assistance for the subscription for and/or the acquisition of shares in the Company or a related or inter-related company
- SPECIAL RESOLUTION NO. **12** General authority to repurchase shares by the Company or its subsidiaries

# CEO'S FEEDBACK



Mr Chris Vorster



**OUR PURPOSE:**

To empower  
the nation by  
widening access to  
higher education

**OUR VISION:**

To be a leading Higher  
Education provider,  
offering qualifications  
aligned with the needs  
of societies, students  
and the world of work

# STADIO

— HOLDINGS —



# WHAT WE STAND FOR

STADIO HEI's  
COMPETITIVE  
STRATEGY

is

**OPERATIONAL  
EXCELLENCE**

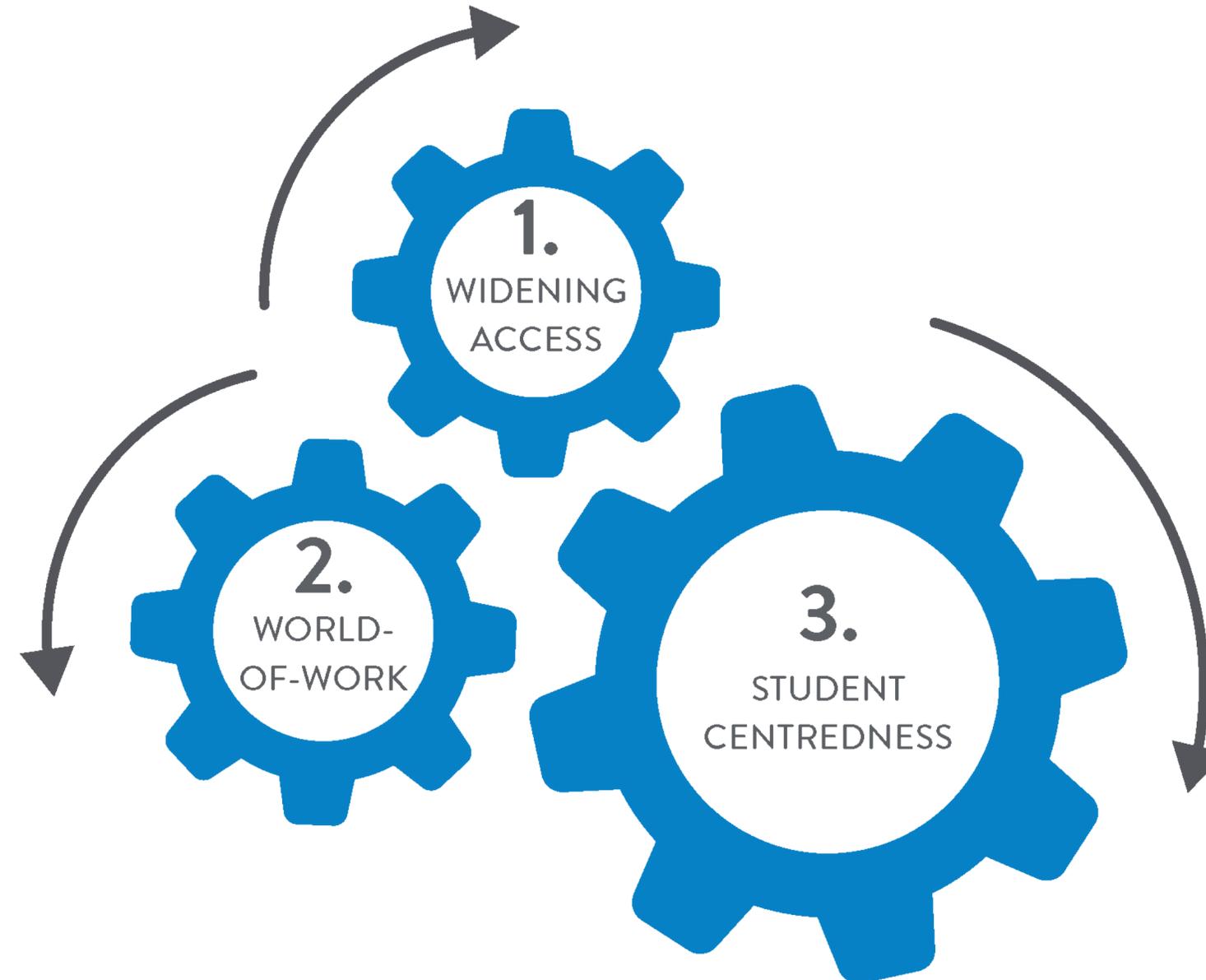
“providing customers with reliable products or services at competitive prices and delivered with minimal difficulty or inconvenience”  
– i.e. WILL ENABLE LARGE STUDENT NUMBERS

AFDA & Milpark's  
COMPETITIVE  
STRATEGY

is

**PRODUCT LEADERSHIP**

offering customers niche products (financial services and film and media) at higher prices



**Operational Excellence**, Customer Intimacy, **Product Leadership**

# WHAT WE STAND FOR

- We are not striving to be another public university
- We're an institution for the “real-world”
- Offering programmes which are
  - Relevant
  - Flexible
  - Aligned to the world-of work
  - Fill the skills-gap, and
  - Meet the high academic standards of a registered higher education provider
- This makes us **THE FIRST CHOICE** in higher education



# WHAT WE STAND FOR

- We are opening the doors of higher education to more individuals
- Making higher education more affordable and accessible
- Providing International partnerships and opportunities
- With a strong focus on employability



# HOW WE SEE IT



## OUR FOCUS (WWS)

- Site extensions
- New programme development across modes and streams
- Centre for Lifelong Learning
- Quality assurance
- International collaborations
- Industry relationships and graduate employability
- Continuous improvement of student support and wellness programmes

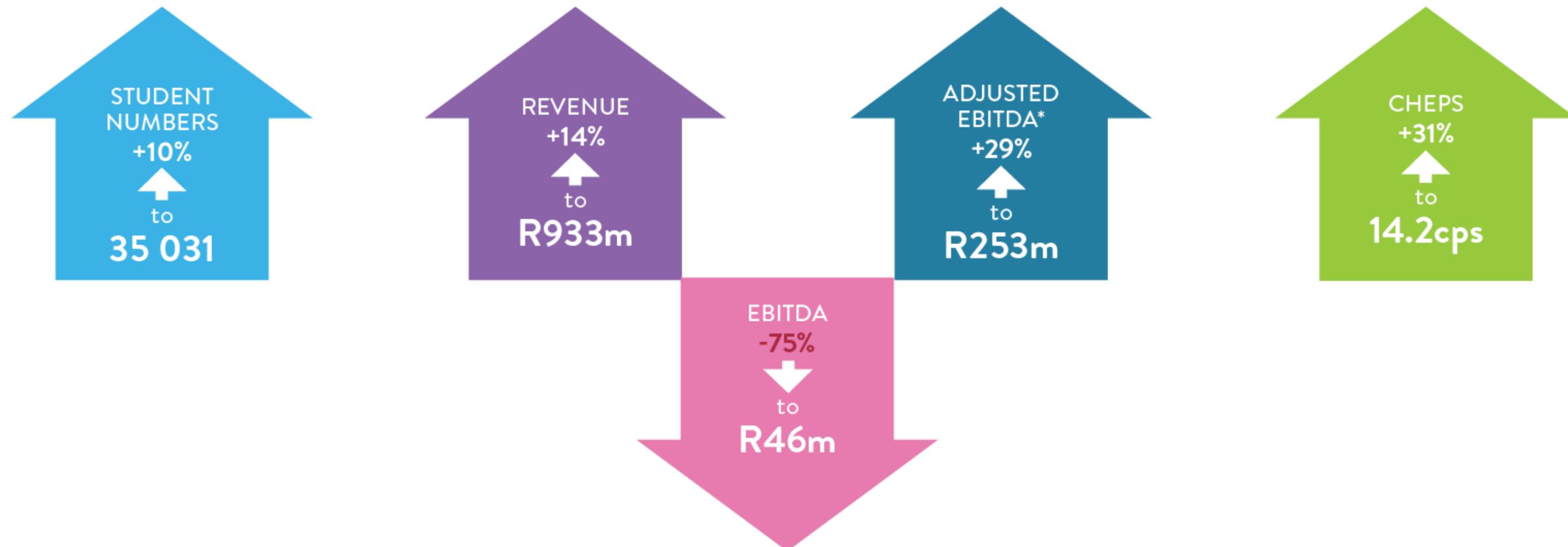
## FOUNDATION PHASE

- Change management continues – looking to embed new structure
- Consolidation of all businesses (culture and processes)
- Systems and infrastructure development (CANVAS, CRM, ERP, SIMS)
- Embed the distance learning and contact learning student journeys
- Successful opening of STADIO Centurion
- Commence construction of Krugersdorp logistics centre
- New organisational structure



# LOOKING BACK AT 2020

# FINANCIAL HIGHLIGHTS FROM 2019 TO 2020



- Fair value adjustment in respect the CA Connect acquisition due to outperformance of the PGDA
- Increase in loss allowance

# 5 YEAR FINANCIAL OVERVIEW

	2016	2017	2018	2019	2020
Student Numbers	840	12 976	29 885	31 869	35 031
Revenue (Rm)	46	122	633	815	933
EBITDA - adjusted (Rm)	11	0.5	129	196	253
Core Headline Earnings (Rm)	8	3	70	88	117
Core Headline Earnings per share (cents)	1.7	0.6	8.6	10.8	14.2

# STATEMENT OF FINANCIAL POSITION

STATEMENT OF CONSOLIDATED FINANCIAL POSITION	DEC 2019	DEC 2020
	R millions	R millions
<b>Total assets</b>	2 067	2 122
Right-of-use asset	92	96
Other assets	1 975	2 026
<b>Total equity</b>	1 583	1 486
Attributable to equity holders	1 571	1 493
Non-controlling interests	12	(7)
<b>Total liabilities</b>	484	636
Borrowings & loans from related parties	65	45
Lease liabilities	169	168
Income received in advance	90	89
Other liabilities	160	334
Number of shares in issue (millions)	818	841
NAV per shares (cents)	192	178
<b>Gearing ratio</b>	15%	14%
<b>Gearing ratio (excluding IFRS 16:Lease liability)</b>	4%	3%



- Invested R105m on capital expenditure
- Impaired R51m of intangible assets
- Debt at year end R45m
- R117m of cash on hand
- Gearing ratio 14% (3% excluding IFRS 16 lease liability)

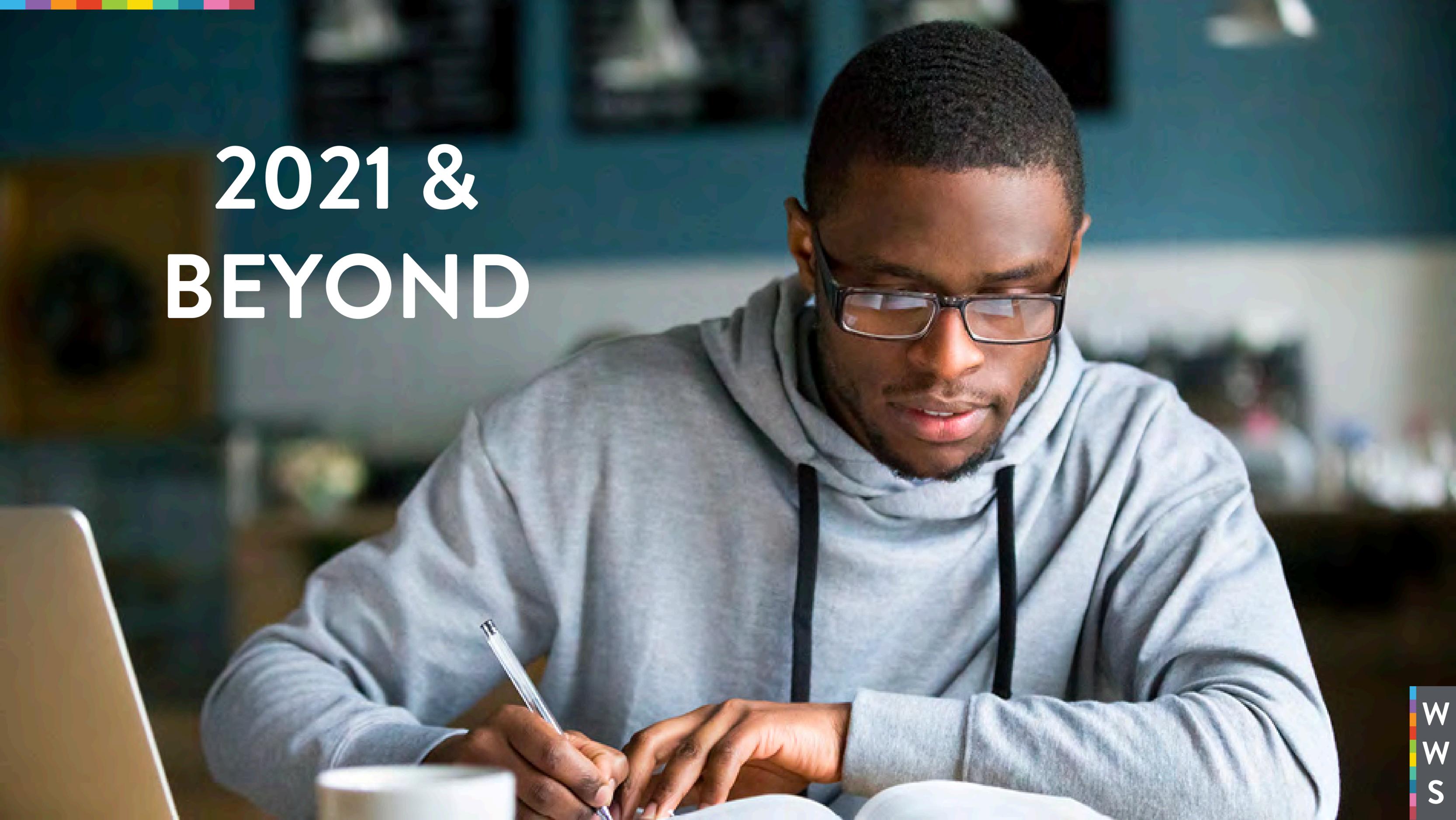


# 2020 ACADEMIC PROJECT

# 2020 ACADEMIC PROJECT



Our academic structure is underpinned by quality and academic governance

A young man with short dark hair and glasses, wearing a grey hoodie, is sitting at a desk. He is looking down and writing in a white notebook with a silver pen. To his left, a laptop is partially visible. The background is a blurred office or classroom setting with blue walls and framed pictures. The text "2021 & BEYOND" is overlaid on the left side of the image in a large, white, sans-serif font.

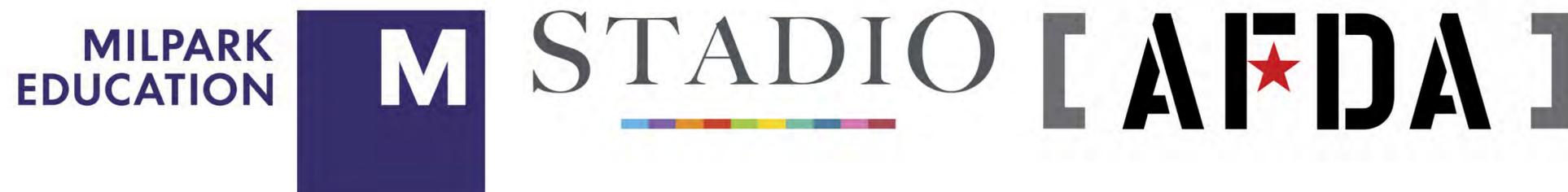
# 2021 & BEYOND

# 2021 CORPORATE AND OTHER DEVELOPMENTS

- **Feb 2021:** Transfer of **Durbanville land** (to develop for likely opening in 2024, subject to business case)
- **April 2021:** Finalised acquisition of **SBS Namibia** (26%)
- **April 2021:** *My Octopus Teacher* wins **Oscar for Best Documentary Feature** (AFDA alumni)
- **June 2021:** Concluded **early settlement of CA Connect** remaining earn-out
  - fixed amount of R201 million settled as follows:
    - 7 June 2021: R68 million (settled R48 million cash, R20 million STADIO Holdings shares)
    - 15 April 2022: R133 million (settled R33 million cash, R100 million Milpark Education shares)
  - retention of CA Connect team
  - expanding academic model adopted on the PGDA to other Milpark Education qualifications
  - building a professional School of Accounting

# CAPITEC PARTNERSHIP

- Capitec have launched their credit for education offering using STADIO Group as its pilot partner
- Credit portal included on our websites – makes funding options easily accessible for students
- Students apply directly to Capitec for a student loan to study at STADIO, AFDA or Milpark. If awarded, Capitec pays the STADIO Group directly





# SEMESTER ONE STUDENT NUMBERS

# STADIO



80% DISTANCE LEARNING  
20% CONTACT LEARNING

840  
STUDENTS

12 976  
STUDENTS

35 031  
STUDENTS

56 000  
STUDENTS

100 000+  
STUDENTS

?

JAN  
2017

3 OCT  
2017

DEC  
2020

PAT R500m  
2026\*



\* As disclosed in the Pre-listing Statement



# STUDENT NUMBER UPDATE (SEMESTER 1)

STUDENT NUMBERS	SEMESTER 1 ENROLMENTS (HEAD COUNT)					
MODES OF DELIVERY	30 JUNE 2017	30 JUNE 2018	30 JUNE 2019	30 JUNE 2020	31 MAY 2021	2021 GROWTH
Distance Learning	18 997	20 932	22 199	24 784	28 659	16%
Contact Learning	4 755	5 402	6 081	6 269	5 797	- 8%
<b>TOTAL</b>	<b>23 752</b>	<b>26 334</b>	<b>28 280</b>	<b>31 053</b>	<b>34 456</b>	<b>11%</b>
<b>MADE UP AS FOLLOWS:</b>						
% Distance Learning	80%	79%	78%	80%	83%	
% Contact Learning	20%	21%	22%	20%	17%	

**EXCLUDES STUDENTS ENROLLED IN SHORT-LEARNING PROGRAMMES**

# STUDENT NUMBERS UNPACKED

## FACTORS INFLUENCING NUMBERS:

1. Impact of COVID-19 (contact learning hardest hit)
  - move from contact learning to distance learning offerings
  - economic effects (contact learning is at a higher price point)
  - less marketing opportunities - no school visits
  - uncertainty around 2021 lockdowns
  - fear of getting sick
  - later academic start → some students deferred studies until 2022 (took gap year)
2. Regulatory delays in accrediting sites and new programmes

IS THERE STILL A  
MARKET FOR  
CONTACT  
LEARNING?

**MOST  
DEFINITELY!**

# OUR GROWTH STRATEGY



# GROWTH OPPORTUNITIES



DUE TO REGULATORY DELAYS WE HAVE NOT BEEN ABLE TO ACTIVATE OUR GROWTH OBJECTIVES TO DATE

11% student growth is exciting

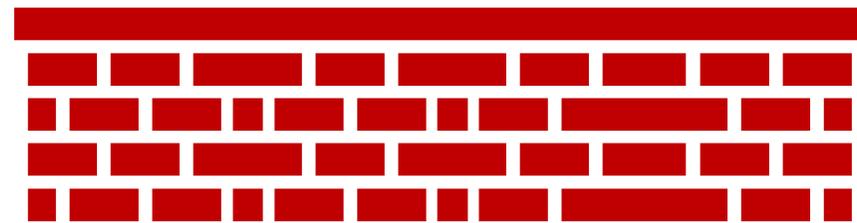
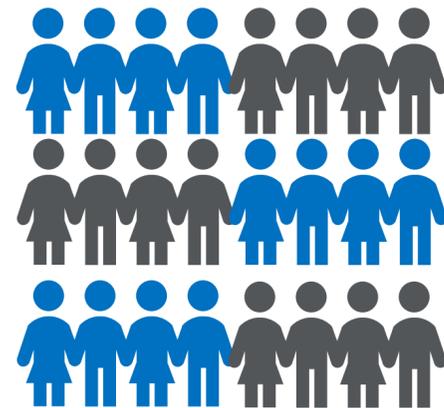
# WIDENING ACCESS – GEOGRAPHICAL EXPANSION



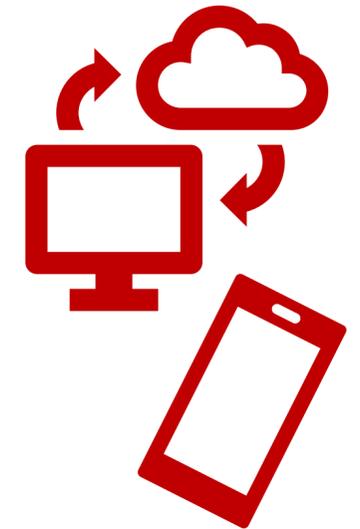
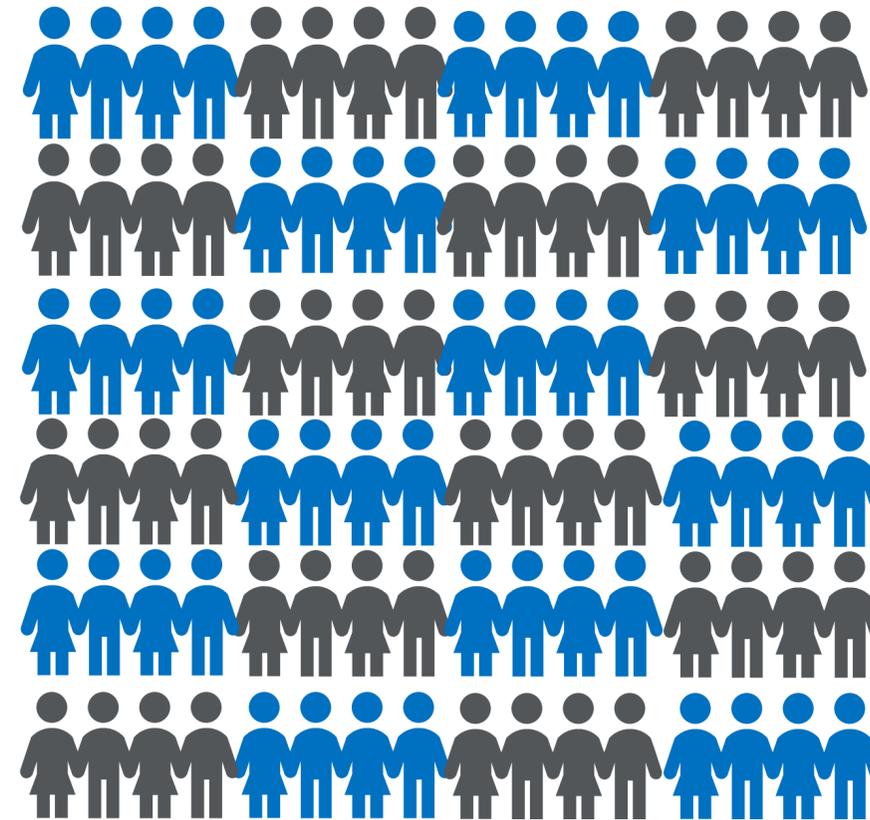
## CONTACT LEARNING

Our strategy is not to build a mega-campus in every major city

Consolidation and optimisation of existing campuses



## DISTANCE LEARNING



# STADIO CENTURION

30 MAY 2021







# NEW PROGRAMMES FOR 2021

## STADIO HIGHER EDUCATION:

- Doctorate in Management (DL)
- Doctorate in Policing (DL)
- Diploma in Policing (DL)
- BCom Project Management (CL)
- HC in Digital Marketing (CL)
- BA Law (DL)

DL – DISTANCE LEARNING

CL – CONTACT LEARNING

## WIDER GROUP:

- BA in Creative Writing (CL)
- Post Graduate Diploma in Innovation (CL)
- Post Graduate Diploma in Public Administration (DLO)

Currently have **91** accredited qualifications, **47** pipeline programmes

# NEW PROGRAMMES FOR 2021

47 pipeline programmes, 16 of which have been submitted

Across distance learning and contact learning modes of delivery.

Covering the following areas:

- Accounting
- Architecture
- Agriculture
- Arts and Design
- Education (including Technical and Vocational Training)
- Engineering
- IT
- Law

**AIM: 1 Higher Certificate per School (access) → Postgraduate (credibility and breadth)**

# COVID-19

 **The Health and Safety of our staff and students**

 **The continuation of the academic project**

 **The protection of financial resources as well as stakeholders' interests:**



# INTEGRATED ANNUAL REPORT

STADIO  
— HOLDINGS —



- **THANK YOU** to our Company Secretary and all involved in producing the STADIO Holdings 2020 Integrated Annual Report.
- If you have not seen the Integrated Report, you can find it on our website at [www.stadio.co.za/recent-reports/](http://www.stadio.co.za/recent-reports/)

# TRANSFORMATION, SOCIAL & ETHICS FEEDBACK



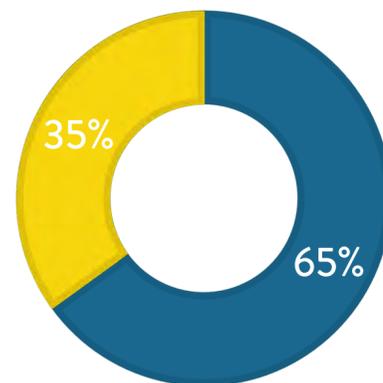
DR BUSI VILAKAZI  
TRANSFORMATION, SOCIAL AND  
ETHICS COMMITTEE - CHAIRPERSON



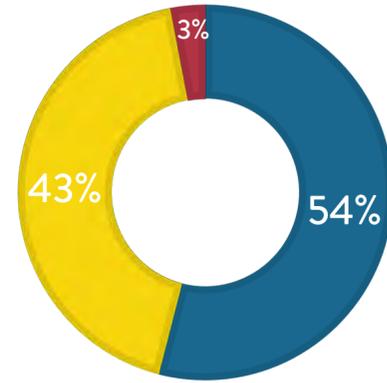
# SUSTAINABLE VALUE CREATION FOR STAKEHOLDERS

- Transformation is part of STADIO's DNA
- The Group is working on its B-BBEE strategy with the aim to reach Level 3 over time
- In 2020, total of R24 million was spent on bursaries, discounts and scholarships, of which more than 70% of bursaries was awarded to females, 85% of those being to Black females
- R3 million spent on data packages for students to assist with remote learning during COVID-19
- R2 million spent on tablets and devices to enable access to required technology during lockdown to facilitate teaching and learning
- Increased student support initiatives and communication to students with new student support platforms on Google, WhatsApp, sms, etc to accommodate student engagement which resulted in overall student drop-out rates decreasing

## DEMOGRAPHIC OF EMPLOYEES

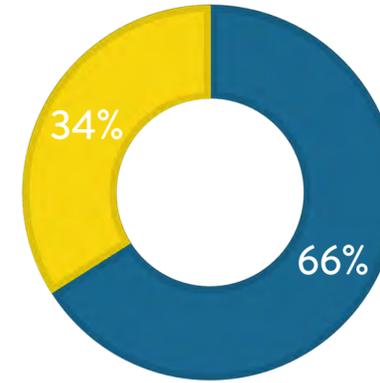


■ Female ■ Male

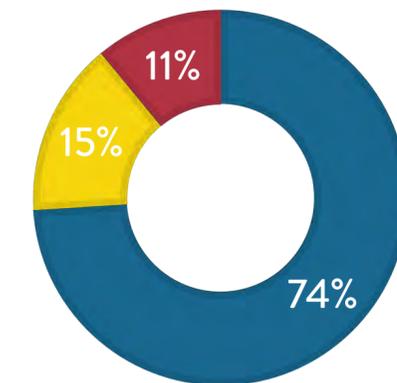


■ Black ■ White ■ Foreign

## DEMOGRAPHIC OF STUDENTS



■ Female ■ Male



■ Black ■ White ■ Foreign



# COMMUNITY ENGAGEMENT

# COMMUNITY ENGAGEMENT

Focusing on an integrated approach where the following are addressed simultaneously



## The STADIO Group adopted a comprehensive framework spanning from CSR and outreach initiatives to projects integrated in the curriculum

- Engagement with the **Home of Hope for Girls** - Milpark Education's Social Responsibility and Environmental Management module - an integrated part of the curriculum, providing students with the opportunity to work with a charity organisation
- AFDA's collaboration on plays, running workshops and broadcasting "English in Action" through interactive radio to classrooms in underprivileged rural and peri-urban schools
- The **A-CARE-DEMICS** - an outreach platform to schools and charities
- Various **support initiatives for staff community** through Milpark Education's longstanding staff enrichment programme in the School of Financial Planning and Insurance; and
- **Donations** to various mental handicap associations, old age homes, orphanages, youth programmes and community development programmes.
- Aims for the student's journey to be focused on holistic student empowerment encompassing both discipline-based knowledge, and the core values and 21st century skills for sustainable achievement and social consciousness.

*"Zazi" has a double meaning in isiZulu and isiXhosa and means "to know yourself", but it can also be the plural for Isazi, meaning "to be wise"*



A group of graduates in silhouette are celebrating on a hill at sunset. They are throwing their caps into the air, and the caps are seen flying through the sky. The text 'Q&A' is centered in the upper half of the image.

# Q&A

**OUR PURPOSE:** To empower the nation by widening access to higher education

# RESOLUTIONS RESULTS OF VOTING



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# RESULTS

- 
- All ordinary and special resolutions were passed with the majority of the votes – refer to the AGM Results released on SENS.

THANK YOU  
ENKOSI  
RE ALEBOGA  
DANKIE

STADIO

# STADIO

— HOLDINGS —

MILPARK  
EDUCATION



STADIO



FORMERLY

---

SBS  EMBURY

LISOF  PRESTIGE  
ACADEMY

[AFDA]